

March 2, 2021

Chairman Joseph J. Solomon, Jr.  
House Committee on Corporations  
State House – House Lounge  
Providence, RI 02903

Re: H 5269 - An Act Relating to Public Utilities and Carriers – Collection of Tax Sales – Water Supply – Water and Sewer Charges

Dear Chairman Solomon:

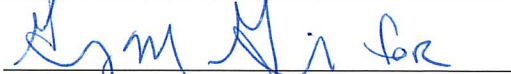
The Providence Water Supply Board would like to take this opportunity to comment on H 5269 which would prevent the sale of a lien against property for overdue water, sewer, fire, road or lighting district charges. Providence Water owns and operates the largest water utility in Rhode Island. We are responsible for supplying affordable, high quality drinking water to more than 600,000 retail and wholesale consumers throughout the state. Providence Water’s operating budget is financed through water use rates/fees. In order to maintain fair and reasonable rates for all customers, Providence Water must be allowed the opportunity to collect delinquent water rates/fees in a timely fashion.

We are sympathetic to customers who may be experiencing financial difficulties and are available to work together to reach fair payment agreements. Once an agreement is reached, we will most often restore service, despite the fact that there is still an outstanding balance. Providence Water’s policies are lenient and adhere to RI Public Utility Commission (PUC) moratorium requirements, as well as the requirement that prevents water service termination to properties in which the resident is elderly, handicapped, or seriously ill. In addition, tenants can pay overdue water bills directly, in lieu of rent, per PUC regulations. During the COVID-19 pandemic, Providence Water has suspended all service terminations, has not conducted a lien sale and waved the 1% interest payment on overdue monies.

Providence Water will exhaust all other collection options such as telephone calls, notification letters and service termination prior to initiating lien sale measures. The lien sale, which is used as a last course of action, affords a property owner the opportunity to pay a delinquent account within one year after the date of sale. During this time, it is the account which is sold, not the home. Water service is available at the property and the owner may still live in the home and/or collect rent from tenants. Lien sale advertising is often the catalyst that prompts payment from a delinquent customer and the majority of accounts selected for a lien sale are actually paid in full prior to the sale. If the lien does not get paid prior to the sale, the owner has one year after the date of the sale to redeem the lien prior to any potential loss of property.

The lien sale is an important and necessary mechanism that allows Providence Water to collect seriously delinquent water fees and maintain reasonable rates for all customers. As such, Providence Water urges committee members to oppose the passage of H 5269. Thank you for the opportunity to comment on this legislation.

Respectfully,  
PROVIDENCE WATER SUPPLY BOARD

  
Ricky Caruolo  
General Manager

The Hon. Jorge O. Elorza  
Mayor  
Ricky Caruolo  
General Manager

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