

The Plan for Woodstock's Water Future

Agreement to Acquire and Control Woodstock's Water Future

- The Town agrees to acquire the Woodstock Aqueduct Company (WAC) and all of its assets (excluding the Vondell Reservoir) by clearing the WAC's total debt of \$920,000
- The Town has agreed to purchase the 358-acre Vondell Reservoir for \$1.6 million

What is the Debt?

- The \$920,000 debt the WAC currently holds, is from water infrastructure projects such as the West End Loop, flood emergency repairs, and system improvements
- Currently all Woodstock residents are paying off that debt through water rates and hydrant fees (hydrant fees are paid by all taxpayers)
- By retiring the WAC's debt, the company will dissolve and transfer all assets to the Town. Those assets are valued between \$3.2 million to \$4.1 million and include property, machinery, and infrastructure

How are we paying for this?

- The \$920,000 will not be paid for with any new tax dollars, so this acquisition will not cost residents any money
- The Town will use reimbursable grants from the State, a grant the WAC is transferring to the Town, and the Town's undesignated Fund Balance to cover the \$920,000

Why does the Town want to acquire the Water System?

- Owning our water utility gives residents more control over infrastructure and their future
- The Selectboard is accountable to the residents and thus all water budgets, rates, and decisions will be made in public with input from the community
- Saves taxpayers money as the Town has access to lower interest rates, federal and state grants, and other sources of funding. Private firms and the WAC do not. Additionally, there will be efficiency savings through staff operations and combining water and sewer operations

What if the Town Does not Acquire the Water System?

- The WAC continues ownership over the water system, leaving residents with no control or say in their infrastructure. Projects are likely to be prioritized based on cost instead of benefit.
- The WAC is currently seeking approval to dramatically increase their water user rates and hydrant fees to fund necessary projects. If these increases are approved by the PUC, water usage rates would increase by 110% and hydrant fees would increase by 957%.
- There is also the possibility that WAC is sold to another company. In this case, they are legally able to receive a post-tax return on equity of 9% and potentially charge 27% more than a municipality.