

# MILFORD WATER COMPANY MANAGER'S OPERATIONS UPDATE

January 30, 2015

## OPERATIONS UPDATE;

1. Water supply conditions have continued to improve over the past couple of months with the increased precipitation we had in November and December. At this time the Charles River and Echo Lake are supplying the demand needs for the system with the Charles providing the majority of the system needs. Clark's Island is currently offline pending the development/pump test of the second horizontal well which was installed during the last half of December. We anticipate this well will provide us with another 300 GPM once developed bringing our total 620 GPM combined from the two new sources. This will allow us to withdraw approx. 900,000 gallons per day year round greatly reducing the demand on Echo Lake during the winter months. Additionally Godfrey Brook is offline while upgrades to the chemical system are made. Barbato Construction was awarded the job which is expected to take approx. one month to complete. Additional upgrades will be completed on the operating system as well. Currently the level at Echo Lake sits at 70(53.2% Capacity) inches **below** the spillway with all flash boards in place. The system is experiencing withdrawal amounts on average of 1.8 to 2.1 million gallons per day which is normal pumping for this time of year based on past records. Rainfall total amount for the year is 49.38 inches, which is approx. 6.15 inches **more** than the total in 2013. Current total for the month is 3.97 inches as of **01/28/15**. We had a total of 31 inches of snow from the "Blizzard of 2015" which equates to approx. 1.94 inches of rain.
2. Source Management – As we close out 2014 it is clear that the new plant with a full year of operation has had a significant impact on how we are able to manage our sources. With 242 million gallons being taken from the Charles River (258% more than 2013) it has allowed us to better control our usage at Echo Lake. Additionally we have been able to increase our usage at Clark's Island with the added horizontal well combined with the increased treatment abilities of the plant which has allowed larger volumes of water to be processed more efficiently from this source which at times can be of very poor quality. We have completed the installation of the second horizontal well and at this time it is being developed with anticipation of putting it on-line sometime in February. Once placed on line we will look at the possibility of a third horizontal well installation in feasible. Dilla Street wells are idle at this time and

will be used only during our peak season until further investigations can be conducted on the source to see if a larger capacity is available. Currently we are getting approx. 70 gallons per minute and is very costly to operate. Godfrey Brook is undergoing some improvements as mentioned above and will be another location that we will be investigating to see what can be done to increase the well field's capacity. With the well field being separate from the Dilla Street plant treatment costs associated with this location are less impacted with the increase in production. A 2016 target date for the investigation is planned at this time. Please see attached Source Usage Reports for 2012, 2013 and 2014 for comparison.

3. Public Relations – The Girl Scouts of Milford will be using our parking lot on Saturdays and Sundays for the next few months to sell cookies during their annual Cookie Drive (insurance cert. were provided). In 2015 we joined the Social Media network by creating a Face Book Page and will be looking to start a Twitter account in the very near future. The Company remains very active in its support of local events and charities and I will be continuing my participation and support of the local Rotary Chapter. The Farmers Market Inc. had 18 very successful weeks here at the Company property and I am pleased to say that all parties involved were very happy with the venue and have asked if we would be interested hosting them again next year. With all of the positive feedback we received from the partnership with the market the Company has agreed to be the host for the 2015 season pending approval from the Planning Board and proper renewal of their insurances. This partnership with the market has really proven to be a positive step in improving our public relations with our customers and the residence of Milford.
4. General Business – Renovations have been completed in the tenant spaces and our realtor has it listed both on-line and in the local real-estate guides. The Company has recently hired an Entry Level employee who has work for us in the past during the summer months and most recently as a Temporary Employee. He is very eager to learn and has a Bachelor's Degree in Business.

5. Regulatory Update – In an effort to keep the Board of Directors better informed of where the Company is on a regulatory and compliance basis I have created the following itemized list of our annual filing and compliance requirements and their status.

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| <b>A.</b> Annual Statistical Report   | <b>completed</b>   |
| <b>B.</b> Annual DPU Report           | <b>completed</b>   |
| <b>C.</b> Annual Testing Requirements | <b>Ongoing – weekly,<br/>monthly &amp; quarterly.</b>                  |
| <b>D.</b> Spring and Fall Flushing    | <b>Spring – completed.<br/>Fall – N/A</b>                              |
| <b>E.</b> Annual Hydrant Maintenance  | <b>587 Hydrants Serviced.</b>  |
| <b>F.</b> Annual Gate Maintenance     | <b>707 Gates Exercised.</b>  |
| <b>G.</b> Annual Tank Inspections     | <b>Sanitary – completed.<br/>Engineer Inspect – all<br/>completed.</b> |
| <b>H.</b> Annual ERP Training         | <b>completed</b>   |