

Water and Wastewater Asset Evaluation Team (AET)  
Thursday, July 23, 2020

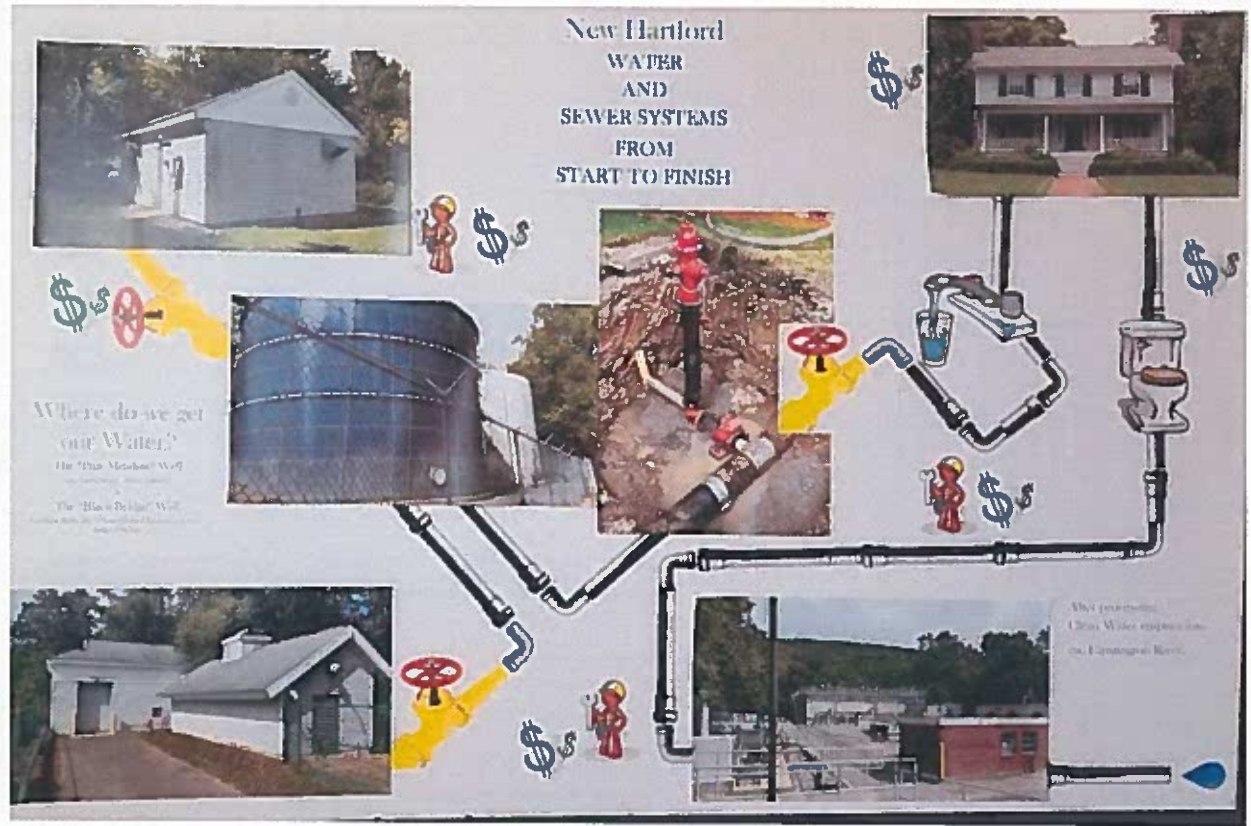
**HAND OUTS**

Asset Sale Evaluation & Recommendation - Public Information Session March 5, 2020



# Asset Sale Evaluation & Recommendation

Public Information Session  
March 5, 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  
(\$300,000)



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



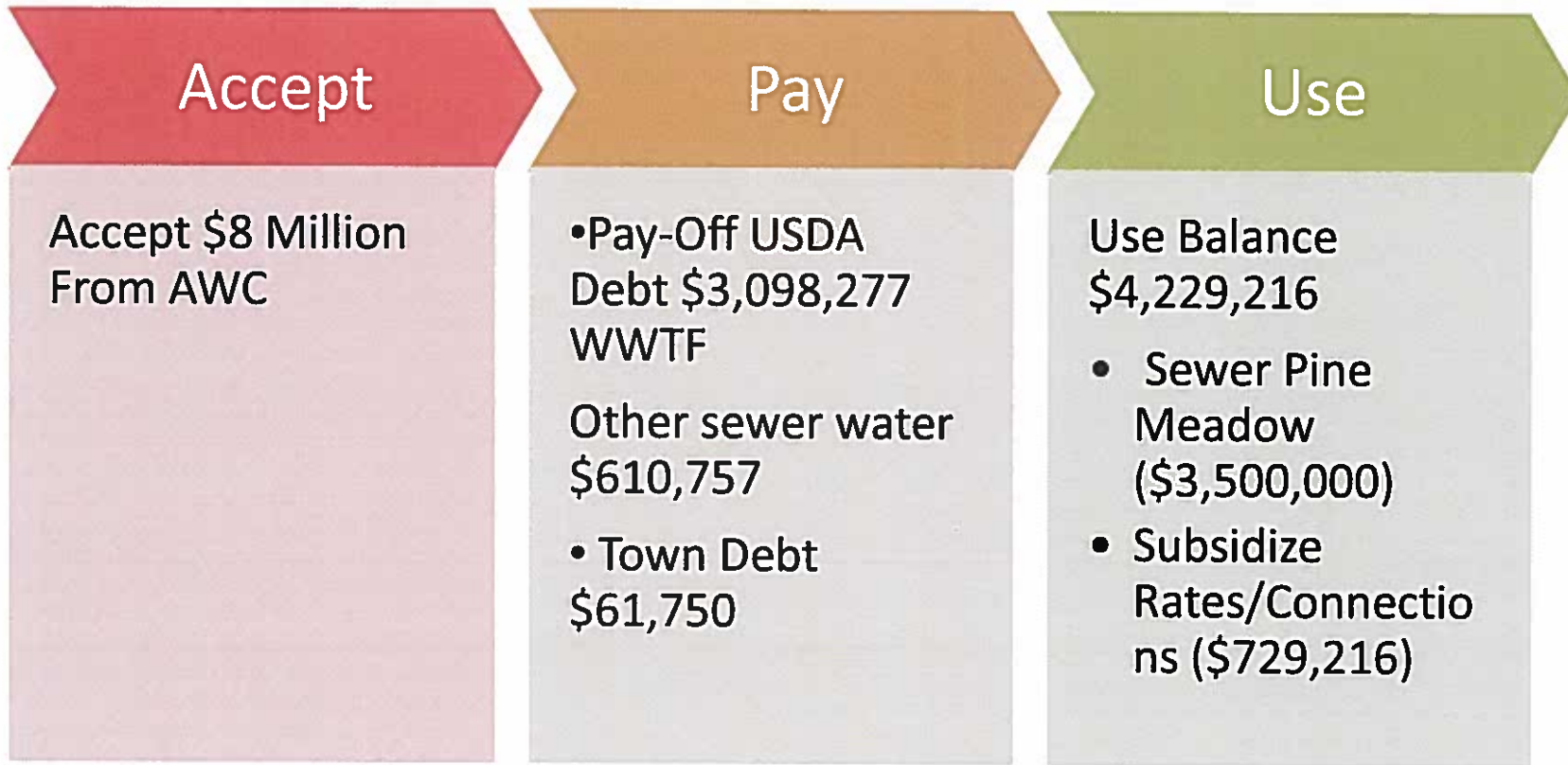
Raised rates 7/14 years. Increase  
in 2017 = Reduced consumption  
& no increase in revenues.

# What Does Selling Accomplish

- Proceeds Pay For A Path Out Of The Maze
- Protects The Aquifer – Farmington River
- Minimizes Financial & Environmental Risks To New Hartford
- Leverages Expertise Of Regulated Utility
- Provides Rate Stability – Reduce Rates

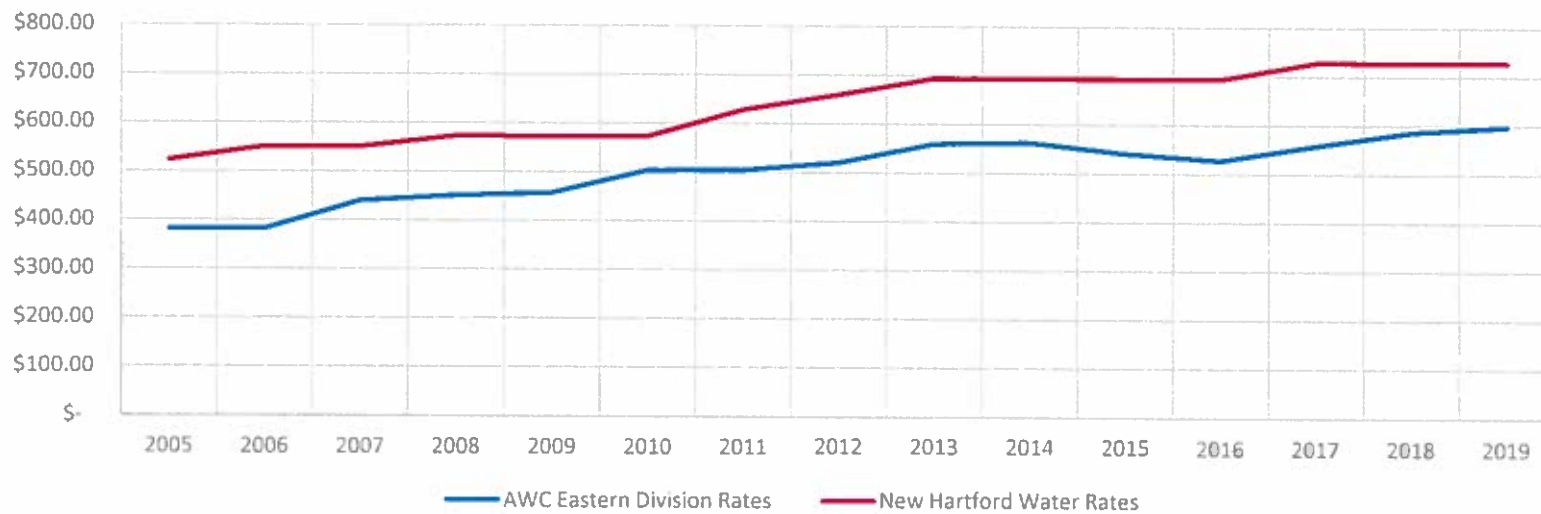


# And ... The Solution Is



# 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                      \$20.89 - (\$3.89) - Proposed  
You Pay    You Pay  
\$6.50 – 24% Savings                              \$17.00 23% 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

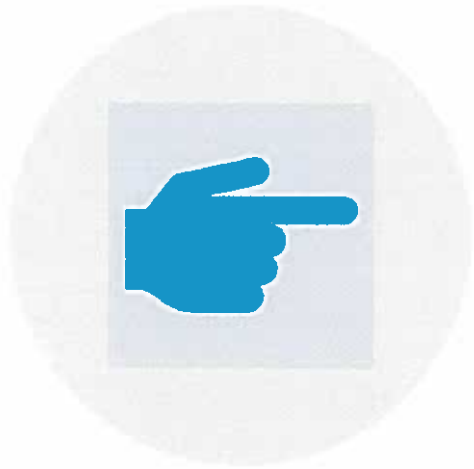


PURA, DEEP, DPH  
Rule On Application



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)