

From: Bud Butler

Sent: Friday, May 24, 2019 8:50 AM

To: Vocolina, James

Subject: New Hartford Request For Technical Meeting - Sewer-Water Asset Sale

Good Morning Jim:

Pursuant to my voicemail, I have crafted a request for a Technical Meeting and would intend to send it to the Executive Secretary per your instructions.

I have enclosed a draft and I would ask if this communiqué fits the bill. Please let me know if it meets the basic requirements for such a meeting request. Thanks - Bud

PURA Summary:

Historically, New Hartford's clean and wastewater operations have operated at a loss. Rate increases have been invoked in seven of the last ten years. The latest increase in 2017 resulted in an accelerated decline of usage and revenues. Losses last year exceeded \$100,000 on a small user base of customers. Consequently, the Town of New Hartford is intending to sell its clean and wastewater assets to Aquarion Water Company, a PURA regulated utility.

Following a nationwide request for proposals, three submittals were received from Connecticut based companies. They included Torrington Water Company, Connecticut Water Company and Aquarion Water Company. The Aquarion bid of \$8 million was accepted for both water and sewer assets.

The town is intending to use the proceeds of the sale to pay-off its indebtedness to the USDA, expand its sewer coverage to the Pine Meadow district of New Hartford and utilize the remaining proceeds to assist with user connections and to subsidize rates for both water and sewer for a defined period. The subsidization from the proceeds is designed to provide relief from the state's highest water and sewer rates. Water rates are currently at \$8.08 per thousand gallons and sewer rates at \$20.89 per thousand gallons.

We seek guidance on permitted practices that the Town and Aquarion can engage to achieve the goals of providing professionally managed services, with affordable rates through a regulated utility, while expanding the footprint of the sewer system to protect the Town's aquifer and the Wild and Scenic Farmington River. It is the intent of the WPCA to remain as an active public partner in the sewer operations.

There are numerous details accompanying this project that require PURA regulatory input and guidance, hence our request for a technical meeting.