

CITY OF ANSONIA



Analysis of the Proposed  
Sale of Ansonia's  
Sewer Treatment System  
to



AQUARION

Submitted by Ansonia's Budget Director

# IF THE CITY SELLS



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

	Y0	Y1	Y2	Y3	Y4	Y5	<u>Total</u>
Ansonia	\$41.47	\$71.74	\$73.90	\$76.11	\$78.40	\$80.75	<b>\$5,068</b>
Aquarion	\$41.47	\$41.47	\$42.72	\$46.14	\$53.06	\$55.71	<b>\$2,869</b>

## Tax Rate

### City/Town

### Mill Rate

#### **Ansonia**

**33.24 WITHOUT SALE**

**26.49 WITH 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)**