

Housatonic Water Works Informational Meeting

Rate Case Filing
August 23, 2023



HOUSATONIC WATER WORKS COMPANY
Since 1897





Introduction

James Mercer, Treasurer HWWCO

William Martin, Martin Law Offices

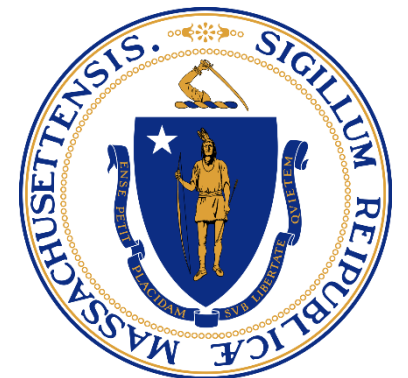
Gary White, Utility Consultant

What is the Massachusetts Department of Public Utilities (DPU)?



The Massachusetts Department of Public Utilities (DPU) is a state agency responsible for regulating various utility services within Massachusetts. Its primary role is to oversee and ensure the safe, reliable, and affordable provision of essential utility services.

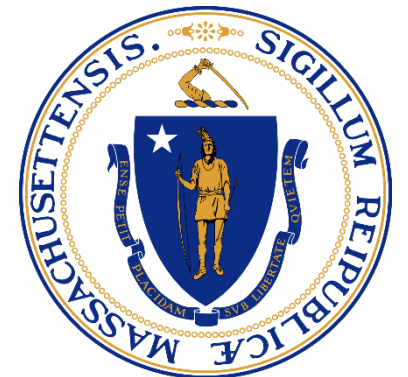
The DPU's goal is to balance the interests of consumers, utility companies, and the public .





Rate Case Process

- Petition
- Public Hearing and Comment
- Discovery and Data Requests
- Settlement Process / Hearings and Testimony
- DPU Review and Decision
- Implementation
- Ongoing Oversight





Public Participation

Public participation is a critical aspect of the Massachusetts Department of Public Utilities (DPU) rate case process.

1. Notice of Filing

- HWCO Press Release
- DPU & HWCO Websites
- Mailing to Customers

2. Public hearing September 26, 2023

3. Written Comments Encouraged

4. Rate case is public record available online



Key Components of Rate Case

- Proposed and mandated system improvements of \$4.1M Infrastructure Improvements
- The funding of those improvements will result in annual interest payments of approximately \$300,000
- Of the projected expense increase of \$182,000, the cost of additional personnel is \$145,000
- Additional payroll tax related to added employees
- Additional property tax related to increase in plant investments
- Additional depreciation expense related to plant investment



Improvements

- Storage Tank
- “Greensand” manganese removal system
 - Greensand filtration is an effective method for removing both iron and manganese from water sources.
 - Cost-effective compared to other treatment methods.
 - The system is relatively low-maintenance, requiring periodic backwashing and occasional regeneration.
- Maintenance Building
 - Chemical storage
 - Monitoring and equipment

Operating Costs



- Operating and Maintenance Expenses
- Depreciation
- Rate Case Expense Amortization
- Payroll Taxes
- Property Taxes
- Regulatory Fees
- Income Taxes
- Interest Expense
- Equity Return (net income)



HAA5 & Manganese Updates



HAA5 Mass DEP has approved Disinfection Process Modification Completion - November 1, 2023



Manganese -HWWC has successfully completed three out of the four Pilot studies required by MassDEP.



Next step is to Develop Final, Full-Scale Design & MassDEP Permitting



HWWCO Response to hydrant on Division Street



HOUSATONIC WATER WORKS COMPANY
SINCE 1897

VIA EMAIL

Mr. Mark Pruhenski
Great Barrington Town Hall
334 Main Street
Great Barrington, MA 01230

August 2, 2023

Re: Division Street Hydrant

Dear Mr. Pruhenski,

Thank you for your August 1st letter regarding the hydrant on Division Street that the Great Barrington Fire Department used on July 27th. The Housatonic Water Works Company (HWC) is committed to the maintenance of a sound water infrastructure for our community.

We inspected the hydrant this date and did not observe any malfunction of the hydrant itself. However, it is a "service hydrant" which is used for system maintenance such as flushing. It is not intended for firefighting. The hydrant, located nearby on North Plain Road at the intersection with Division Street, provides fire flow.

Additional service hydrants are located on Prospect and High Streets. We also have blow-offs throughout town. Great Barrington is not charged for service hydrants or blow-offs.

We are in the process of identifying pressures and flow rates for hydrants throughout the system and plan to install ring labels on them to identify use and flow range so that an incident like this does not occur again.

Chief Jennings was familiar with the service hydrants and hydrant flows throughout our system. We would be glad to meet with Interim Chief Mead and the incoming chief to share our "institutional knowledge" and address any questions or concerns going forward.

Our long-term plans to improve water pressures and hydrant flows in the core village area include the installation of an elevated storage tank on High Street and distribution main upgrades based upon the 2022 hydraulic study. A copy of the report is attached.

I hope this information clarifies the situation encountered July 27th at the hydrant on Division Street.

Sincerely,

James J. Mercer

enclosure

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Questions

Conclusion



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