Analysis of the Proposed Sale of Ansonia’s Sewer Treatment System to AQUARION

Submitted by Ansonia’s Budget Director
AQUARION makes $56 Million investment:

- $41 Million to Purchase Plant
- $15 Million in Upgrades to Plant

$41 Million Purchase Breakdown:

(−) Subtract $14 Million to pay loan debt

(+) Add back $3,550,000 in WPCA assets the City will retain.

= A total of $30.5 Million to City from Sale

In Addition: 5 Year Rate Stabilization paid for with $7 Million of existing WPCA assets (will not lower the $30.5 Million total to City)
IF THE CITY DOES NOT SELL

CITY OF ANSONIA continues to own sewer system:

- $450K needed for annual operating expenses
- $7 Million for capital improvements
- $8 Million for collection systems
- Continue to pay $14 Million in debt
- Maintain reserve for line repairs

**Estimated Impact:**
157% Rate Increase

*In Addition:* Without sale funds, the City will need to project tax increases to make necessary investments, including a requested 5% BOE increase and a need to invest in the City’s fund balance.
## COMPARISON

### Sewer Rate

<table>
<thead>
<tr>
<th>City/Town</th>
<th>Y0</th>
<th>Y1</th>
<th>Y2</th>
<th>Y3</th>
<th>Y4</th>
<th>Y5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ansonia</td>
<td>$41.47</td>
<td>$71.74</td>
<td>$73.90</td>
<td>$76.11</td>
<td>$78.40</td>
<td>$80.75</td>
<td>$5,068</td>
</tr>
<tr>
<td>Aquarion</td>
<td>$41.47</td>
<td>$41.47</td>
<td>$42.72</td>
<td>$46.14</td>
<td>$53.06</td>
<td>$55.71</td>
<td>$2,869</td>
</tr>
</tbody>
</table>

### Tax Rate

**City/Town** | **Mill Rate** |
--- | ---|
**Ansonia** | **33.24 WITHOUT SALE** |
Derby | 43.20 (proposed) |
Naugatuck | 44.75 (proposed) |
Seymour | 35.98 (proposed) |
Hamden | 55.38 (proposed) |
West Haven | 34.81 (proposed) |
Woodbridge | 45.08 (proposed) |

**26.49 WITH SALE**