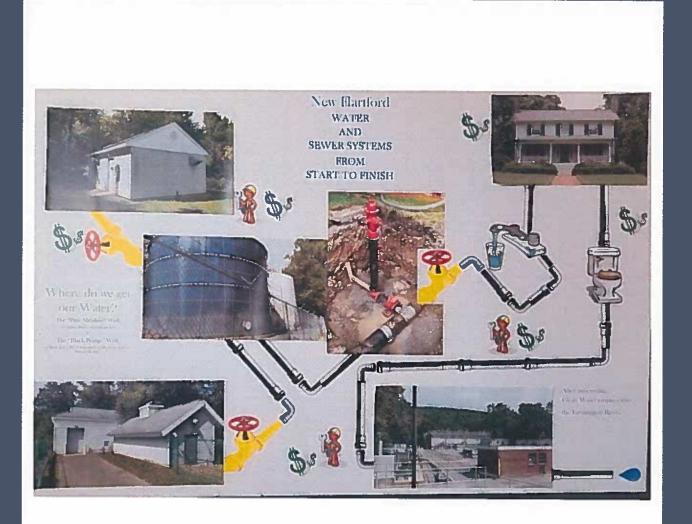
Asset Sale Evaluation & & Recommendation

Public Information Session September 17, 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.



- 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

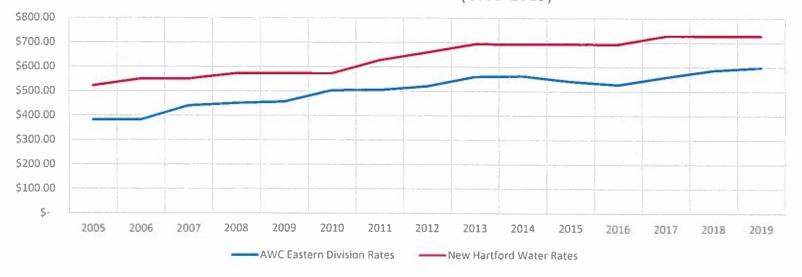
And ... The Solution Is

Accept	Pay	Use
Million From AWC	 Pay-Off USDA Debt \$2,900,822 WWTF Other sewer water \$565,243 Town Debt \$61,750 	Use Balance \$4,472,185 • Sewer Pine Meadow (\$3,500,000) • Subsidize Rates & Connections (\$972,185)
	•(As Of 9-20)	

Rate Comparison AWC ED New Hartford

9 1/4. t.

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



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 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 <u>You Pay</u> <u>\$6.50 - 20% Savings</u> \$20.89 – (\$3.89) - Proposed You Pay \$17.00 - 19% Savings

(Rates shown are per thousand gallons)

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

What If We Don't Sell



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)





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

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System Statistics, Historical Data, Evaluation Criteria



PLEASE REFER TO THE TOWN WEBSITE:

HTTPS://WWW.NEWHARTFORDCT.GOV