



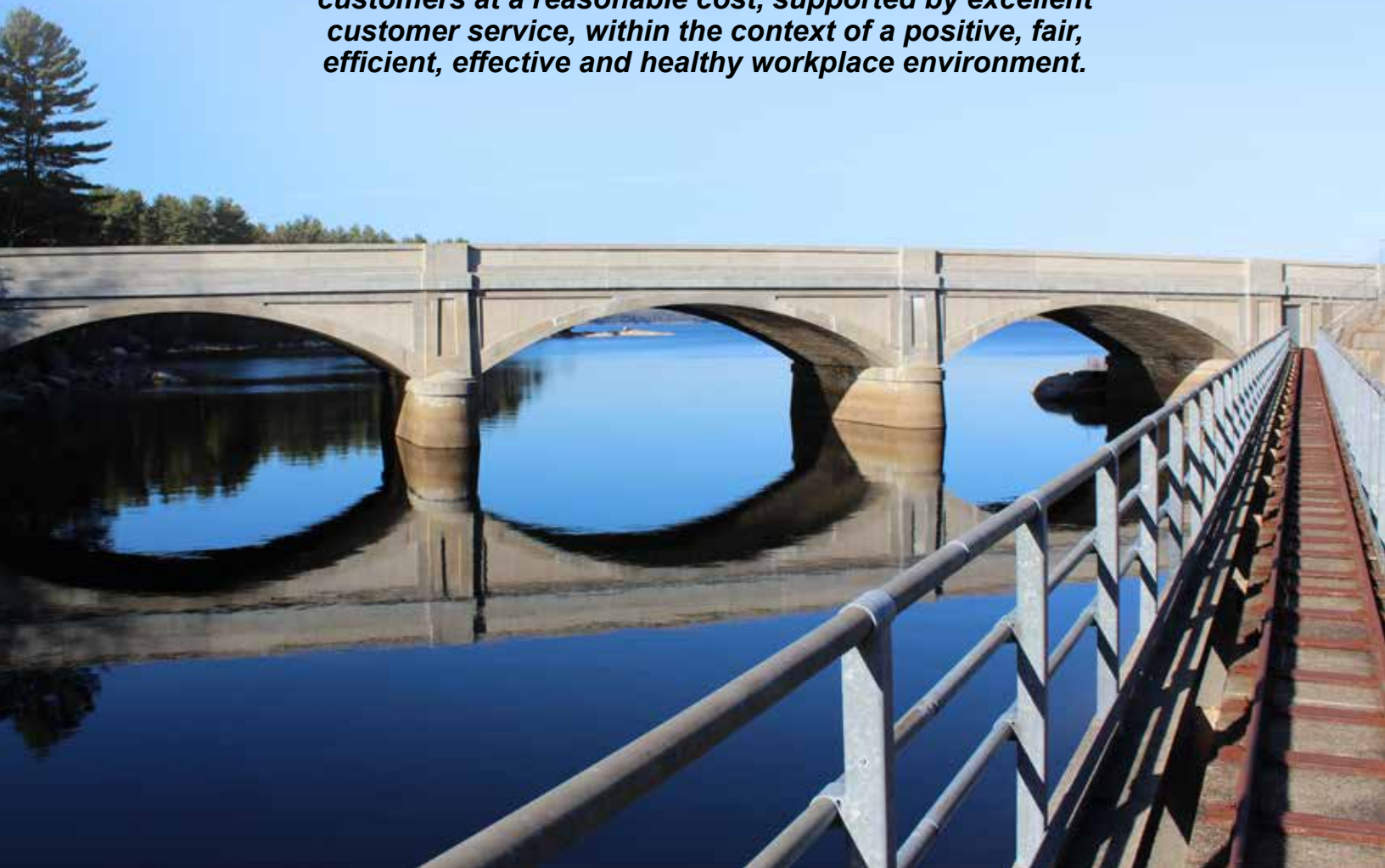
Tap Water Delivers



2021

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.





I am pleased to present our 2021 Annual Report, which highlights our accomplishments over the past year. COVID-19 issues continued to present challenges for everyone, and throughout the various stages of the pandemic Providence Water implemented recommended measures to keep our employees

safe and keep our customers fully informed of our ability to continuously service their needs. I am very pleased that Providence Water partnered with RI Housing to promote RentReliefRI, the federally funded program that helped thousands of families impacted by the COVID-19 pandemic catch up on rent and utility payments. Our participation in this initiative, along with our monthly charitable contributions and annual participation in the American Heart Association Heart Walk are just some of the ways that all of us at Providence Water go above and beyond to help our community of customers.

A major accomplishment this year has been coming into compliance with the EPA's Lead and Copper Rule, confirming that our multi-pronged approach to reducing lead at our customers taps has been working. This approach includes obtaining grant funding and providing interest free loans for customers to replace the private side of the lead service line, water main rehabilitation, enhanced corrosion control with orthophosphate, unidirectional flushing of our distribution water mains and extensive public education and outreach.

We have aggressively continued our water quality improvement work, which includes our main replacement/relining and unidirectional flushing programs. Priority has been given to older mains where water quality complaints have been identified.

In 2021, we replaced or relined more than 11 miles of unlined cast iron main and flushed 81 miles of main in our distribution system. Since 1996, more than 132 miles of main has been replaced or relined and since 2013, more than 840 miles of main has been flushed. In addition, we acquired approximately 1,900 new retail customer accounts in March 2021 when the Johnston Water District, a former wholesale customer district, was merged into Providence Water. We welcome the opportunity to provide our newest retail customers with our exceptional service.

Looking forward, we will continue to explore grants and funding opportunities for private lead service line replacements, as well as working to expand our green initiatives to continue to reduce our carbon footprint. Providence Water remains committed to protecting our water from the source to the tap and ensuring that our customers have safe, affordable, high-quality drinking water.

Ricky Caruolo
General Manager

Johnston Water District Acquisition

Since 2007, the Town of Johnston had shown an interest in having Providence Water acquire the Johnston Water District. The Town of Johnston contained both wholesale and retail water customers but believed it would be more cost-effective to convert fully into a retail customer. In 2019, negotiations began towards making the acquisition a reality and having Providence Water assume full responsibility for the operations of the Johnston Water District.

In March of 2021, Providence Water officially added the Johnston Water District service area as a retail customer. This new acquisition added approximately 1,900 customers to our distribution system. Our engineering department inspected Johnston's infrastructure, which included water mains, valves, fire hydrants, two pump stations and a 750,000 gallon storage tank. The evaluation helped identify areas where upgrades were necessary and ensure compatibility with our distribution system. It is our goal to systematically upgrade all meters within the Johnston Water District to those currently used by Providence Water.



The pump stations located on Shun Pike and Central Avenue were updated with security cameras and card readers that tie-in with Providence Water's security system. This upgrade allows us to obtain accurate readings, monitor, and maintain remote access. The engineering department plans on replacing the 750,000 gallon Golden View storage tank with a one (1) million gallon storage tank and improving the two pre-existing pump stations.

Providence Water is committed to providing high-quality drinking water and exceptional service to all of our customers, and we are very pleased to welcome the Johnston Water District into our retail family.





Providence Water is committed to reducing lead levels at the tap and removing lead service lines from our distribution system. Here are a few of our 2021 highlights and accomplishments:

- Received a \$6.4 million grant from the U.S. Environmental Protection Agency (EPA) for private side lead service replacement in economically disadvantaged communities within our distribution system.
- Received a Water Infrastructure Improvement (WIIN) grant of \$420,000 from the Rhode Island Infrastructure Bank/EPA for additional private side lead service line replacements.
- Received 413 signed agreements for our 10-year interest free private side lead service line replacement loan program.
- Shared our lead service line data with the US Government Accountability Office (GAO). The GAO collected data was part of a publicly released congressional report that helped identify vulnerable populations and high-risk areas with lead service lines in order to obtain insights for lead reduction efforts.
- Donated 75 lead free watering stations to public schools within our distribution area.





Water Quality

Providence Water is dedicated to supplying our customers with affordable, high-quality drinking water each and every day.

Highlights & Accomplishments

- Received a Water Fluoridation Quality Award from the Centers for Disease Control and Prevention for achieving optimal fluoride concentrations for 12 consecutive months.
- Implemented a system-wide orthophosphate program for enhanced corrosion control.
- Provided 1,210 FREE lead testing kits at the request of customers within our distribution system.
- Received a Certificate of Excellence Award from Environmental Resource Associates for achieving proficiency testing data for laboratory certification.
- Came into compliance with the EPA's Lead and Copper Rule.

Infrastructure Projects and System Improvements

Providence Water is continuing our ongoing efforts to improve our operations systems and infrastructure. In 2021, we replaced or relined more than 11 miles of cast iron main and flushed 81 miles of main in our water distribution system. Since the inception of these programs, more than 132 miles of main has been rehabilitated and more than 840 miles flushed.

In 2021, we accomplished the following:

- Installed virtual servers at all facilities and pump stations.
- Upgraded video monitoring systems at our facilities.
- Obtained a \$21 million loan from the Rhode Island Infrastructure Bank for water main improvements.
- Installed additional remote security cameras at various locations.
- Introduced a drone program for system inspections and operational data collection.
- Received a \$620,000 refund check from the Rhode Island Infrastructure Bank for bond refinancing.



Investing In Our System

In 2021, we invested approximately \$26 million in infrastructure improvements including \$16 million in our Water Main Rehabilitation Program and \$10 million for additional upgrades throughout our distribution system. To date, we have invested approximately \$586 million in our infrastructure repair and replacement program.



Watershed Initiatives and Protection

Your drinking water comes entirely from surface water reservoirs located in a 93 square mile forested watershed basin located primarily in Scituate. To date, we have protected more than 3,800 acres of watershed land from development and safeguarded our natural resources.

- Managed four (4) timber harvests throughout our watershed holdings.
- Completed measurements on nine (9) continuous forestry plots to determine the effectiveness of our deer management program. This periodic measuring assists in documenting the height, amount and specific tree seedlings eaten by deer.
- Tapped 1,155 sugar maple trees for eventual syrup production.
- Conducted 34 dam inspections and planted 750 tree seedlings in watershed forest areas.
- Re-blazed and painted 6,600 feet of property lines.
- Participated in the Southern New England Heritage Forest Pilot Project (grant funded) with committee members from Rhode Island, Connecticut and Massachusetts, and secured three (3) conservation easements totaling approximately 285 acres.



Energy Efficiency Initiatives

Sustainability is a priority at Providence Water. In 2020, we achieved our goal of utilizing all of our electricity from our own renewable energy systems that produce no greenhouse gas emissions, which benefits our ratepayers and the environment.



Our 2021 green initiatives included:

- Established an interdepartmental Energy Strategy Team to collect, maintain, and analyze energy generation and consumption data.
- Collaborated with National Grid and the Vermont Energy Investment Corporation to assess and expand our electric vehicle program.
- Installed an additional electric vehicle charging station at our Dupont Drive Central Operations Facility.
- Participated in National Grid's demand response program which allows Providence Water to receive recurring payments for reducing electricity consumption.

Customer Service

Over the last two years, Providence Water has adjusted to challenging times affecting the workforce. Our customer service department continues to provide excellent service to customers with billing, meter or payment inquiries.

In 2021, in response to the ongoing COVID-19 pandemic, Providence Water postponed terminations and the collection of late fees, interest charges, credit card fees and debit card fees. We also collaborated with RI Housing on community assistance outreach efforts through the RentReliefRI program. The program offered rental and utility bill assistance to eligible customers.

As we continue our “go green” initiatives, we provide customers with the options of paying online or using our auto pay and electronic (e-billing) services. In 2021, an additional 3,135 customers signed on for our e-billing option and 3,587 more customers utilized our auto pay service. Online payments averaged approximately 22,000 per month with 12,183 e-billing customers and 10,187 auto pay customers.

The Johnston Water District was incorporated into our billing system and our newest customers are receiving monthly bills.





Community Outreach

- Providence Water prides itself on being active within the community and participating in outreach activities that allow us to connect with our customers. Since 2010, Providence Water has collected \$62,769 for our dress down charity programs.
- Collaborated with the Northern Rhode Island Conservation District on the annual Scituate Watershed Festival, which was a combination of a virtual event and outdoor events at several schools.
- Supported local and national charities through our “Dress Down Friday” program. Charities that received donations in 2021 included the Rhode Island Foundation, the Rhode Island Society for the Prevention of Cruelty to Animals, the Alzheimer’s Association, Farm Fresh Rhode Island, the American Heart Association, the Hole in the Wall Gang Camp, the Shawn M. Nassaney Memorial Foundation, the Gloria Gemma Breast Cancer Resource Foundation and Esperanza Hope Adopt-A-Family.
- Provided access to Providence Water landholdings for the Tour of Rhody Charity Bike Ride, a Brown University cycling fundraiser for cancer research that raised approximately \$100,000.



Leadership



Mayor Jorge O. Elorza



Xaykham Khamsyvoravong
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



Peter J. Pallozzi
Deputy General Manager



David Tikoian
Deputy General Manager



Antonio M. Araujo, III
Sr Director, Administration



Peter LePage
Director of Engineering



Lynn Roberts
Director of Personnel



Katherine Mello
Sr Director, Operations



Paul Pion
Chief Information Security Officer



Mark Ceseretti
Sr Manager, Customer Service



Nancy Parrillo
Sr Manager, Finance



Carissa Richard
Sr Manager,
Governmental Relations



Stephen Colman
Director of Information
Technology



Kevin DiNobile
Senior Manager
Transmission & Distribution

Financials

PROVIDENCE WATER SUPPLY BOARD BALANCE SHEET SUMMARY FOR THE YEARS ENDING JUNE 30, 2018, 2019, 2020, and 2021

	Audited 2018	Audited 2019	Audited 2020	Audited 2021
Total Current Assets	63,035,181	52,637,422	55,787,397	94,412,441
Net Property, Plan and Equipment	405,390,317	440,179,409	451,049,596	477,529,963
Total Assets	468,425,498	\$492,816,831	\$506,836,993	\$571,942,404
Total Current Liabilities	13,098,062	14,062,833	18,482,218	19,879,299
Total Long-Term Liabilities	176,556,035	189,514,439	190,423,825	222,141,102
Total Liabilities	189,654,097	203,577,272	208,906,043	242,020,401
Deferred Outflow (Inflows) of Resources	3,256,637	3,562,081	5,776,081	5,399,793
Net Position:				
Net Investment in Capital Assets	294,002,639	319,818,541	336,524,362	329,505,821
Restricted Fund	43,260,428	33,525,802	28,893,135	40,019,359
Unrestricted Fund	-61,884,444	-67,666,865	-73,262,628	-45,002,970
Total Net Position	275,378,623	285,677,478	292,154,869	324,522,210

PROVIDENCE WATER SUPPLY BOARD STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION FOR THE YEARS ENDING JUNE 30, 2018, 2019, 2020, and 2021

	Audited 2018	Audited 2019	Audited 2020	Audited 2021
Total Operating Revenue	75,085,420	72,330,415	69,757,831	81,349,230
Total Operating Expenses	56,077,267	59,428,296	63,062,777	57,124,927
Operating Income	19,008,153	12,902,119	6,695,054	24,224,303
Net Non-operating Revenue (Expenses)	(1,943,854)	(3,655,366)	(1,441,472)	(2,866,652)
Capitol Grants and Contributions	4,245,111	915,968	522,801	11,009,690
Net Income	21,309,410	10,162,721	5,776,383	32,367,341
Net Pension Liability (GASB #68, #75 Implementation)	(13,613,941)	-	-	-
Prior Period Adjustment	-	-	-	-
Increase (Decrease) in Net Position	7,695,469	10,162,721	5,776,383	32,367,341
Net Position Acquired via Merger (ESWD)	-	-	-	-
Net Position- Beginning of Year	267,819,288	275,514,757	286,378,486	292,154,869
Net Position- End of Year	\$275,514,757	\$285,677,478	292,154,869	324,522,210

Upcoming Initiatives

In the upcoming year, Providence Water will focus on updating current organizational systems, including our customer billing system and email system, to more efficient platforms. We will continue to explore grants and funding opportunities for private lead service line replacement and other Providence Water initiatives.

Other goals for the upcoming year include purchasing additional electric vehicles and installing additional vehicle charging stations at our facilities, as well as working to explore/expand other green initiatives to continue to reduce our carbon footprint.







(401) 521-6300

125 Dupont Drive
Providence, RI 02907
www.provwater.com



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