

**THE COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES**

D.P.U. 18-60

MILFORD WATER COMPANY VALUATION

DIRECT TESTIMONY OF JAMES J. RIVARD

**SUBMITTED ON BEHALF OF
THE TOWN OF MILFORD**

JANUARY 25, 2019

1 **I. INTRODUCTION AND BACKGROUND**

2 **Q: Please state your name and business address**

3 A: James J. Rivard, 40 Shattuck Road, #110, Andover, MA 01810.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am a Senior Principal at Woodard & Curran, Inc. Woodard & Curran, Inc. is an
6 environmental engineering firm founded in 1979 and has been providing
7 professional engineering services to water utilities since its inception. In addition
8 to providing water and wastewater engineering services, Woodard & Curran has
9 operated more than 60 water and wastewater treatment facilities. The firm now
10 has 1000 employees in 29 offices across the country with over 100 engineering
11 and operation professions with municipal water system experience. Woodard &
12 Curran is ranked among Engineering News-Record's top 100 environmental firms
13 since 2000. The following are some of the communities in Massachusetts where
14 we provide water system professional engineering services: Acushnet, Andover,
15 Billerica, Dracut Water Supply District, Haverhill, Lawrence Lowell, Mansfield,
16 Maynard, Plainville, Winthrop and Worcester.

17 **Q: Please describe your background, experience, and expertise.**

18 A: I hold a BSCE from Lowell Technological Institute and have been a Registered
19 Professional Engineer in Massachusetts for 38 years with over 30 years of
20 engineering experience on public water systems. For five years, I was leader of
21 the Water System Maintenance Engineering Department at the Massachusetts

1 Water Resource Authority (“MWRA”). For the past 10 years, I have led
2 Woodard & Curran’s Drinking Water Service line. As the head of our Water
3 Service line, I work with clients to find and develop new water supply and
4 evaluate, price, design, and build new treatment and distribution capacity to
5 improve systems operations. I have a long career history of evaluating, designing,
6 and operating efficient treatment facilities and distribution systems that are
7 appropriate for each client’s needs. My professional resume is attached as Exhibit
8 TOWN-JR-2.

9 **Q: Are you a member of any professional associations?**

10 A: Yes. I am member of the American Society of Civil Engineers, the Boston
11 Society of Civil Engineers, the American Water Works Association, the New
12 England Water Works Association, and the Massachusetts Water Works
13 Associations.

14 **Q: Do you hold any licenses or board certifications?**

15 A: Yes. I am a registered Professional Engineer in Massachusetts. I have held that
16 licenses since 1981.

17 **Q: Have you presented at any industry conferences?**

18 A: Yes. I have presented several times at the New England Water Works
19 Association Conferences. My presentation topics have included: Water Meter
20 Replacement Programs, New Membrane Water Treatment Plant, Walpole, MA
21 and the Mass Utility Contactors Association - MWRA Water Main Replacement
22 Program.

1 **Q: Have you previously provided testimony before the Department of Public**
2 **Utilities (“Department”)?**

3 A: No.

4 **Q: On whose behalf are you testifying?**

5 A: I am providing testimony on behalf of the Town of Milford.

6 **Q: What is the purpose of your testimony in this proceeding?**

7 A: The purpose of my testimony is to present the analysis in my Report which
8 provides a condition assessment and reproduction cost new (“RCN”) analysis of
9 the water system assets (“Report”) which is attached as Exhibit TOWN-JR-3. The
10 conclusions in my report serve as inputs for the analysis sponsored by Richard
11 Fedder in Exhibit TOWN-RF-3. My testimony is limited to my Report. I am not
12 providing an opinion as to the appropriate valuation method to apply to the assets
13 of the Milford Water Company to determine the compensation to be paid or to the
14 final valuation to be determined by the Department.

15 **Q: Was your Report prepared by you or under your direction and control?**

16 A: Yes. All analyses in my Report were conducted by me or under my direction and
17 control.

18 **Q: How is remainder of your testimony organized?**

19 A: Section II of my testimony discusses the conclusions of Woodard & Curran’s
20 condition assessment of the vertical assets of the Milford Water Company.

21 Section III of my testimony discusses my conclusions regarding the RCN of the
22 Milford Water Company’s water system assets. The Report provides analysis

1 supporting these conclusions.

2 **Q: Are you sponsoring exhibits with your testimony?**

3 A: Yes. I am sponsoring the following exhibits with this testimony:

| | |
|-------------------|-------------------------------------|
| Exhibit TOWN-JR-1 | Testimony of James J. Rivard |
| Exhibit TOWN-JR-2 | Curriculum Vitae of James J. Rivard |
| Exhibit TOWN-JR-3 | Report of James. J. Rivard |

4 **II. CONDITION ASSESSMENT**

5 **Q: Did your Firm conduct a visual inspection of the Milford Water Company**
6 **system?**

7 A: Yes. On November 20, 2018, Woodard & Curran engineer, Ron Hidu, and water
8 system operators, Joe Geary, each with over 28 years of water system experience
9 lead our professional team that conducted a site inspection of the Milford Water
10 Company's vertical assets. The purpose of the visual inspections was to
11 determine the general condition of the vertical assets: pump stations, treatment
12 facilities, and storage tanks.

13 **Q: Do you conduct these types of these inspections regularly?**

14 A: Yes. These types of visual inspections are conducted regularly by our engineers
15 for various reasons, including, assessing a client's assets for replacement or
16 financing purposes.

17 **Q: What was your role in that visual inspection?**

18 A: The inspections were conducted under my supervision and control. I discussed the
19 project with Woodard & Curran engineers before the site visit and debriefed with
20 them immediately following their visit regarding their observations.

1 **Q: Did you review other materials or data in preparing the condition assessment**
2 **section of your report?**

3 A: Yes. I, along with my team, reviewed documentation provided by Milford Water
4 Company in discovery regarding the vertical assets.

5 **Q: Please summarize your condition assessment of the Milford Water Company**
6 **assets?**

7 A: Overall, the condition of the existing MWC water supply, storage, and treatment
8 plants appear to be in-line with expectations. Two facilities, the Dilla Street
9 Water Treatment Plant and Congress Street Tank, were rated as better than
10 expected given the age of the asset. The Dilla Street Water Treatment Plant was
11 constructed in 2013 and is relatively new. The Congress Street Tank, while
12 originally constructed in 1927, has had recent improvements and only requires
13 recoating and general maintenance. One facility, the Godfrey Brook Water
14 Treatment Plant, was rated as worse than expected. The treatment plant was off-
15 line during our inspection, and it appears plans to design and construct
16 improvements have been delayed. A reproduction cost for one facility, the Cedar
17 Swamp Wells, could not be determined. The facility is off-line and cannot be
18 permitted for use due to the lack of ownership/control of the surrounding
19 watershed. A condition assessment and RCN for the Echo Lake Reservoir Dam
20 was beyond the scope of this report.

21

1 **III. REPLACEMENT COST NEW ANALYSIS**

2 **Q: Please summarize your conclusions for the RCN of the Milford Water**
3 **Company assets.**

4 **A:** Below is a summary of my conclusions regarding the RCN of the Milford Water
5 Company assets.

| | RCN |
|--------------------------|----------------------|
| Horizontal Assets | |
| Distribution Pipes | \$105,945,539 |
| Transmission Pipes | \$4,516,654 |
| Valves | \$3,174,349 |
| Meters | \$3,240,031 |
| Hydrants | \$2,655,850 |
| Subtotal - Horizontal | \$119,532,423 |
| Vertical Assets | |
| Treatment Plants | \$30,750,000 |
| Pumping Facilities | \$3,075,000 |
| Tanks/Standpipes | \$5,340,000 |
| Subtotal - Vertical | \$39,165,000 |
| Total | \$158,697,423 |

6
7 **IV. CONCLUSION**

8 **Q: Does this conclude your testimony?**

9 **A:** Yes. The analyses and conclusions in my Report were developed based on of
10 information obtained in discovery from the Milford Water Company and other
11 information developed to date. I reserve the right to supplement this testimony
12 and the Report based on any additional information and analysis that comes into
13 the record in this proceeding.