



HOUSATONIC WATER WORKS COMPANY

SINCE 1897

Dear valued customer,

September 19, 2022

Over the last four years, our engineers have collected and analyzed volumes of data to develop a comprehensive plan with three key objectives: Resolve seasonal water quality issues, improve fire flows, and upgrade aging infrastructure. We shared this data in a summary letter to our customers on August 1, 2022. The plans, phases and cost estimates were as follows:

Phase 1 (Cost Estimate \$1.75-2.0M):

- Install a new greensand filtration system
- Build a 2,000 square-foot building to house the new system generator
- Increase personnel to operate new treatment system
- Enhance collaboration with the Great Barrington Fire District (GBFD)
- Improve system resilience by establishing an interconnection with GBFD
- Explore additional strategic water sources

Phase 2 (Cost Estimate \$2.0M):

- Update our 2021 hydraulic study
- Install new 200,000-gallon storage tank at elevated location on High Street
- Improve any remaining fire flow issues
- Continue systematic attrition replacement of piping and hydrants

However, as we began finalizing the costs for executing this plan this past month, we discovered that many component costs have now increased — dramatically, in some instances.

As such, we felt obliged to identify and explore additional alternatives that, individually or in combination, could help mitigate the utility bills increases that will otherwise likely be necessary to pay for this comprehensive solution.

Alternative Solutions to Address the Concern

So, let's review. Seasonal manganese discoloration is a concern. While the water is safe to drink, the color is disturbing and needs to be corrected.

The greensand filtration system will fix the discolored water, and the pilot study to verify the efficacy of the technology here in Housatonic is underway. The Massachusetts Department of Environmental Protection (MADEP) requires us to run the pilot study for 12 months before they will allow construction to commence. We requested a shorter testing schedule so we could install a permanent solution for our customers in time for next summer, but MADEP denied that request. This may mean another challenging summer (2023) of manganese-tinged water.

80 Maple Avenue, Suite 1, Great Barrington, MA 01230

Tel: 413.528.1780

Fax: 413.528.3024

E-mail: housatonicwater@gmail.com

www.housatonicwater.com

We have some other ideas. They include:

1. **Interconnect Housatonic Water Works Company water supply with Great Barrington Fire District:** HWWCO and GBFD already have a letter agreement to provide mutual emergency water resources during emergencies. A long-term goal for both entities is to have a permanent connection. It's our understanding that there are funds from the Federal government's ARPA (American Rescue Plan Act) and we're suggesting that each town and the HWWCO participate in this project.

The benefits would be substantial to the entire service area. Housatonic has more than adequate source water and storage (10-day supply) to provide back up for GBFD; GBFD has the ability to reciprocate. A permanent connection would provide both a key short-term benefit — allowing HWWCO to purchase GBFD water while the greensand filtration system is installed — as well as a key long-term benefit of improving system-wide reliability and resiliency.

2. **Town Support** for HWWC's proposed rate increase: We are continuing to prepare a rate case submittal to the Massachusetts Department of Public Utilities (DPU) to address the revenue requirements to complete phase 1, phase 2 and increases in our general operating expenses since our last rate filing in 2019. We will be seeking a settlement with all three towns so that these projects can be completed in a timely basis.
3. **Public-Private Partnership:** We're advocating that discussions begin immediately among the towns we serve – Great Barrington, Stockbridge and West Stockbridge — and HWWCO to investigate collaborative ways to work together, including leveraging state and federal resources, to tackle this situation for our customers. The Massachusetts Department of Transportation has experience in this area and we can draw from it. Part of MassDOT's mission "includes the development, facilitation and promotion of the use of innovative financing, design-build, and other public-private partnership tools."
4. **Town Purchase:** Over the past two years, Great Barrington has spent tens of thousands of dollars in engineering fees evaluating HWWCO. While HWWCO would prefer to remain private, we're cognizant that municipalities are eligible for low-interest loans and grants for system upgrades that private entities may not be. HWWCO recognizes this may be best for the community, and we are amenable to discussions about whether a sale is a viable option at an agreed upon price.

Conclusion

Now that we've presented these three potential solutions, it's time to make a decision. Our number one goal is to come up with a viable plan for all parties involved. We want to move forward as a healthy community with a predictable water supply that will benefit everyone for years to come. We look forward to the collaboration and welcome opinions.

Sincerely,



James J. Mercer