

# USDA Conference Call - Discussion Points (8-20-18)

- **(DJ) - Attendees At The New Hartford End Of Con-Call:**

Dan Jerram - First Selectman; Mike Crawford - Executive Aquarion;  
Bud Butler Chairman WPCA - (You Have Present At Our End of the  
call The Principals For Each Entity That Touches The Water & Sewer  
Enterprise In New Hartford)

- **Set The Record Straight -**

New Hartford Is Not Seeking Relief From Its USDA Debt All USDA  
Outstanding Loans & Town Note To Be Retired In Full

- **Actions Taken & Planned -**

New Hartford Utilized A Competitive RFP Process To Accept A High  
Bid of \$ 8M From Aquarion Water For Its Sewer & Water Assets

100% Reinvestment of Proceeds (After Debt Retirement) To  
Expand Sewer System - Provide Stabilization through Subsidized  
Rates For Defined Period

- **(BB) - Why Take These Steps -**

- \$100,000 Plus Loss Last Fiscal Year - Never Shown A Profit

- No Capital Improvements Over The Last Five Years  
(52% water lines Installed Before 1895; Sewer Collection  
System Is 50 Years Old) - Major Wet Well & Sewer Main In  
Failure Mode

- Users Burdened With State's Highest Water/Sewer Rates -  
\$8.08/K-Water; \$20.38/K-Sewer - plus meter rates

Consumption Down 25%+ Since 2015; Users Are At The Bottom Of  
(4) Economic Sectors In Census Quadrants

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- Property Vacancy Rates Range To 6% = ZERO Usage; Another 12% Use 3,000 (or) Less GPQ; Only (2) New Sewer Customers In (17) Years In A Base Of 565 Water Users & 326 Sewer Users
- We Have No Options To Combine With Another Municipal Entity
- **(DJ) - Benefits Of New Hartford's Plan -**
  - USDA Gets its Money 20+ Years Ahead Of Loan Term - Reinvestment Opportunity To Fulfill USDA Charter
  - New Hartford Provides Rate Stabilization & Improves Affordability of Basic Services To Disadvantaged Users
  - New Hartford Expands Sewer System Providing Basis For Viable Water/Sewer Entity & Stabilized User Fees
  - Action Means - Professional Management; Formation Of A Public Private Partnership To Foster A "Best Practices Outcome"
  - Assures Avoidance Of "Dire Straights" Conclusion - Potential Damage To Environment - i.e. Pollution Of Drinking Water Aquifer & Wild & Scenic Farmington River; Marginalizes The Potential For Forfeiture Of Debt; A Takeover By State Of Connecticut DPH & DEEP

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