



Town of Milford

Public Information Meeting

Milford Water Company Potential Acquisition

September 11, 2017



FORWARD LOOKING STATEMENT

From time to time, the Town of Milford (the “Town”) or its representatives may have made or may make forward-looking statements, orally or in writing, including in this presentation. Such forward-looking statements may be included in press releases, oral statements, websites, oral or written presentations, FAQs or other documents and communications. All statements that do not relate to matters of historical fact should be considered forward-looking statements, and are generally identified by words such as: “expect,” “will,” “could,” “likely result,” “plan,” “continue,” “anticipate,” “estimate,” “project,” “schedule,” “could have,” “intend,” “believe,” “consider,” “may be,” “assessed,” “contingent,” “objective,” or similar expressions. You should not place undue reliance on forward-looking statements made by the Town or its representatives. Such statements are based on the Town’s or its representative’s beliefs and assumptions and on information currently available to the Town or its representatives and are subject to risks, uncertainties and changes in condition, significance, value and effect. Such statements are qualified in their entirety by reference to and are accompanied by the following discussion of certain important factors that could cause actual results to differ materially from such forward-looking statements.

Forward-looking statements represent the Town’s estimates and assumptions only as of the date they are made. Such statements include, without limitation, statements regarding: various estimates the Town and its representatives and advisors have made in analyzing and preparing for the purchase of the Milford Water Company (“MWC”), including with respect to water rates, capital expenditure needs, and the tax treatment of the purchase; the Town’s strategic objectives and long-term strategies; the potential impact of regulatory developments; anticipated benefits from Town employees’ input and management of water-related assets; capital expenditure plans; short- and long-term liquidity needs; ability to service the Town’s current debt obligations and future financing plans; and other anticipated benefits from the Town’s operation of its water system.



FORWARD LOOKING STATEMENT (CONT.)

These forward-looking statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from the results described in or anticipated by the Town's forward-looking statements. Potential risks and uncertainties include, among other things: latent or other unknown risks to the town associated with the purchase of MWC, risks relating to any change or delay in timing of completion of the purchase of MWC, including the impact the purchase by the Town may have on the pending rate case filed by MWC on June 15, 2017; the ongoing needs for capital improvements and expenditures related to MWC assets and any changes from the Town's estimates related thereto; degradation of MWC assets caused by factors such as age, intense traffic, population density, and commercial and industrial development; the implementation, integration with other systems or ongoing management of the water-system assets; the sufficiency of the Town's liquidity and capital resources, including long-term capital needs; any change in the credit rating of any Town bonds, which may also impact the Town's ability to raise funds in the future; risks related to the Town's indebtedness and compliance with covenants contained in the Town's current and future financing arrangements; the impact of any economic downturn, adverse market conditions or restriction in the credit markets; the impact, costs and expenses of any litigation the Town may be subject to now or in the future; the risks associated with the Town's ongoing compliance with environmental, health, safety, and regulatory laws and regulations, which may be subject to change; changes in water consumption by the Town's residents and businesses; and any weather conditions or natural occurrences that impact availability, safety or utility of water. The Town expressly disclaims any duty to provide updates to any forward-looking statements made in this presentation, whether as a result of new information, future events or otherwise.



SHOULD MILFORD BUY THE WATER COMPANY?

- Board of Selectmen: YES, buy it!
- Tonight we will show you how we reached this conclusion
- We want to hear your concerns and answer your questions
- Share years of review and recent deep dive on due diligence
- There are many compelling reasons to buy
- Most important: control the future of our water asset and quality



DUE DILIGENCE SUMMARY

- Review process and individuals involved
- Summary of BOS briefings, documents, data room, interviews
- Results of legal due diligence



UPDATED RATE FORECAST AND IMPACTS

- Financial due diligence
- Need to invest in the system
- Company has invested only \$2M of \$24M capital plan
 - Investment needed to safeguard supply
 - Improve efficiency and work to improve quality
- Paying for capital needs
 - Increase rates v. borrowing capital needs
 - Rate impact scenarios



TRANSACTION STATUS

- Town Meeting scheduled for Sept. 26
- Warrants drafted
- Summary of timeline
- Next steps if approved by Town Meeting
 - Final agreement by Nov. 25, 2017
 - Financing secured
 - Final due diligence
 - Appointment of Interim Water Commissioners
 - Meetings with employees
 - Closing by Dec. 31, 2017



THE CASE FOR PURCHASE

- Selectmen's Open Letter
- Years of research and consideration
- No easy path; just the right path
- More than our personal compass, we talked with people across community
- Water quality
- Now we turn to members of Town Meeting to make the right decision



Thank you for joining us.

Questions?