

## **Milford Water Company Purchase Update**

By: William E. Kingkade, Jr., Chairman, William D. Buckley and Michael K. Walsh, Milford Board of Selectmen

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As we close out a very busy 2017 for the Town of Milford and the Board of Selectmen, we open 2018 with an important update regarding the Town's historic purchase of the Milford Water Company (MWC).

Since September, when Special Town Meeting voters overwhelmingly approved the town's \$63 million purchase of the MWC, the Board has been working with Town Counsel and the Town's outside legal counsel to negotiate the terms that would shape our final purchase and sale agreement.

We want the townspeople of Milford to know that during that time, first and foremost in every decision we have made as a Board, we have had the Town's financial wellbeing as our compass.

And while we worked hard to reach an agreement prior to the expiration of the Letter of Intent (LOI) that was guiding our negotiations, that did not happen. The Town and the MWC were not able to agree to terms, including the scope of the representations and warranties to be made by the MWC, the escrow amount to be withheld from the purchase proceeds for a period of time to address any unknown or undisclosed liabilities, and other customary terms in a stock purchase acquisition.

These limits to the Town's liability in purchasing a 136-year-old utility and as reflected in the LOI were as important to us as the price negotiations. As a Board, we have dedicated time, research and attention to these essential conditions.

We will not jeopardize the Town's sound financial footing by agreeing to a stock purchase without adequate and customary safeguards. So, we have decided instead to acquire the water company through a regulatory process available to us by state statute through the Massachusetts Department of Public Utilities (DPU). This regulatory process will allow the Town to acquire only the assets of the MWC, without the MWC's debt and liabilities, for a price determined by the DPU. We intend to file a petition to begin the DPU process by mid to late January.

While we had expected we would achieve a mutually agreeable voluntary sale, by opting to acquire the MWC's assets (as opposed to its stock) through the regulatory process, we expect to properly safeguard the Town's future liability.

The Board remains confident that the purchase and ultimate control of the Town's water supply is in Milford's best interest. We know this has been a long, complex and sometimes frustrating journey to take control of the much-maligned quality of our water. And this turn of events may seem like just one more confusing twist, but the regulatory route has always been an option.

In many ways, nothing has changed. Our goal to own and operate a community water system that is transparent, responsive and accountable to all residents is within reach.