



Water Company Acquisition Study Committee

**Town Forum
Progress Update**

March 3, 2013



What's been accomplished so far?

Since Town Meeting's affirmative vote on Article 19

- **Board of Selectmen completed appointments in May to Water Company Acquisition Study Committee (WCASC)**

- 3 former AdCom Chairs: Krumholz, Siegfried, Asher
- Sewer Commission Chair: Salerno
- Water Supply Committee Chair: Mullin*

*Aug 2012: Resigned for personal reasons; replaced by Joe Bierwirth, former AdCom Chair

- **WCASC has met 7 times since 30 May 2012**

- **Adopted *Principles of Operation* governing WCASC functioning**
- **Established WCASC web pages of documents on Town web site**
 - Currently 38 documents and hundreds of pages available for public review
- **Initiated detailed Phase 1 - Financial Analysis**
 - Presented Financial Analysis Progress Update on 8 Aug
- **Performed 'look-ahead' analysis of Engineering and Governance issues for potential Phase 2, 3 'show-stoppers'**
 - No 'show-stopper' issues identified as of 5 Sep
- **Delivered second Financial Analysis update on 23 Oct**
 - Reflecting three 'financial reconciliation' meetings with Aquarion



What's been accomplished so far? Cont'd

- **Rates**
 - 8.2% rate reduction beginning with Nov 2012 invoices
 - Aquarion represents that this will save \$9,260,000 over 10 years, resulting in a \$66/year decrease in the average customer's water bill
- **Service**
 - Accelerated replacement of Union Street water main
- **Policies**
 - Improved planning/coordination between Aquarion and Town Projects Engineer re Town road-repair schedule
 - Ongoing Town-Aquarion management interaction at multiple levels
- **Study Expense Management**
 - Through Feb 2013, ~\$94,000 expended of \$320,000 authorized
 - ✓ Well under estimated budget for \$320K authorization



What are the near-term next steps?

Option A – Acquisition

- **Additional rate-payer savings may still be possible**

→ Further study required

- Further examination of Aquarion's Option #2, reflecting exercise of eminent domain
- Work with appropriate financial, legal, valuation, and engineering specialists

Option B – Complete the Study and recommend no further Town action

- **Premature**

→ Further study required of Options A & C

Option C – Negotiated settlement

- **Still viable**

→ Continuation of Town-Aquarion discussions



Summary

- **All the Town's options are still viable**
- **No Warrant article will be presented at Annual Town Meeting 2013**
 - **Any recommendation requiring Town Meeting approval would likely be the focus of a Special Town Meeting**
- **Remaining authorized funding is estimated to be sufficient through Study completion**