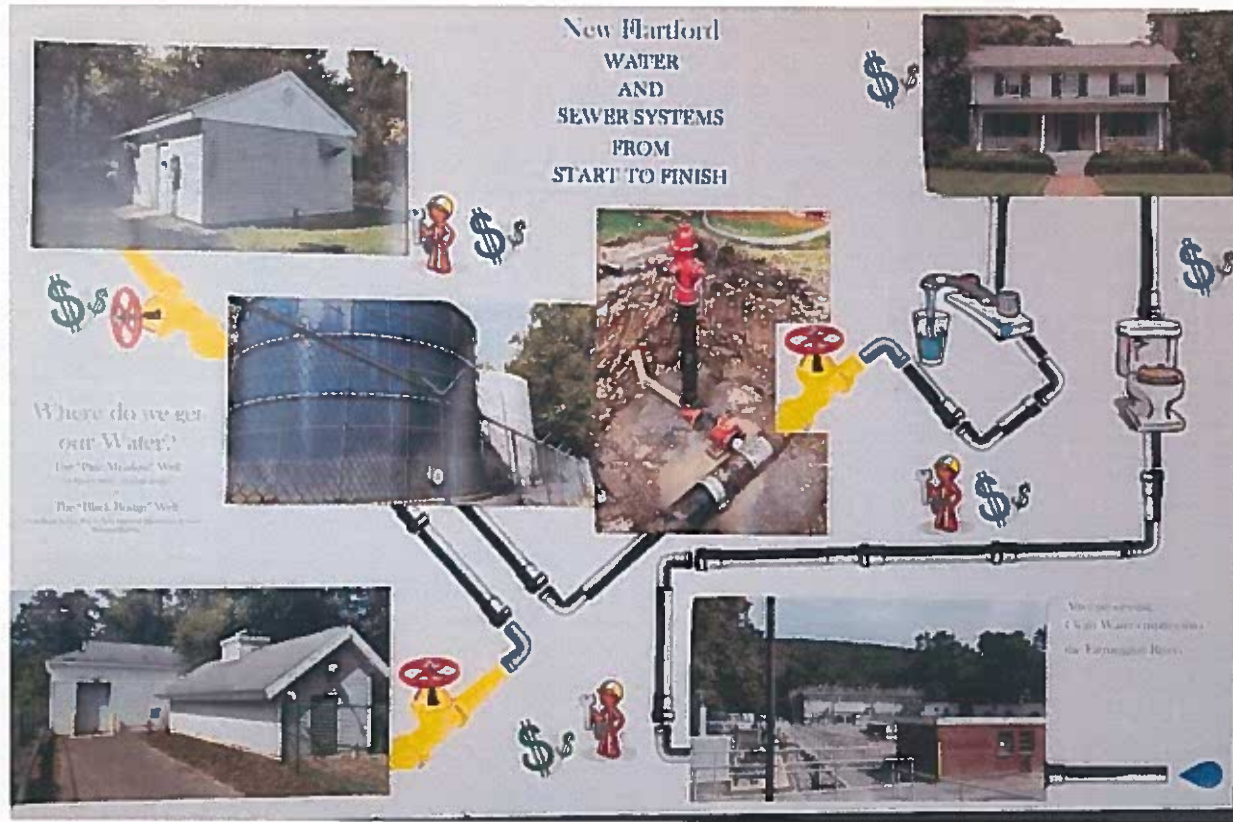


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# Asset Sale Evaluation & Recommendation

Public Information Session  
October 6, 2020



This Is  
What  
We're  
Talking  
About  
Selling

# This Is Why We're Talking About Selling Assets



The WPCA Is  
Insolvent

Can't meet  
operating  
Expenses, Nor  
Debt Payments



Losses FY 18-19-20 In Excess Of  
(\$372,140)



Rates Have Nowhere Else To GO  
But – UP (This Hurts Families)



Raised rates 7/14 years. Increase  
in 2017 = Reduced consumption  
& no increase in revenues.

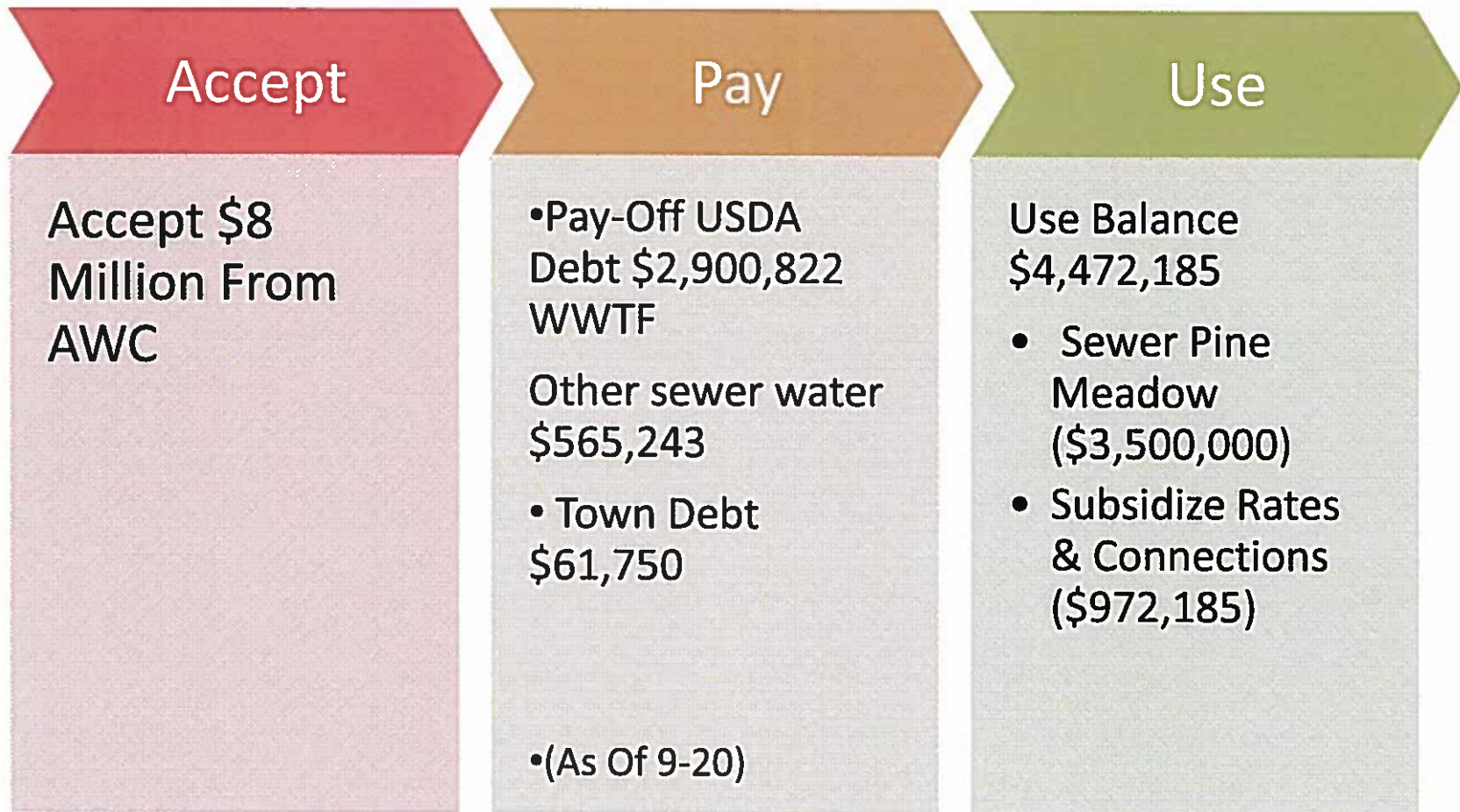
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# What Does Selling Accomplish

1. Proceeds - A Path Out Of The Maze – Retire Debt; Sewer Pine Meadow; Subsidize/Stabilize Rates
2. Protects The Aquifer – Farmington River
3. Minimizes Financial & Environmental Risks To New Hartford – AWC Permit Holder
4. Leverages Expertise/Resources AWC (\$120M Cap Ex)
5. Provides Means For Rate Stability – Reduce Rates

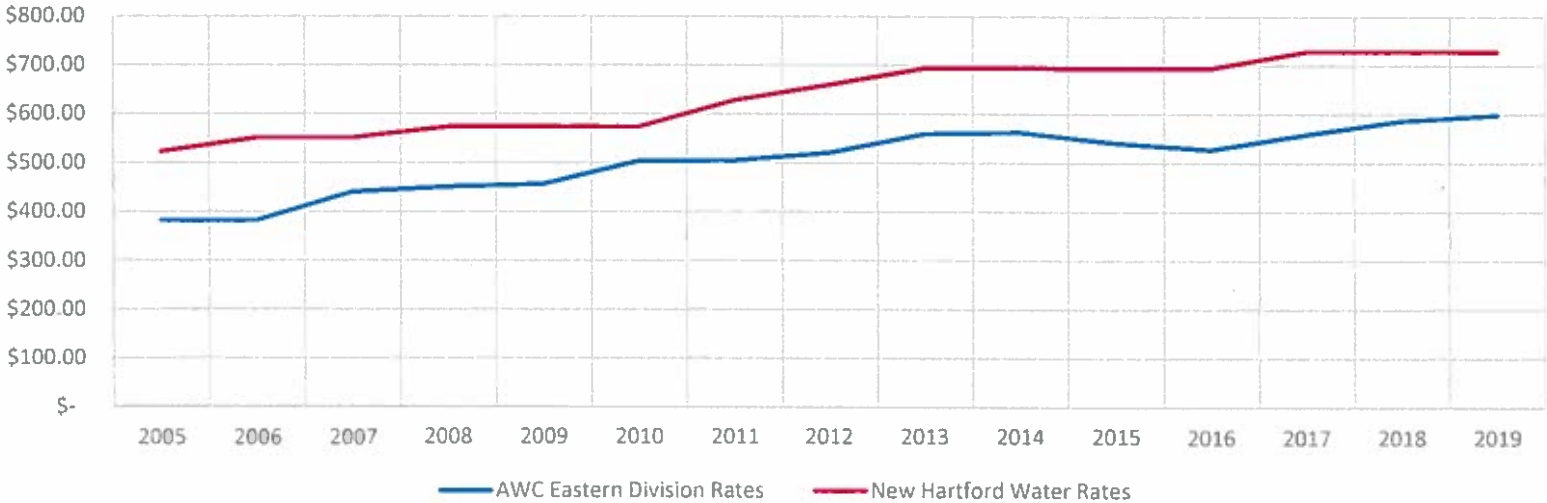


# And ... The Solution Is



# Rate Comparison AWC ED New Hartford

New Hartford Water Rate Comparison To  
AWC Eastern Division (2005-2019)



# Water – Sewer Rates (Assuming Asset Sale)

- Current Rate  
\$8.08 (Water)
- Current Rate  
\$20.89 (Sewer)
- With All Approvals - Rates Are Frozen (Eastern Division + Surcharge)  
\$8.08 (Water)  
\$20.89 (Sewer)
- Subsidy From Sale Proceeds (Example For Five Years)  
\$8.08 - (\$1.58) - Proposed  
You Pay  
\$6.50 – 20% Savings
- \$20.89 – (\$3.89) - Proposed  
You Pay  
\$17.00 - 19% Savings

(Rates shown are per thousand gallons)

# What If We Don't Sell



Capital Needs- Expand To Pine Meadow - CapEx Repairs  
\$5,000,000 + Rate Subsidies



Annualized Bond Expense of  
\$579,050 Doesn't Go Away



Take Rates To Range  
\$14.30-\$21.65 for Water  
\$37.00-\$59.70 For Sewer



Current Tax Burden (Avg. Assess) May Go From Current  
\$75.00 + \$125-500 (Year #1)



# What's Next & When



Formal Approvals BOS, BOF, P&Z



Town-wide Referendum



Town & AWC  
Formal Application TO PURA



PURA, DEEP, DPH  
Rule On Application



Timeline – Six To Twelve Months

# System Statistics, Historical Data, Evaluation Criteria



PLEASE REFER TO THE TOWN WEBSITE:

[HTTPS://WWW.NEWHARTFORDCT.GOV](https://www.newhartfordct.gov)