Kent County Water Authority

May 7, 2026

Senate Finance Committee
State House
82 Smith Street
Providence, RI 02903

SENT VIA EMAIL: SenateFinance@rilegislature.gov

RE: Senate Bill S2105: Revisions to RIGL 24-8.1-2 "Relocation of Utility Services"

Honorable Chairman DiPalma and Committee Members:

My name is David Simmons, and I am the Executive Director and Chief Engineer of the Kent County Water Authority (KCWA) which provides drinking water to the residents and businesses for the Towns of West Warwick, Coventry, East Greenwich, West Greenwich, Scituate, North Kingstown, and the City of Warwick and City of Cranston. The KCWA strongly supports the proposed amendments to RIGL 24-8.1-2, "Relocation of Utility Services", as set forth in Senate Bill S2105. As currently constituted, RIGL 24-8.1-2 places an unfair and unwarranted burden on municipal and quasi-municipal public utilities that provide water and sewer service to its residents without regard for availability of funding, as well as probable conflicts with a utilities' capital improvement plan and/or current construction plans. **The costs associated with the relocation of a municipal water or sewer infrastructure as part of a state-initiated highway or roadway project should not be placed on the ratepayers of the affected utility.** Public water suppliers are already struggling with the high costs to deliver a safe and reliable water supply. The current legislation exposes public water suppliers, like KCWA, to unexpected and unwarranted expenses which would be passed on to its ratepayers.

S2105 takes a targeted and fiscally responsible approach to correcting this inequity. By dividing Section 24-8.1-2 into two subsections, the bill specifically directs full state reimbursement to municipal and quasi-municipal utilities (those whose costs ultimately fall on local ratepayers), while preserving the existing fifty percent (50%) reimbursement framework for private investor-owned corporations and companies. This narrowly tailored amendment addresses the precise problem affecting public water suppliers and their ratepayers, without extending new benefits to private utilities. It is exactly the kind of focused statutory fix that the General Assembly should adopt.

Across the country, the standard practice when a state highway project forces a municipal utility to relocate its infrastructure is for the state to pick up the tab. Most states reimburse these costs at or near 100%, recognizing that utilities and their ratepayers should not be penalized for projects they did not initiate. Rhode Island's rigid 50% cap is an

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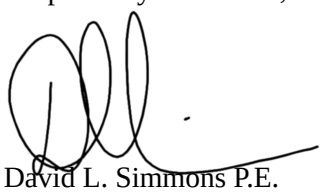
outlier. It places our state among the bottom tier nationally on this issue, and it stands out even more when you look at what our immediate neighbors are doing.

In Connecticut, the state reimburses 100% of utility relocation costs on limited access highways and a minimum of 50% on other state highway projects, with the state's share based on what is fair and equitable under the circumstances. In Massachusetts, MassDOT reimburses utility owners for relocations necessitated by state roadway and bridge projects, including municipal water and sewer infrastructure. Both of our bordering states treat this as a cost of doing the highway project, not a cost to be pushed onto ratepayers. Rhode Island is the exception, not the rule.

It is also my understanding that under federal law, states are allowed to seek federal reimbursement for utility relocation costs on Federal-aid highway projects. As I read those provisions, when a state pays for the relocation of a utility facility as part of a federally funded transportation project, the state may be eligible for federal reimbursement at the same ratio the federal government is funding the project. From what I have seen, the federal share typically ranges from approximately 80% on regular federal-aid projects to as much as 90% on interstate projects, though I would encourage the committee to verify those specifics with RIDOT or the Federal Highway Administration. What does appear clear, from my reading, is that the state must first pay the utility before it can claim any such reimbursement. If that is correct, then Rhode Island's current 50% cap may be limiting the amount of federal reimbursement the state can ultimately capture, because federal funds would only be claimed against the portion the state actually pays. By providing full reimbursement for municipally and quasi-municipally owned utilities, S2105 would relieve the burden on local ratepayers and, if my understanding of the federal program is correct, could also help the state recover a larger portion of those costs from the federal government. From what I have seen, several of our neighboring states already appear to take fuller advantage of this option, and I believe Rhode Island should consider doing the same. Passing Senate Bill S2105 would, at minimum, bring Rhode Island closer to the regional standard and help ensure that the costs of state-initiated highway projects are not unfairly shifted to local ratepayers.

For the reasons noted above, the KCWA supports the amendments to RIGL 24-8.1-2 as proposed by Senate Bill S2105.

Respectfully Submitted,



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