

## Woodstock's Financial Benefits of Acquiring the WAC

- The WAC is currently asking the Public Utility Commission to approve massive increases in water rates and hydrant fees. This includes a 110% increase on consumption up to 300 cubic feet, a 956.8% increase in hydrant fees, and a 121.5% increase in consumption in excess of 300 cubic feet
- For any disasters, such as the flood in 2023, if the water system is owned by the Town, all repairs due to the emergency would be covered by FEMA. For example, if the Town owned the water system before the flood, the town would have repaired the Elm Street bridge pipe last July and could have been reimbursed by the Federal government for nearly the entire cost of the repairs. Now to repair the pipe properly, a bond will be required, increasing the overall expense to Woodstock residents
- If an equity firm took over the WAC, they would legally be able to get a post-tax return on investment of 9%. This could entail a turning off the fire hydrants and legally being able to charge 27% more than a municipality for water services
- By acquiring the debt in the acquisition, residents will immediately be saving money as those debt payments, including interest, are currently being paid via water rates and hydrant fees by Woodstock residents
- The town will be eligible for State and Federal grants and funding. This may include zero interest loans and Congressional appropriations
- When capital improvements are approved, the Town will get lower interest rates than a privately held company like the WAC and could also receive grant funds to offset the costs of the improvements
- All water budgets will be discussed publicly by the Selectboard and voted on by the Woodstock residents at Town Meeting, giving residents the opportunity to control spending and expenses
- All Water rates will be discussed and voted on by the Selectboard at public meetings, giving residents the opportunity to control spending and expenses
- The Town will be able to coordinate underground work with both Sewer and Water pipes, saving money by not doing the same work twice
- By owning the water system, the town can invest in new capital improvements that will allow for new water hook ups (such as new businesses and restaurants, Mellishwood, and new attainable housing) that will increase the tax base and help keep taxes steady
- The Town will immediately start saving capital reserves for future projects to ensure enough capital to keep the system updated and efficient

**Woodstock’s Efficiency Benefits of Acquiring the WAC**

- Ability to work on water and sewer projects simultaneously, saving time and money
- Plan development by utilizing control over both the sewer and water functions of the municipality
- Ensure Woodstock residents have safe and secure water
- Ensure a future water source for future stability
- One stop/call for residents with any tax, sewer, or water issues or questions (i.e. someone there to pick up the phone if a resident calls)
- Water budget creation will mirror the rest of municipal operations allowing for a clear and transparent process

**Fact Sheet**

Fact: Currently all residents pay hydrant rates to the WAC along with water users who pay for their usage. Based on the increase the WAC is requesting, the acquisition of the WAC by the town will save all residents money

Fact: The proposed acquisition price for the WAC, its assets, and the Vondell is \$2,520,000. The current estimate of the WAC’s assets are approximately \$1.4 million and the current assessed value of their property is \$1.9 million. That is a total value of \$3.3 million that the Town will acquire for only \$2.5 million. When the property value is adjusted for Woodstock’s current CLA (Common Level of Appraisal) the property value increases to approximately \$3 million, which would increase the overall value of the WAC to nearly \$4.4 million

Fact: Some of the tasks currently done (with cost passed on to residents) by WAC staff are already being done by Town staff, an acquisition will save administration functions and thus costs

Fact: A municipality receives lower interest rates than a private company and can receive longer repayment terms, making the town’s annual expenses lower on any future borrowing

Fact: The WAC’s debt that the Town is paying off in this acquisition is currently being paid and will continue to be paid by all town residents if this acquisition does not happen. An acquisition will immediately lower expenses for Woodstock residents

Fact: This acquisition of the WAC by Woodstock is supported by State agencies

Fact: The capital projects that the Town is asking for approval in December are necessary and some of them are State mandated. If the town does not acquire the WAC, these projects will be bonded by the WAC with higher interest rates, which would ensure higher expenses for Woodstock resident

