

From: Laura Powell <lpowell@townofwoodstock.org>

Sent: Monday, April 29, 2024 1:06 PM

To: PUC - Clerk <PUC.Clerk@vermont.gov>

Cc: Ray Bourgeois <rbourgeois112@gmail.com>; Municipal Manager <eduffy@townofwoodstock.org>

Subject: Letter from Woodstock Selectboard regarding Woodstock Aqueduct Company rate increases Number 24-0969-TF

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Regarding Case Number 24-0969-TF

To Whom it May Concern:

I am writing on behalf of the Woodstock Town Selectboard to express our strong opposition to the proposed rate increases filed by the Woodstock Aqueduct Company (WAC) with the Vermont Public Utility Commission. We believe these rate increases are financially damaging to our residents and the Town of Woodstock. While we acknowledge the importance of maintaining and improving our water infrastructure, we have significant concerns about the magnitude of the proposed rate increases and their potential impact on our community, as well as the timing of the proposed Effective Date.

The proposed increase in the Base Charge from \$240.00 to \$503.56 per year and the Variable Charge based on customer usage volumes from \$0.02961 to \$0.06560 per cubic foot would move Woodstock residents into the 99th percentile of water rates on a population basis across the state, and behind only Richmond and Royalton Fire District among water systems with 500+ connections. Our residents and businesses cannot reasonably be expected to assume these costs that are more than double what they are currently being billed.

Further, the >1,000% increase for hydrant charges from \$360.00 to \$3,804.92 would represent a substantial financial burden for all of our residents as that cost would be carried by the Town, not just Aqueduct rate-payers. Because our budget for FY25 has already been voted on, these increases present a scenario in which our budget would be put in significant deficit.

While the filing makes casual mention of the possibility of an acquisition by the Town, we wish to clarify to the Public Utility Commission that we are actively pursuing a transaction. We have retained the services of Gallagher Flynn to conduct a review of WAC's financial records as well as MSK Engineers to audit and inspect their current facilities. In addition, the Town is in the preliminary stages of evaluating potential rate scenarios to pay for required capital projects under municipal ownership. We are attaching a letter of intent signed by both the Selectboard and the WAC Board of Directors dated February 21, 2024 indicating phases of due diligence to be completed by June 1, 2024 with the option of a 30-day extension. The proposed effective date of May 16th is incompatible with the ongoing efforts to prepare to negotiate a transaction and restricts our latitude to seek a deal that is in the best interests of rate- and tax-payers.

Given the aforementioned reasons, we urge the PUC to delay implementing these proposed fee changes until September 1st when we have been able to either finish our agreed upon due diligence timelines and move forward with negotiations to acquire WAC; or give us reasonable time to prepare and vote on another budget for our residents.

We look forward to the Commission's decision and are willing to provide any additional information needed.

Sincerely,

Ray Bourgeois

Chair, Woodstock Selectboard