



Milford Water Company

66 Dilla Street Milford, MA 01757

508-473-5110 Fax 508-478-7997

E-Mail milfordwater@milfordwater.com

www.milfordwater.com

To our customers:

Here at Milford Water we recognize that we've faced some challenges over the past several years. We understand that many of these challenges have led to frustration and disappointment among those who matter to us most – our customers.

We want you to know about some of the ways we're working to address those challenges, and ensure that we retain your trust.

Founded in 1881, Milford Water faces similar infrastructure challenges as many water companies in our region — mains and water services and treatment plants require continual improvements to raise the level of service, to simply maintain the system, and to meet increasingly stringent environmental regulations.

To maintain quality service, we have been investing in capital improvements in Milford's water system at a rate of more than \$1 million per year. This summer we completed the upgrade of two existing water filtration systems at the Dilla Street plant. We also made repairs to existing facilities, replaced meters and hydrants, and improved water mains across the city.

Our capital plan is available for public inspection and review on our website.

After beginning construction March 2, 2012 we are presently ahead of schedule on a new water treatment plant for Milford that will bring our aging system into the 21st century.

These improvements, however, come at a cost. We have fought to keep our rates low over the years. Our current rates simply do not enable the funding that is necessary to replace aging equipment and assets, allow us to meet increased levels of treatment required by continually improving state and federal requirement, nor to invest in the state-of-the-art treatment plant now under construction. As a result, we have had to file for a rate increase with the Commonwealth of Massachusetts.

The Commonwealth's approach is straightforward and transparent. We open our books and demonstrate the cost of necessary maintenance and improvements; the state determines the rate necessary to support the system. Please know that we approach rate increases only as a last option. With increased pressure from rising healthcare costs and other fixed expenses, we have worked to keep our own costs down while keeping rates low. We reduced healthcare costs by switching providers and raising employee contributions, and over the past two years we have reduced our hourly personnel costs by more than 12 percent.

The new proposed rate amounts to an increase of 82 percent, or approximately \$21.49 per month for the average family. However we approach this issue, we fully understand that this is a significant increase. We understand the burden that increasing costs for utilities like water, electricity and gas place on residents, particularly those on fixed incomes. We work with our customers to develop payment plans, and Milford Water will continue to offer both low-income and elderly customers reduced rates.

Most of our revenues are reinvested back into Milford for major capital projects, such as the water treatment plant, ongoing maintenance to achieve the highest quality and efficiency from an aging distribution system, and other improvements that will ensure a long-term, sustainable and healthy water supply for future generations.

I am not only the manager here at Milford Water, but a resident as well. I invite you to contact me with questions and concerns. You may do so by visiting our website at www.milfordwater.com.

Sincerely,
David Condrey
Manager, Milford Water Company