



Town Meeting Members:

The Finance Committee voted unanimously Wednesday, Sept. 13 to recommend the Town of Milford acquire the Milford Water Company (MWC). The Finance Committee has been involved in the deep analysis of this issue for some time. After the long investigative process, a clear and unanimous conclusion was reached that the acquisition of the MWC was the right decision for the residents of Milford.

With MWC currently pursuing a 30 percent rate increase, we anticipate the proposed rate structure for the acquired water company would be very similar.

That rate package would provide for significant capital improvements over the next decade, with modest increases to the rate to follow. These improvements are essential to both improve the quantity and quality of the water being delivered to the residents of Milford.

If the town acquires the MWC, it ultimately would have no lasting impact on the operational budget of the town. The Milford Water Department would operate fiscally independent of the town. The water department would collect the revenue from the sale of water as well as pay all expenses involved in the water delivery process. Simply said, whatever occurs within the Milford Water Department would not affect any other part of the town. The only exception to this would be the temporary use of town funds to finish the legal and professional consulting process and provide opening operational cash for the newly created department. These funds would then be paid back to the town from the water department on a schedule that would be established by the Milford Water Commissioners.

Milford water users, and not Milford taxpayers, will fund the water company purchase. The complete financing and operational costs will be built into water users' bills and not residential tax bills. This ensures that residents that use wells as their source of water will not be responsible for any of the acquisition and future operational expenses.

The Finance Committee recognizes the significant financial benefit of town ownership of the MWC. The acquisition will be funded through a 30-year bond and that will be paid for directly from the water rates. At the conclusion of 30 years, notwithstanding possible re-financing, the town would then fully own the water company and all its assets. Similarly to paying off a home mortgage, when this debt is paid off it would have a significant positive impact on the rates of the water users.

The committee also acknowledges the fact that the private MWC is a for-profit business and required to pay state and federal taxes. For that reason, any improvements, activities conducted, or tax expenses incurred by the MWC are then passed onto the current ratepayers with a profit margin added on to it. It is then fair to conclude that any needed improvements or activities associated with the operation of the town-owned Milford Water Department would be achieved at a lower cost to the water ratepayers.

The financial benefits of the acquisition are clear, but it is the ability to monitor, price and work on the quality of our water supply that is priceless. The water users of Milford and the town officials currently have no ability to control any of these important factors and we have seen the resultant negative impact on our families. The acquisition of the MWC would finally give these important powers to the water users of Milford so that we can control our most precious resource.

Chris Morin
Chairman Milford Finance Committee