AQUARION
Water Company
Stewards of the Environment™

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July 13, 2023

Town of Ware Select Board
c/o Stuart Beckley, Town Manager
126 Main Street
Ware, MA 01082
Email: sbeckley@townofware.com

Dear Mr. Beckley and Members of the Ware Select Board:

Aquarion Water Company of Massachusetts (AWC-MA) is pleased to submit the attached response for the Purchase, Upgrade, Maintenance and Operation of the Town of Ware's Water & Wastewater Systems & Facilities. Aquarion is the largest water and wastewater investor-owned utility (IOU) providing services in New England. This includes service to over 237,000 customers in 72 cities and towns, including five towns in the Commonwealth.

Enclosed in the response you will find a review of Aquarion's existing operations and our suggested approach to ownership of the Ware water and wastewater systems. We believe the response definitively demonstrates that Aquarion is the most qualified firm to purchase and operate the Ware systems. After careful consideration and due diligence, Aquarion's offer to purchase the subject assets is **$9,688,000**.

As you review the responses and determine the most appropriate next steps for the Town, please feel free to contact either myself or Nick LaChance. As the President of the company, I am the authorized officer to commit the Aquarion Water Company to any contractual obligations relative to this endeavor. Our contact information is provided below.

Don Morrissey
President & Chief Operating Officer
203-336-7650
dmorrissey@aquarionwater.com

Nick LaChance
Director of Business Development
860-734-7187
nlachance@aquarionwater.com

We are excited about the opportunity to partner with the Town to solve its water and wastewater challenges. We look forward to your next steps and are available to promptly answer any questions or concerns that you may have.

Very truly yours,

Donald J. Morrissey
President & COO
Aquarion Water Company

AQUARION Water Company
Stewards of the Environment™

QUALIFICATIONS SUBMITTAL FOR THE WARE WATER & WASTEWATER SYSTEM PURCHASE, UPGRADE, MAINTENANCE & OPERATION

Submitted To:

Ware Select Board
ATTN: Stuart Beckley, Town Manager
126 Main Street
Ware, MA 01082

Prepared By:
Aquarion Water Company of Massachusetts
24 Providence Street
Millbury, MA 01527

July 13, 2023

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Aquarion is the Premier Water Expert in New England

Aquarion Water Company serves approximately 237,000 customers and 750,000 people in 72 cities and towns across Connecticut, Massachusetts, and New Hampshire; is the largest investor-owned water and wastewater utility (IOU) in New England and among the seven largest IOUs in the U.S. Aquarion is an industry leader and organized to manage every key aspect of a well-run utility including, but not limited to, operations, engineering, finance, accounting, regulatory practices, customer service, administrative functions, and acquisitions in a manner consistent with accepted industry practices. Aquarion provides top customer service with 94% of its customers indicating that they were either satisfied or very satisfied with Aquarion service as measured by its 2022 customer satisfaction survey.

Of the utilities regulated by the Massachusetts Department of Public Utilities (DPU), Aquarion has the strongest financial profile with assets of $2.16 billion and revenues of $222.5 million for year ending December 31, 2022. Since 2011, Aquarion has completed the acquisition of 87 public water systems in 28 separate transactions, seamlessly transitioning over 31,000 customers into Aquarion. Aquarion's experience managing daily water operations and providing exceptional customer service will be a significant benefit to Ware customers as demonstrated throughout this report.

Purchase Price and Use of Proceeds

Subject to the terms herein and a definitive purchase and sale agreement, Aquarion offers the Town **$9,688,000** for the purchase of the water and wastewater systems, see attachment A. The offer will allow the Town to retire its water and wastewater debt, to fund pension, and Other Post-Employment Benefits (OPEB) liabilities and leave substantial proceeds that can be invested into other core municipal functions. Additionally, the privatization of the water system assets will contribute to Ware's grand list growth in the form of personal property taxes that Aquarion will be subject to.

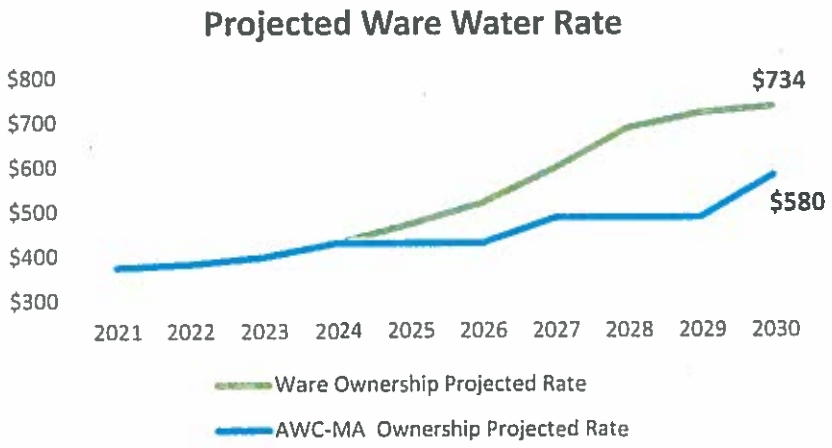
Elimination of Risk

The Town's water and wastewater systems represent a significant risk to the Town. The regulations governing the operation of these systems continue to become more stringent and the capital needs are significant for a Town of Ware's size. Ware's capital budget estimates that $37.8M will be required over the next five years to upgrade and modernize existing facilities. This amount represents almost ten times the annual operating revenues for the water and wastewater systems today. Aquarion's offer will allow the Town to eliminate this risk, receive substantial sale proceeds, and ensure quality water and wastewater service at affordable rates for the long term. By divesting its water and wastewater systems, the Town would eliminate health and environmental compliance

risks by allowing Aquarion to take on these obligations as it does in the other 72 cities and towns where it provides these utility services. Further, in doing so, the Town will be able to focus its attention and capital on other core municipal functions now and into the future.

Rate Mitigation

The offer addresses long term rate affordability for the residents of Ware. According to the 2021 Tighe & Bond rate analysis, water rates can expect to rise approximately 96% by 2030. Aquarion's offer would freeze the water and wastewater rates in effect at the time of close for a minimum of two years following the acquisition. When Aquarion's capital plan and operational efficiencies are factored into rates, customers can expect to pay approximately 21%, or $154 less annually than the rates projected by the Town. Please see the chart below as an example of the projected Ware rate under Aquarion's ownership versus the proposed Tighe & Bond water rate under Ware's municipal ownership.



Note: Costs based upon 45,625 gallons per year as indicated in the Tighe & Bond Nov. '21 report.

Retention of Employees

The offer provides for the continued employment of the Town's water and wastewater operators with comparable or better pay and benefits. It is Aquarion's intention and hope that the dedicated water and wastewater staff will join Aquarion and avail themselves of an opportunity to join a top workplace in New England.

Ongoing Collaboration with the Town

Aquarion maintains frequent and open dialogue with the leadership of each of the municipalities where it operates. In the case of Ware, we would expect to collaborate with town officials regarding ongoing capital investment into the aging infrastructure of the Town's systems. We expect that near-term projects will address iron, manganese, and other emerging contaminants in the drinking water and upgrades to the wastewater treatment plant to address the most recent standards in the Town's National Pollution Discharge Elimination System (NPDES) permit. Aquarion would also work with Town leadership to identify community members to participate in Customer Advisory Board (CAB) meetings held on a regular basis to discuss matters that are important to the Ware customers with the Aquarion management team.

Finally, Aquarion's experience in working with municipalities and the DPU on acquisitions will help ensure a smooth process to achieve all required approvals at both the municipal and state level, allowing the transaction to proceed as expeditiously as possible.

2. Experience

2.1 Company History and Existing Operations

Aquarion serves approximately 237,000 customers and 750,000 people in 72 cities and towns across Connecticut, Massachusetts, and New Hampshire and has been in the water business since 1857. We are the largest investor-owned water utility in New England and among the seven largest in the U.S., providing our customers with tens of millions of gallons of water every day.

Aquarion is organized to manage every key aspect of a well-run water utility including, but not limited to, operations, engineering, finance, accounting, regulatory practices, customer service, administrative functions, and acquisitions in a manner consistent with accepted industry practices.

Aquarion Infrastructure Snapshot

- **+300 drinking water wells**
- **10 surface water treatment plants**
- **+100 pumping stations**
- **+200 water storage tanks**
- **3,700 miles of main**

Aquarion began as the Bridgeport Hydraulic Company (BHC) in 1857, based in Bridgeport, Connecticut and supporting the growth of the region. Over the next 100 years, through two world wars and the Great Depression, BHC continued to upgrade its existing infrastructure and consolidate small water systems, providing economies of scale and expanding beyond Bridgeport into a regional utility. In 1991, BHC's parent company changed its name to Aquarion and following its merger with Massachusetts-American Water in 2000, its MA operations was established and named Aquarion Water Company of Massachusetts (AWC-MA). In 2017, Aquarion Water Company was acquired and became a direct subsidiary of Eversource. The strategic move complemented Eversource's overlapping footprint with Aquarion's territory resulting in newfound synergies that are passed on to their respective customers. In 2021, Aquarion acquired New England Service Company (NESC) adding an additional 2,000 customers to the company's base in MA (NESC had 9,700 total customers). On June 15, 2023, AWC-MA received regulatory approval from the DPU to acquire roughly 3,000 additional customers from the Pinehills Water Company in Plymouth, MA. Once this transaction closes later this summer, the AWC-MA will provide service to approximately 12,000 customers in the Commonwealth.

Throughout its history, Aquarion has worked to acquire smaller water systems and bring cost efficiencies and economies of scale to both its existing and new customers. Since 2011, this has included 28 transactions, acquiring 87 separate systems and over 31,000 customers. It includes multiple municipal transactions including East Derby Waterworks from the City of Derby, CT in 2014, Town of Marlborough, CT municipal system—2020, Town of New Fairfield, CT municipal system—2020, and Town of Canaan, CT (Falls Village)—2021. With each of these acquisitions, Aquarion has proven repeatedly its capabilities to integrate the operations of separate municipal utilities to the benefit of customers. Aquarion is also in the process of acquiring the Town of New Hartford, CT water and wastewater systems. Following selection through an RFP and approval at a Town referendum, Connecticut's Public Utility Regulatory Authority (PURA) is expected to approve the transaction in the summer of 2023 and the transaction will close this fall. Of note, Aquarion completed the acquisition of New England Service Company that owned 4 regulated utilities in New England with a total customer count of 9,700 in 2021. In 2022,

Aquarion completed the acquisition of the Torrington Water Company, a regulated utility in CT serving 10,125 customers.

As New England's largest investor-owned utility provider of drinking water, protection of the environment is a top priority. Aquarion believes in taking a proactive approach toward conserving and enhancing natural resources. We recognize that environmental protection and the efficient use of resources enable us to continue providing valuable services to our customers and communities. Accordingly, Aquarion strives to act as a responsible steward of the environment and maintains its commitment to continuous improvement. We also recognize that environmental protection is the collective responsibility of government, businesses, individuals, and communities. We are committed to implementing efficient and effective practices within our organization and to working in partnership with our stakeholders to meet this responsibility.

To implement this policy, Aquarion commits to:

- Taking responsibility for compliance with applicable environmental regulations and responding to local environmental needs.
- Making environmental protection and improvement an integral part of our planning and decision-making processes.
- Striving to prevent and reduce adverse environmental impacts of our operations, consistent with the need for maintaining the quality of drinking water and wastewater effluents.
- Promoting resource sustainability by seeking ways to reduce our energy and material needs and increasing the reuse and recycling of materials.
- Including environmental criteria in our processes for selecting vendors and purchasing goods and services.
- Communicating and supporting environmental best practices throughout the Company.
- Sustainably managing lands and natural resources to protect and enhance water quality.
- Permitting public access where practical and consistent with water supply and natural resource management goals.
- Developing our employees' awareness of environmental issues and best practices, including their responsibilities under this policy.
- Fostering productive, responsive partnerships with our environmental stakeholders.
- Playing an active role in the environmental community.

Consistent with Aquarion's long-term commitment to the environment and our desire to allow the public to use company land holdings for recreational purposes, we offer opportunities for hiking, fishing, cross-country skiing, snowshoeing, and birding on select Aquarion property.

Finally, the RFP asks to confirm a business continuity plan in the event of natural disasters, cyber attacks, etc. AWC-MA maintains an Emergency Response Plan (ERP) for each of its systems in the Commonwealth. The ERPs are on file with the Massachusetts Department of Environmental Protection (DEP) as required. The Town may request a copy of this ERP from the Company if needed.

2.2 MA DPU Regulatory Experience

As a public service company, Aquarion has worked with various state regulators since its inception to deliver exceptional service at affordable rates. The DPU is Aquarion's economic regulator in Massachusetts and tasked with balancing the needs of the customers with the needs of the utility and ensuring that rates being charged are just and reasonable. In addition to regulating the rates that the Company can charge, the DPU is also responsible for approving the Company's requested financings and acquisitions in Massachusetts.

The rules and framework governing the operations of a utility are established by the state legislature and implemented by the DPU. Aquarion has a history of working constructively with the DPU to run a successful utility with affordable rates. Aquarion's most recent general rate case was filed in 2017. This approach differs greatly from the typical rate increases required when a municipality incurs significant new debt and must typically raise rates immediately to fund the debt service.

Aquarion's regulated utility in Massachusetts began operations in 2001. Since that time, the Company has filed roughly 20 dockets with the DPU for various purposes including acquisitions, financings, and general rate applications. Through these filings the Company has responded to thousands of data requests filed by the DPU staff, the Attorney General's Office, municipalities, and its customers. Aquarion appreciates the regulatory process as it allows for transparent and thoughtful discussions amongst all stakeholders. The regulatory process helps to ensure that the company is operating efficiently while making the required prudent infrastructure investment creating a significantly more scrutinized and transparent rate making process than a typical municipally owned utility.

Aquarion also provides annual reports and other periodic compliance filings to the DPU. These reports include not only independently audited financials, but a detailed accounting of all assets owned by the utility, capital invested, and customers served. The annual report provides in a single place all the information that either regulators or other stakeholders would need to review the performance of the utility and help assess the prudency of its operations. Overall, Massachusetts regulated utilities undergo far more examination than a municipal utility.

Another important interaction with the DPU will be obtaining their regulatory approval for the sale of the Ware water and wastewater assets. Before any sale of a municipal utility to a private company can be closed, the approval of the DPU must be obtained. Ware and Aquarion will make a joint application to the agency that will include outlining the benefits of the transaction, Aquarion's ability to operate and manage the systems, illustrate the ability for Ware rates to sufficiently cover its cost to provide service and the expected outcomes for the ratepayers technically and financially. Aquarion has completed 28 transactions since 2011 and is well versed on the process and procedures to complete that process.

2.3 Financial Capabilities

Aquarion Water Company finished 2022 with assets of $2.16 billion, revenues of $222.5 million and maintains strong financial ratios well within the industry norms. It's parent company, Aquarion Company holds an A-/Stable credit rating. The consolidated regulated utilities of Aquarion Water Company's key financial ratios as of December 31, 2022, are outlined in the chart below.

Metric	AWC[1]
Times Interest Earned	3.3
Cash Flow Coverage Ratio	3.4
Funds from Operations/Total Debt (%)	15.0
Total Debt/Total Capital (%)	41.5
Net Debt to EBITDA Ratio	4.0
Return on Total Assets (%)	3.7
Return on Total Capital (%)	5.9
Post Tax Interest Coverage (%)	3.2

Financial Capability for Asset Purchase. Aquarion's purchase of the assets will stem from its own internal cash flows, and there are no financing contingencies as part of its offer. Aquarion's most recent completed acquisition in the Commonwealth took place on December 1, 2021, when it acquired the Colonial Water Company and Mountain Water Systems as a part of the overall New England Service Company transaction. An excerpt from the decision (page 31) from the docketed matter, docket 21-54 is listed below and affirms that a transaction of similar size will not negatively affect the financial integrity, nor will it significantly alter the financial ratios of Aquarion or AWC-MA.

> *"...Based on these considerations, and subject to compliance with the additional statutory provisions discussed below, the Department finds the Proposed Transaction would not negatively affect the financial integrity of NESC, Aquarion, or their subsidiaries or the post-merger AWC-MA, and, instead, would provide ratepayers with net benefits."*

Financial Ability to Maintain and Expand the System Assets. Aquarion has the financial ability to maintain the systems' assets while expansion typically comes through developer extensions. It should be noted that Aquarion expends more than $150 million per year on capital improvements, a breakdown of 2022's capital investment by asset class is displayed below. Additionally, project summaries for selected capital improvements illustrating Aquarion's abilities in this area are provided in Attachment B.

Fiscal Year '22 (numbers shown in 000s)	**Capital Invested**
Dams	$1,390
General/Other	6,745
IT	11,741
Mains	72,437
Meters	3,439
Pumping	9,908
Source of Supply	5,919
Transmission & Distribution	12,902
Treatment	30,813
Total Capital Invested	**$155,293**

[1] Aquarion Water Company is a wholly owned subsidiary of Eversource Energy. Eversource's 2022 10-K report can be found at: https://www.eversource.com/content/residential/about/investors/sec-filings/sec-filings-archive

Audited internal control environment. As a regulated investor-owned utility Aquarion is audited on an annual basis by an independent third party. As such, proper internal controls subject to auditing standards generally accepted in the United States of America (GAAS) are assessed for their effectiveness to present financial statements fairly, in all materials respects, the financial position of the Company. The company's independent auditing firm has concluded their audited review of the 2022 financial statements and has affirmed the organization has proper internal controls in place.

2.4 Capital Program Management

Aquarion has a comprehensive, well-defined program for identifying, prioritizing, budgeting, and implementing capital expenditures based upon condition assessments, facility plans, master plans and studies. Aquarion maintains and updates 5-year capital improvement plans (CIPs) that are reviewed and presented for business planning purposes on an annual basis. Aquarion also proactively developed a 20-year Infrastructure Replacement (IFR) plan for the period 2021 through 2040. The IFR plan will serve as a road map in moving forward and updating the Aquarion CIP on an annual basis. Major treatment plant and distribution/collection system projects are identified in planning studies, and budgets and engineering justifications are prepared for each identified project, with a proposed short term, intermediate term, or long-term implementation schedule. The graph below illustrates Aquarion's historical 10-year capital investment.

Note: Numbers shown in 000s

Aquarion has invested in technology to facilitate the CIP process including development and maintenance of a robust asset management and enterprise resource planning system (SAP); main break/failure prediction model to assist in identifying and prioritizing recommended main replacements; and undertaking routine facility inspections to identify needed improvements that can be proactively programmed into the CIP. The CIP is generally broken down into ten primary areas that include: water distribution mains and collection sewers, dams, transmission and

distribution, information technology (IT), meters, source of supply, supply operations, water and wastewater treatment, pumping, and general plant.

Aquarion's approach to CIP management differs markedly from the typical municipal capital planning and construction process. The typical municipal capital planning process is accomplished by tackling large infrastructure projects and sequenced with a study, design, bond, bid, and construct process. During each step of that process the eventual project is refined, and opportunities exist for cost to increase or for savings to be realized. Historically, Ware has been successful in obtaining grants. Aquarion would seek to collaborate with the Town to make system improvements while the Town makes improvements to fund roadways, drainage and other infrastructure projects.

The upgrade of Ware's water and wastewater systems as outlined in the Tighe & Bond November 2021 presentation to the Board of Selectmen is estimated at $37 million. The entire Town of Ware as of June 30, 2021, had Primary Government assets of about $50M. The considered upgrades would require Ware to increase its assets by 75%. Even if a municipality has the strongest possible organization controls in place, embarking on a project that requires 75% growth is ambitious and will be difficult to control costs.

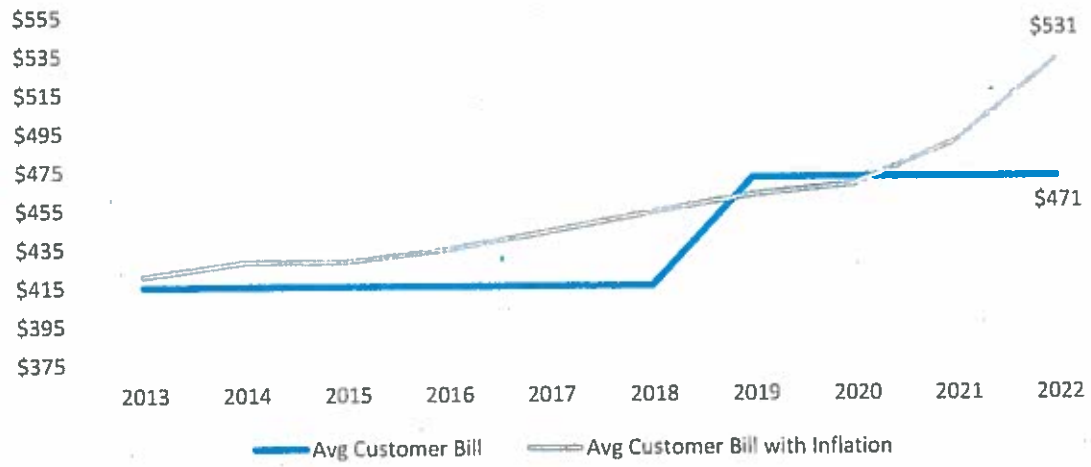
Specific to the Ware water and wastewater CIPs, the three immediate primary areas to address include the wastewater treatment plant upgrades, water treatment plant upgrades and SCADA-based automation. These are addressed further in Section 3.2. Additionally, Attachment C outlines selected capital improvements made that illustrate Aquarion's capital investment capabilities.

2.5 Ratemaking

Aquarion delivers high-quality water and wastewater service at affordable rates. Every significant decision made by the company requires a review of how it will affect rates over both the short and long term. This process creates rate stability and Aquarion's historic rate increases track very close to inflation.

During the last 15 years, the operational and regulatory demands of running a water utility have increased dramatically, but Aquarion customers have enjoyed rate stability. The table below illustrates AWC-MA's Millbury/Oxford rates over the last 10 years. The blue line indicates AWC-MA's rate over the last ten years. The green line shows inflation over the same period. AWC-MA's ability to prudently control costs, results in rates being 12.7% less than if the rate tracked inflation.

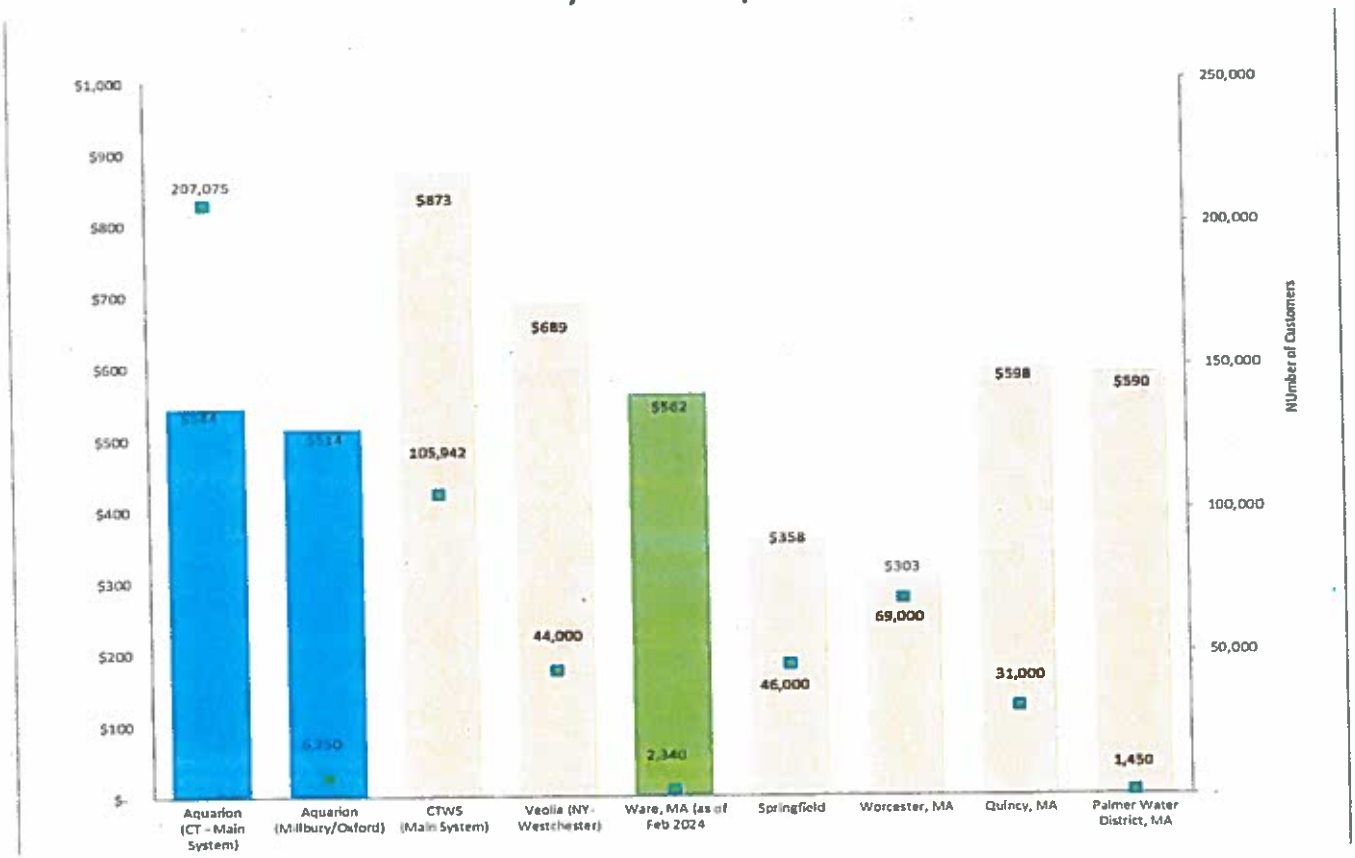
Historical AWC - MA Rates



Note – The AWC-MA rate presented is from the legacy Millbury/Oxford system at 53K gallons consumed annually. One rate increase has occurred in the last ten years accounting for a 13.6% adjustment. The inflation figures presented were documented by The Federal Reserve Bank.

The RFP asks for a comparison of rates among other MA utilities. The graph below outlines water utility rates in the region. Please note, each of these utilities base their rates on their own individual cost to provide service.

Utility Rate Comparison



Aquarion-MA would seek to acquire the systems and integrate into its overall operations upon the closing of a transaction. The rates in effect at the time of closing would remain in place and frozen for a period no less than two years.

2.6 Customer Support Services

Aquarion is among the most respected in the industry in providing top customer service and enjoys a top ranking in all widely recognized customer service metrics. In Aquarion's 2022 survey, 94% of respondents indicated that they were either satisfied or very satisfied with Aquarion's service. Aquarion is also reviewed and ranked every year by JD Power, a global marketing research firm that analyzes feedback from customers regarding the products and services they receive. Over the last several years, Aquarion has maintained it's ranking within the top 3 overall scores among mid-size water utilities in the northeast. Aquarion also maintains the best customer service record measured by the fewest customer complaints recorded by the Connecticut PURA across all utilities for the past 10 years running.

Aquarion maintains a dedicated customer service department that includes call center, billing, and collections functions. A brief description is presented below.

Customer Service. The Customer Service (CS) department handles all customer inquiries including customer phone calls and e-mails. This team is responsible for scheduling appointments for field work, resolving bill disputes, and explaining programs or services. Representatives coordinate payment arrangements, handle customer maintenance, and prepare quotes for home sales and final bills. CS is in direct contact with our customers and coordinates with the Field Service department to schedule appointments for field visits

Billing. It is the responsibility of this team to ensure that all customers are billed timely and accurately. The Supervisor of Billing ensures adherence to company policies (ex: back-billing and billing estimates) and state regulations. This team is also responsible for back-office review of completed field notifications in the administration of tasks such as new meter sets that result from periodic meter changes.

Collections. The Collection Department is responsible for the collection of accounts receivable. It should be noted that Aquarion has multiple programs for customers facing a hardship and in need of assistance with paying their bill. As a response to the COVID-19 pandemic Aquarion expanded its payment plan program to allow any customer to request a no interest, no down payment plan to pay past due balances over a period of up to 24 months. Aquarion has also partnered with Wellspring Multi Service Center to offer grants to customers with a demonstrated hardship to reduce any past due balances on their bill. A dedicated subpage on Aquarion's website outlines the various customer assistance programs available.

Aquarion monitors and records all customer requests and complaints within its integrated customer relationship management (CRM) system. Aquarion uses an SAP technology platform that integrates cross-functional business processes to allow for a streamlined customer interaction. These cross-functional business processes include not only customer service, but billing, inventory management, preventative and reactive maintenance work orders, and incident tracking. This gives customer service staff a 360-degree view of a customer request and leads to more thorough resolution of problems. To further this goal, Key Performance Indicator metrics (KPIs) have been established for all functional areas including Service Quality, Customer Satisfaction, Appointments Missed, Call

Answering Speed, Abandonment Rate, and First Call Resolution. These KPIs are continuously tracked and reviewed, at a minimum, monthly by the entire management team.

2.7 References

Aquarion is pleased to provide the following references as requested. The Town of New Hartford, CT has been added to the requested list as the Town is presently involved in a regulatory docket for Aquarion to acquire the water and wastewater assets.

Pinehills Water Company (Plymouth, MA)
President – Deborah Sedares
Office – 508-209-9000

Town of New Hartford, CT*
First Selectman – Dan Jerram
Office – 860-379-3389

Town of Millbury
Manager – Sean Hendricks
Office – 508-865-4710

Town of Sheffield
Town Administrator – Rhonda LaBombard
Office – 413-229-7000 ext. 152

Town of Dover
Interim Town Administrator – Carl Valente
508-785-0032 ext. 221

Town of Oxford
Town Manager – Jennifer Callahan
Office – 508-987-6038 ext. 8

*Aquarion is in the process of acquiring the Town of New Hartford's water and wastewater system. Reference is provided as point of contact for the Town to gain additional context on working through a transaction of this type.

3. Ownership and Operations Approach

3.1 Existing Operations

Aquarion's approach to Ware's operations would be consistent with how it operates its other water and wastewater operations with a focus on service reliability, operational efficiency, and safety to ensure that both water and wastewater meet all regulatory requirements and provide superior customer service. In additional to the application of Aquarion's operating approach, Aquarion will make both short-term and longer-term capital investments to the Ware infrastructure. To accomplish this, Aquarion will focus on four key areas.

1) Staff retention and integration into Aquarion
2) Implementation of key performance indicators (KPIs)
3) Address safety concerns
4) Operational optimization

Staff Retention and Integration of Aquarion Management

The backbone of providing service is a well-qualified, engaged, and motivated staff. Aquarion will make offers of employment to all staff currently employed by the Ware water and wastewater departments, with wages and

benefits comparable to or better to those currently received.[2] While performance goals and some day-to-day tasks are likely to be modified, employees can expect to have similar responsibilities as Aquarion employees. Section 3.4 provides additional information regarding Aquarion's overall approach to staffing and company human resources policies.

During the transition in ownership Aquarion will assume responsibility of the systems, work with the community and hold meetings to ensure appropriate sharing of emergency contacts and information about the system. The staff of the Ware facilities would be integrated into the operational team and overseen by the same management team that is responsible for Aquarion's other systems. Specific functions not related to operations would be handled by the existing Aquarion management team (including customer service, billing, collections, accounting, information technology, and human resources). Each of these supervisors will work with the Ware operational team to ensure a continuity of operations as the Town and Aquarion transfer ownership.

The transition to Aquarion management team will be an additional important benefit to the Town. Town of Ware management is responsible for and provides oversight to a large range of core municipal services (i.e. fire, police, parks and recreation, education, streets, building inspections, senior services, etc.). The Town management and Board of Selectman will be able to shift its resources to greater oversight of these operations, knowing that management of water and wastewater systems will be overseen by the Aquarion management team, with its collective hundreds of years of experience and extensive knowledge base.

Implementation of KPIs

Utilities operate better when managed against KPIs. Aquarion's established KPIs will be adapted specifically to the Ware systems. These KPIs cover regulatory compliance, operational efficiency, and customer service and examples include:

- Water and Wastewater Quality Compliance
- Environmental Compliance
- Water Quality and Service Quality Incidents
- Non-revenue water
- Valve exercising
- Hydrants maintained
- Dig Safe mark outs completed
- Average Daily Production
- Variable Cost Metric (chemicals, power and other variable costs per gallon of production/treatment)
- Peak flows and average flows including unaccounted for water, and inflow and infiltration (I/I)
- Biosolids quantities
- Effluent wastewater trends
- Collection system preventative maintenance tasks completed

These metrics, and others, will be used in comparison to other Aquarion operations and industry standards to look for opportunities for continuous improvement and to maintain efficient operations.

[2] All employment offers are subject to Aquarion's standard pre-employment screening standards applicable to all employees.

Address Safety Concerns

The Ware water and wastewater systems largely appear to operate safely, but during the site visit Aquarion noted some conditions that should be prioritized for improvement. These include replacing the chlorine gas used for wastewater disinfection, correction of slip/trip hazards, and confined spaces that require routine access. The health and safety of employees is a priority, and these items would be addressed expeditiously. Additionally, as part of the transition, Aquarion's manager of safety programs would do a thorough review of the plant, pump and lift stations, and collection and distribution system operations. This would include working with the operations team to prepare job safety plans for both routine and non-routine tasks while ensuring all required personal protective equipment (PPE) is onsite, available and in good working order for employee use.

Operational Optimization – Water System

Ware's supply and treatment infrastructure includes the Barnes Street and Dismal Swamp sources. At Barnes Street, water is withdrawn via four gravel packed wells and a cistern (which acts as a caisson well and raw water storage) and treated at a centralized facility where chlorine is added for disinfection and potassium hydroxide is added for pH control (to reduce the corrosivity of the water). At Dismal Swamp, water is withdrawn from one well and treated at a facility where potassium hydroxide is added for pH control.

The wells in Ware have adequate capacity to meet system demands and there is flexibility to use wells with better water quality, particularly related to iron and manganese, to meet these demands. Aquarion would implement a more frequent raw water quality testing program that would allow for a more dynamic operation of the Barnes Street water sources. Aquarion would use this data to determine which wells have better water quality and develop a blending strategy to promote better finished water quality while still meeting system demands. Aquarion operations and water quality staff meet each week to review water quality sampling for the upcoming week, and meet monthly to review water quality data, identify water quality risks, and develop actions plans to mitigate these risks. This same approach would be used for the Ware system.

Additionally, all water systems in the United States are evaluating their exposure to a class of contaminants called per- and polyfluoroalkyl substances (PFAS). From the data available regarding Ware's water system, it shows that the wells comply with the current Massachusetts PFAS regulations. However, it is likely that the Dismal Swamp well will not comply with new proposed federal maximum contaminant levels (MCL); as such, additional treatment may be required for this well.

Aquarion utilizes supervisory control and data acquisition (SCADA) systems extensively to monitor and control the operation of its water systems. Aquarion would evaluate and enhance SCADA to provide access and control for operation of the facilities. This would include evaluating the instrumentation and controls associated with chemical feed systems to confirm that they are compliant with Chapter 6 of MassDEP's Guidelines for Public Water Systems (Chemical Application).

Aquarion uses its Enterprise Resource Planning (ERP) platform SAP as its Computerized Maintenance Management System (CMMS). SAP allows for creation of maintenance plans (e.g. activities and frequency), facilitates workflow, ensures that maintenance activities are well documented, and provides a variety of reports, for example about upcoming activities and past maintenance. Aquarion would implement SAP for Ware, starting with inputting the equipment and assets into the system and attaching standard maintenance plans to the individual equipment and assets. With this information, work orders would be automatically generated and forwarded to operational staff.

Once the work order is completed, operators would enter information about the activities performed, and enter if additional tasks are needed. The Aquarion CMMS is augmented by enterprise reporting of operational data using Hach WIMS. Data is either captured automatically from SCADA or input by operations staff. Data quality is ensured by having two levels of validation - operator and supervisor – at the end of each month. The data in Hach WIMS is used for numerous reports, including the required monthly state reports for many Aquarion systems. Aquarion would add the Ware water system to HachWIMS.

Aquarion's distribution system maintenance strategy includes programs for hydrants, valves, leak survey, and flushing. For each of these programs, Aquarion develops multi-year targets (e.g. percentage of valves to be maintained each year), which are then translated at the beginning of each year into targets for each month and week. Aquarion produces a report each week that shows the prior week's performance (e.g. # of valves maintained against the weekly target) and the performance year-to-date. This report is reviewed by operational staff and managers, and adjustments are made to ensure that targets are met. Specific water distribution activities would include:

Flushing –Aquarion would develop a flushing plan that separates the system into flushing zones and identifies the specific hydrants to open. Aquarion would implement its standard flushing reports that include the amount of time it took for the water from a hydrant to run clear. Aquarion uses this data to make decisions about future flushing activities.

Hydrant maintenance – Aquarion typically performs maintenance on hydrants twice per year, including a visual inspection, clearing of brush, listening for leaks, pressure testing and documentation, lubricating, and flushing. The specific activities performed, as well as the pressure and gallons flushed are recorded in the SAP system.

Valve maintenance– Aquarion operates a portion of its distribution valves each year. Valve maintenance includes finding the valve box cover, marking the cover with paint, cleaning the valve box if needed, turning the valve to ensure that it is operable, and identifying issues (e.g. cannot clear debris, valve box needs repair, valve non-operational). This information, including issues, are documenting in SAP to ensure data is captured and required follow-up actions are noted.

Leak Survey and Unaccounted-for-water – Aquarion performs system-wide leak surveys twice per year unless a system has unaccounted-for-water (UAW) less than 10%. Leak survey includes listening on each hydrant and select line valves to ensure adequate coverage of the entire system. For systems with relatively high UAW, Aquarion listens on curb valves. Aquarion fixes leaks found on its pipes or side of services within a few days and asks customers to fix leaks on their side of services within 30 days. Related to this topic, to control UAW, Aquarion checks (and calibrates if needed) its production meters each year, changes, or tests in place customer meters on a set scheduled defined by meter size, and reviews monthly meter reads results to identify faulty meters and/or theft of water.

Operational Optimization – Wastewater System

Wastewater from Ware's collection system flows to the treatment plant located on Robbins Rd. The secondary biological treatment facility has a current permitted average daily flow of about one million gallons per day (MGD) but was actually designed to accommodate flows of two MGD. The plant was originally constructed in the early 1960's with primary basins and anerobic digesters, upgraded in 1984 to include preliminary and secondary treatment, and upgraded again to modify the influent pumping operations. Based on the available data the plant is operating within its most recently issued National Pollutant Discharge Elimination Permit (NPDES). Further analysis of this data does cause concern that the plant may have future difficulties complying with all requirements of the permit, notably nitrogen loadings. The site also accepts a small amount of septage from a local hauler.

The plant utilizes manual bar screens and a communitor to intercept inorganic solids entering the plant. This technology is outdated and causes downstream operational problems, notably regular clogging of the influent pumps. The Town is actively pursuing the design and construction of a modern mechanical screening solution upstream of the influent pumps. The work is planned to be completed in 2023 and will be carried out by the Town.

The grit system at the plant, while reported to be operational is likely allowing significant amounts of grit to accumulate in the aeration basins. Little can be done to address this operationally other than more frequent cleaning of the basins, and it should be prioritized as a capital upgrade.

The aeration tanks and clarification system consist of two trains. Given the current flows to the plant, only one train is needed at a time to provide sufficient treatment. Each aeration basin utilizes three surface mechanical aerators operated with variable frequency drives (VFDs) to provide control of the biological process and associated nitrification and denitrification operations (N2/DeN2). The surface aerators are well beyond their useful life and despite the use of VFDs, likely an inefficient operation. The upgrade of the aeration basins to use either high efficiency surface aerators or a fine bubble diffused aerator system should be a priority. The effectiveness of the grit removal system will also drive the best design option for upgraded aeration basin operation. Operators at the plant also adjust the alkalinity in the aeration basins using a small front-end loader to manually add powdered soda ash to the basins. This process is both a safety concern and an inefficient treatment process. Aquarion would ascertain the root cause of the low alkalinity in the biological process, and if necessary, look to replace this process with a siloed alkalinity feed system.

During the site visit, there was a significant amount of scum in the aeration basins, secondary clarifiers and still a high escape of solids into the chlorine contact chamber. The plant has no effective mechanism today for removing scum. Aquarion would likely look to add a full width scum beach or an anti-rotational baffle to the secondary clarifiers for the collection of scum.

The plant is dosing polyaluminum chloride (PAC) to promote precipitation and sedimentation of phosphorus and total suspended solids (TSS) from the effluent. The system uses metering pumps to inject the PAC into a manhole between the aeration basins and secondary clarifiers. The system is not currently connected to SCADA and the amount of chemical used is increased or decreased based on phosphorus results from effluent sampling. The system should be upgraded with on-line ortho-phosphorus monitors to more efficiently dose the PAC chemicals and give operators a better line of sight into proper dosage.

The plant uses chlorine gas to meet its seasonal disinfection requirements. Due to the highly toxic nature and safety risks of chlorine gas, Aquarion has upgraded all its facilities to eliminate this process and achieve disinfection through alternative means. It is likely that Aquarion would pursue replacing this system with ultraviolet (UV) disinfection. This process change would also eliminate the need to dechlorinate effluent wastewater with sodium bisulfite, eliminating the need for two chemical feeds and simplifying operations.

The plant uses one of the former anerobic digesters as a holding tank for waste activated sludge (WAS). Ports in the former digester are used to decant liquid from the settling sludge to reduce the liquid concentration. The Town contracts with a third-party hauler to regularly truck sludge offsite for incineration. Currently no thickening or dewatering process exists. Aquarion would immediately look for opportunities to optimize the amount of WAS

generated through the process and whether any additional thickening of WAS could be achieved, with a goal to reduce the number of truckloads of waste. At a minimum, dosing the WAS with a simple polymer feed system (similar to Aquarion's operation in New Hartford) would have the benefit of substantially reducing the number of trucks and the volume of sludge requiring off-site disposal. Over the long term an investment in dewatering or thickening could provide additional disposal options as the regional biosolids market continues to evolve.

The Ware wastewater collection system dates from the 1800's and contains about 134,600 LF of gravity sewers, one municipal owned lift station, 595 manholes and three inverted siphons. The collection system is comprised of vitrified clay (VC), asbestos cement (AC), polyvinyl chloride (PVC) and reinforced concrete pipes (RCP). Over the years, several infiltration and inflow studies (I/I), and collection system improvements have taken place to address high I.I concerns. Aquarion would commit to an annual budget to reduce I/I through camera inspections, nighttime flow gauging, more regular collection system maintenance, and collection main lining and replacement.

3.2 Utility Plant Upgrade Approach

Water and wastewater utilities are the most capital intensive of all utilities and Ware's systems are no exception. As part of its due diligence Aquarion has developed preliminary capital plans and budgets for the systems utilizing past engineering reports and studies. Upon acquisition, Aquarion would incorporate the 20-year water CIP Ware has been instructed to complete as outlined in their most recent sanitary survey. The plans include many of the same projects that the Town has previously discussed publicly and would include addressing safety concerns, updates to improve operational efficiency and treatment updates to meet existing regulatory requirements. Projects would be sequenced to maximize the benefit to customers while minimizing the future impacts on rates. Importantly, under Aquarion ownership, Aquarion would bear the responsibility of financing and constructing all capital upgrades. Consistent with past practice in Massachusetts, Aquarion would seek to utilize lower cost State Drinking Water Revolving Fund dollars to finance these projects where possible.

The table below details the likely capital improvements for each of the systems:

Water System	
Project Description	**Operational Driver**
Barnes wellfield pump and treatment upgrades	Water Quality
Dismal Swamp treatment upgrades	Water Quality
Generator purchases/replacements	System Reliability
Chemical containment	Environmental Compliance/Safety
Meter replacement	Continuation of existing program
Lead Service Line Program	Water Quality/Regulatory Compliance
SCADA Upgrades	Operational Efficiency/Regulatory Compliance
Reoccurring main, valve, hydrant replacement	Fire protection/System Reliability
Tank Painting	Fire protection/System Reliability

Wastewater System	
Project Description	**Operational Driver**
Removal of Chlorine Gas Disinfection	Safety
Aeration Basin Upgrades	Regulatory Compliance/System Reliability
Generator purchases/replacements	System Reliability
Scum Collection Improvements	Regulatory Compliance/System Reliability
Grit Collection Improvements	Regulatory Compliance/System Reliability
Plant Mechanical Upgrades	Regulatory Compliance/System Reliability
Plant Stairways and Railings	Safety
SCADA Upgrades	Operational Efficiency/Regulatory Compliance
Plant Dewatering System	Operational Efficiency
Manhole Inspection and Repairs	System Reliability/I&I Reduction
Collection Main CCTV/Lining/Repair/Replace	System Reliability/I&I Reduction

3.3 Treatment of Rates

As outlined in Section 3.2 of this proposal and various historical engineering reports, significant capital investment is required for the Ware facilities. Whether the system is privatized or remains municipally owned, rate increases will be required over the longer term. Aquarion believes that its approach to upgrading the system and ensuring efficient operations will result in the best long-term rate trajectory for the Ware ratepayers.

The initial setting of rates will happen with the approval by the DPU as a result of a joint application made to the DPU by Aquarion and the Town of Ware to approve the sale of assets. This application will assess the overall cost of providing water and wastewater services to Ware customers and a projected capital investment. During this transparent process, all relevant stakeholders, including the Attorney General's Office (AG), local officials, environmental regulators, and the general public will be given the opportunity to both review the application and provide input for the record.

Based on an initial review of the cost of service and projected capital improvements, Aquarion believes the water and wastewater rates can be frozen at the current rates upon closing the transaction for a period of no less than two years following the transaction. Once significant capital improvements are made to the systems and that infrastructure is in service, it is forecasted that rate increases would trend close to inflation. Any increase in rates would follow a similar process to the initial application and provide ample opportunity for public input and a thorough review of all relevant financial and operational information.

3.4 Staffing

Hiring, retaining, growing, and motivating qualified staff is a core function for Aquarion.

As explained in Section 3.1 retaining and engaging the staff of the Ware water and wastewater systems would be a top priority, subject to Aquarion's standard pre-employment screening standards (physical, drug testing, etc.). Our understanding is that the Ware wastewater treatment plant employs a staff of three and the water system

presently employs a staff of two. Aquarion believes the current water and wastewater staffing levels are reasonable. Furthermore, during its due diligence, we noted the quality with which staff run the systems despite a number of the unit operations having far exceeded their useful lives. Aquarion will make employment offers to all current Ware water and wastewater staff (subject to Aquarion's standard pre-employment screening).

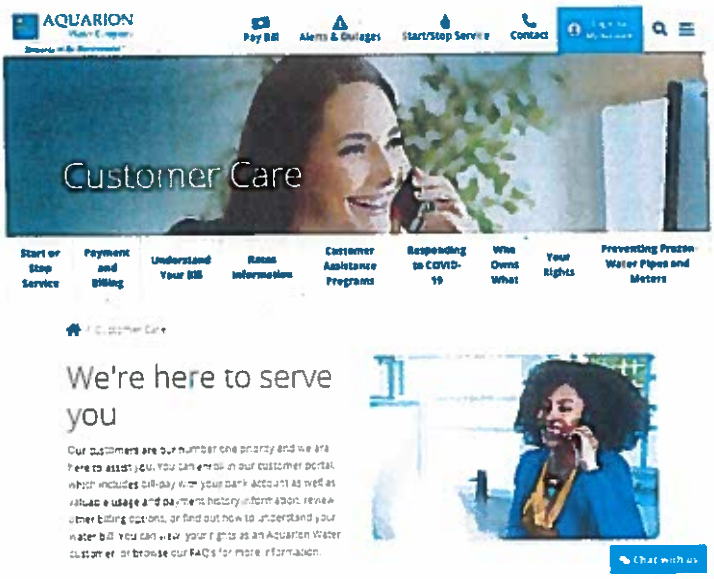
As employees of Aquarion some of the benefits that the Ware staff would enjoy are:

- Industry competitive pay
- Competitive medical, dental, vision, and life insurance plans
- 401k savings plan with up to 100% match on the first 6% of employee contributions
- Paid time off (vacation and sick time)
- Paid family leave
- Tuition reimbursement up to a maximum annual amount of $5,400

Additionally, Aquarion would actively support the staff at the facilities in obtaining additional wastewater and/or water licensing and other continuing education opportunities to support future promotional opportunities.

3.5 Customer Service and Billing

Customer service and billing activities will be managed from Aquarion's Millbury/Oxford, MA facility in conjunction with its Bridgeport and Monroe, CT facilities. Any customer request that requires assistance from field personnel would be immediately routed to the appropriate supervisor through Aquarion's enterprise resource management systems and that staff member dispatched from the Ware facility.



Customers will also have options to connect with customer service through Aquarion's website, online chat, or supported social media channels. Additionally, over 50% of Aquarion's customers are currently enrolled in e-billing and the same service would be extended to Ware customers.

Most Aquarion customers are billed monthly for their usage. This is considered an industry best practice as it gives customers the opportunity to more quickly respond to leaks or other consumption that could affect their bill and promotes conservation. Ware bills are currently billed on a quarterly basis. Aquarion would look for opportunities to move to a monthly billing plan to allow for smaller incremental payments by customers and help promote overall conservation goals.

See Section 2.6 for more information about Aquarion's overall customer service process and organization.

3.6 Community Relations

Aquarion has a rich history of connecting with organizations within the communities it serves. In fact, in 2022 Aquarion supported over 150 organizations in their efforts to care for, educate and provide service to their members. During that same time 70 Aquarion employees, nearly 30% of its total workforce volunteered over 850 hours in support of these great causes.

Communications with governmental and community leaders is a critical component to ensuring the customer service experience is maintained at a high level. Aquarion employs a Director of Community Relations charged with establishing and growing key relationships among stakeholders to ensure a high level of communication is present. This individual is typically charged with running periodic Customer Advisory Board (CAB) meetings where community leaders and customers are selected to discuss various topics with Aquarion officials, further enlisting transparency between the utility and its customer base. Finally, Aquarion has a significant presence on several social media channels. In doing so, the company has been able to further engage its customer base in various topics such as environmental champion awards, conservation initiatives and volunteering events.

4 Administrative Orders and EPA Licenses

The privatization of the assets should not affect any current Administrative Order presently in place for either of the water or wastewater systems. In addition, privatization would not affect the current or future NPDES permit or drinking water regulations. Aquarion would become the respective permit holder and we would institute this transition as soon as the asset deal is consummated.

5 Plan and Schedule

The table below provides a conceptual timeline from the submittal of the RFP response to the closing of a transaction. Aquarion anticipates the entire process could take approximately one year to complete.

TASK	START	END	WORK DAYS
Submit RFP Response	Thu 7/13/23	Thu 7/13/23	1
Bidder is Chosen	Thu 7/13/23	Fri 9/01/23	37
Public Education	Fri 9/01/23	Tue 10/31/23	43
Special Town Meeting	Wed 11/01/23	Wed 11/01/23	1
Negotiate Terms of Asset Purchase Agreement	Thu 11/02/23	Fri 12/15/23	32
Draft and File Petition with the MA DPU	Thu 11/02/23	Fri 12/29/23	42
Adjudication Process	Fri 12/29/23	Mon 7/01/24	132
Close Transaction	Mon 7/01/24	Thu 8/01/24	24

6 Price Proposal

Please see the Term Sheet at Attachment A. The price proposal form provided by the Town is attached in the back of this proposal.

7 Forms 1 through 4

Forms 1 through 4 are attached in the back of this proposal.

8 Failure to Complete Work, Default and Litigation

a. Have you ever failed to complete any work awarded to you? If so, where, and why? *No, we have not.*
b. Have you even been declared to be in default on a contract? If so, where, and why? *No, we have not.*
c. Is there any pending litigation or arbitration which could affect your organization's ability to provide operation and maintenance of the water and wastewater services for the residents of Ware? If so, please describe. *No, we have no pending material litigation or arbitration.*
d. Has your firm ever had a contract terminated for cause within the past five years? If yes, provide details. *No, we have not.*
e. In the past five years, has your firm been a defendant in a lawsuit, or arbitration in which it was alleged that your firm or its employees or sub-consultants committed errors and omissions? If yes, provide details. *No, we have not.*
f. During the past seven years, has your firm or parent firm ever filed for protection under the Federal bankruptcy laws? If yes, provide details. *No, we have not.*
g. Are there any other factors or information that could affect your firm's ability to provide the services being sought about which the Town should be aware? *No, there are not.*
h. Please describe how your firm addresses residential infiltration. *Residential infiltration will be addressed through a comprehensive Inflow and Infiltration (I&&) program. Infiltration is primarily addressed through systematic collection system maintenance and renewal. In most cases inflow, not infiltration, is the primary driver of storm water entering the wastewater system. Sources of private inflow from roof leaders, sump pumps and surface drainage can be significant and a systematic program for abating should be considered. The development and implementation of a private inflow program including building ordinances that prevent private inflow sources is usually undertaken in conjunction with the Town and Aquarion.*
i. Does your firm have experience with allowing private septic haulers to deliver waste to your plant for a fee? *Aquarion presently does not operate a facility that accepts septage. Aquarion does recognize the value of providing this service to the local businesses that rely on the Ware WWTP, in addition to the revenues it provides that helps to offset rates for the wastewater system. Aquarion would look to continue the acceptance of septage to the extent that market conditions allow and ensuring that it is a benefit to the rate payers with minimal adverse impacts on the secondary biological treatment plant to remain in compliance with the NPDES permit.*

ATTACHMENT A: TERM SHEET

AQUARION Water Company
Stewards of the Environment™

TERM SHEET

Purchase Price	Purchase of the water and wastewater assets, excluding certain parcels of real estate for $9,688,000. Contingent upon Buyer Board Approval and completion of due diligence. Costs to complete the transaction will be incurred by the buyer and seller respectively.
Financing	Buyer to finance the purchase price using internally generated cash.
Employees	Retain all current employees at comparable or better wages and benefits subject to Aquarion's pre-employment background and drug screening protocols.
Regulatory	Transaction close is subject to successful regulatory approval from MA DPU. Seller to provide guidance and support as needed for required regulatory approval filings for this transaction.
Closing Date	Buyer and Seller will work expeditiously to file all required regulatory applications within four (4) weeks of execution of a definitive Purchase and Sale Agreement and close within 30 days of regulatory approval.
Capital Planning	Buyer and Seller will collaborate on a capital plan until regulatory approval is obtained. Seller is to complete the SCADA upgrades as outlined in Addendum 2 of this RFP. Seller is to complete the installation of the upgraded headworks at the wastewater treatment plant as previously approved by the Board of Selectmen.
Customers	Customers will benefit from joining a water utility with comparable rates that is nationally recognized for its customer service.
Land	Buyer and Seller agree to work together to identify the parcels of land that will be acquired in this transaction. Land not needed to operate the systems will be excluded from the transaction and retained by the Town.
Advisory Board	Buyer and Seller agree to work together to establish a local advisory board charged with protecting the interests of customers within the Seller's service territory.
Strong, Local	Buyer is the strongest water utility in Massachusetts. Buyer has strong balance sheet - Top utility credit rating Buyer is supported by a strong, locally operated parent company.
Expiration	These terms are valid through December 15, 2023.

ATTACHMENT B: ADDITIONAL TERMS AND CONSIDERATIONS

The items listed within this attachment are topics that need to be discussed and agreements made to within the purchase and sale agreement. Aquarion seeks to work with the Town in an expeditious manner to bring a positive resolution to each of these topics for all stakeholders involved.

1) Mechanical Screens Capital Improvement

The Board of Selectmen previously voted and approved the purchase and installation of new mechanical screens at the headworks of the wastewater treatment plant utilizing ARPA funding that the Town was provided. The Town is to complete the purchase of and installation of this project. If the project is not completed by the closing of the transaction, the Town will remain liable to complete the project as soon as possible thereafter.

2) SCADA Instrumentation Capital Improvement

Addendum 2 of this RFP contains an engineering report from Wright Pierce dated November 2, 2022. The report outlines the scope and cost estimate of a SCADA Instrumentation capital improvement project relative to the water system. The Town is to complete this project as intentioned. If the project is not completed by the closing of the transaction, the Town will remain liable to complete the project as soon as possible thereafter.

3) Institute Approved Rate Adjustments

The Town is to implement the previously adopted and approved rate increases for water and wastewater services as outlined in the Board of Selectmen meeting minutes dated November 16, 2021, effective November 1, 2023.

4) Public Fire Protection Charges

Post transaction the Town will be responsible for the payment of public fire protection charges.

5) Negotiate Land/Asset Purchases

The RFP lists ten parcels of land that the Town is seeking to sell as part of this transaction. Aquarion does not wish to acquire parcels that are not needed for the operation of the system. Additionally, Aquarion would look for the Town to agree to provide easements for access to all utility infrastructure that is not located on land currently controlled by the Town or within the public right of way.

6) Negotiate and Collaborate on the Terms of a Purchase & Sale Agreement

Aquarion's review of the purchase and sale template provided in this RFP lacks key components consistent with this type of transaction. As such, Aquarion's intention is to collaborate with the Town on a Purchase and Sale Agreement consistent with the market and typical for a municipal sale of its water and wastewater system.

7) Required Responses and Capital Improvements from Sanitary Survey

The Ware water department is to complete the required actions outlined in the most recent sanitary survey, conducted by Mass DEP, dated November 15, 2022.

8) Lead Service Line Inventory

The Town received a grant from the State to complete the system wide inventory for lead service lines. This project should be completed prior to the closing of a transaction.

ATTACHMENT C: SELECT PROJECT DESCIPTIONS

Table C-1. Easton Water Treatment Plant

Name of Water Supply System	Greater Bridgeport
Year commissioned	1993
Design Capacity	20 MGD
Plant Type	Conventional dual media filtration with lamella plate settlers, treating high quality water from the Easton Reservoir
General Plant Condition	Excellent
General Operations	Remotely monitored, one shift operator controlled on regular work days. Plant consistently produces high-quality treated water

The Easton Water Treatment Plant (WTP) is a 20 MGD conventional surface water treatment plant commissioned in 1993. A raw water pump station, located along the main access road to the WTP, delivers water to the first of two mixing chambers operating in series where sodium hydroxide, alum and polymer are added. The chemically treated and mixed raw water passes through three parallel flocculation basins and then to three plate settler basins. Sodium hypochlorite and polymer are added to the clarified water before entering eight dual media filters (DMF) in the filter building. Each DMF has approximately 400 sq.ft. of surface area with a 24-inch depth of anthracite and a 12-inch layer of sand filter media. The filters are operated as declining rate filters. The main treatment building also houses chemical feed and storage systems, electrical and process control equipment, laboratory, control room and offices. Filtered water flows to two 3 million gallon (MG) welded steel clearwells with concentric baffle curtains. Filtered water is treated with sodium hydroxide (pH adjustment), sodium hypochlorite (disinfection), zinc orthophosphate (corrosion inhibitor), and fluorosilicic acid (fluoride addition) before entering the clearwells. Finished water from the clearwells flows by gravity to the distribution system.

The instrumentation and control system in the plant is based on General Electric, GE-Fanuc programmable logic controllers with two workstations running Wonderware HMI software. The PLC-SCADA system is distributed with multiple I/O cabinets having serial communication via proprietary GE, Genius communication protocol. The WTP has capabilities for communication to remote locations via telephone or radio communication links. Hach in-line analyzers are provided for monitoring vital water quality parameters (turbidity, pH, chlorine residual) in the plant.

Implementation of a sophisticated PLC-SCADA has significantly automated the Easton operation. The WTP is operated by two operators and one maintenance technician 8 hours/day, 5 days a week. Other times, the plant runs unattended with remote monitoring from Aquarion's central control facility at Stamford. The power demand in the plant is tightly controlled and most of the energy intensive activities are done outside the peak power demand period in the main power supply grid.

The Easton WTP has been in the Partnership for Safe Water (PSW) program for over 15 years and it received the PSW Director's award for outstanding performance in 2015.

Table C-2. Hemlocks Water Treatment Plant

Name of Water Supply System	Greater Bridgeport System
Year commissioned	1997
Design Capacity	50 MGD
Plant Type	Stacked DAF/Dual Media Filter system treating high quality water from the Hemlocks Reservoir
General Plant Condition	Very Good
General Operations	Remotely monitored, one shift operator controlled on regular work days. Plant consistently produces high-quality treated water

The Hemlocks WTP is a 50 MGD, stacked Dissolved Air Flotation (DAF) and Dual Media Filter (DMF) surface water treatment plant commissioned in 1997. The plant is housed in a five-story structure. The plant control room, DAF basins, chemical storage and feed systems, standby generator and boiler are located on the first floor of the plant building. The basement of the building houses most of the process pumps and monitoring equipment and the mezzanine houses the air scour system, piping and large valves with actuators. The second floor houses the dewatered sludge conveyor and the top most floor houses centrifuges.

A raw water pump station, situated adjacent to the Hemlocks Reservoir, delivers raw water to a contact tank, and then to two mixing basins operated in series (where sodium aluminate and a cationic polymer are added). Water then flows through nine parallel flocculation basins and feeds nine DAF/DMF tanks that have 24-inch thick layer of anthracite and 12-inch layer of sand. Sodium hypochlorite is added to the DAF/DMF tanks for pre-disinfection and oxide coating of the filter media. Floated solids from the DAF units flow into a residual storage tank and settled solids are pumped up to two centrifuges located on the third floor. Dewatered solids discharges onto a screw conveyor on the second floor, which transfers the solids to a roll-off container storage on the floor below for off-site disposal. Filter backwash waste is pumped into the raw water main to the plant. Filtered water is dosed with sodium hydroxide (pH adjustment), sodium hypochlorite (disinfectant), zinc orthophosphate (corrosion inhibitor), and fluorosilicic acid (tooth decay prevention) at the inlet of a 4 MG clear well. Finished water is stored in an 8 MG circular welded steel treated water storage tank, located adjacent to the Hemlock Reservoir, and then flows by gravity to the distribution system.

The WTP is operated by three operators and one maintenance technician 8 hours/day, 5 days a week. Other times, the plant runs unattended with remote monitoring from Aquarion's central control facility at Stamford. The power demand in the plant is tightly controlled and most of the energy intensive activities are done outside the peak power demand period in the main power supply grid. Aquarion received a significant refund check from the power provider for reducing energy use in the WTP during peak demand hours. I&C systems and in-line analyzers are similar to the arrangements at the Easton WTP.

The plant uses proven and innovative DAF/DMF water treatment technologies with a compact stacked design. Overall, the Hemlock WTP treats high quality surface water from the Hemlock Reservoir and produces good quality treated water.

Table C-3. Putnam Water Treatment Plant

Name of Water Supply System	Greenwich and New York Supply Zones
Year commissioned	1926
Design Capacity	20 MGD
Plant Type	Conventional Dual Media Filter (DMF) plant treating good quality water from the Putnam Reservoir
General Plant Condition	Good
General Operations	24/7 operator controlled plant. A Partnership for Safe Water plant producing treated water conforming to regulatory requirements.

The Putnam WTP treats surface water from the Putnam Reservoir. A significant capital improvement program (around $25 million) consisting of a series of Initial Capital Improvements (ICIs) was completed in 2012 to replace the original clearwell with a new, larger (3.2-million-gallon capacity) dual-cell clear well. The program also included construction of a new chemical feed and storage building. The plant still has the original mixing basins, sedimentation basins, and filter basins. The filters were upgraded in 2006-2007 to include new underdrains and air scour systems. The Putnam WTP includes two mixing basins, two sedimentation basins (one open and another covered), 16 dual media filters (8 single cell filters and 8 double cell filters), a clearwell, a chemical feed and storage building, residual processing units, and pump stations. The plant also has a chlorine dioxide feed and storage system (installed in 2014), that is in the filter building, to combat occasional filter clogging algae. Alum, sodium hydroxide, polymer and purate (chlorine dioxide) are added to the mixing basin. From the mixing basin, water flows through the sedimentation basin(s) to dual media filters. Filtered water is treated with sodium hydroxide (pH adjustment), sodium hypochlorite (disinfectant), zinc orthophosphate (corrosion inhibitor), and fluorosilicic acid (fluoride) before entering the 3.2 MG clearwell. A high-service pump station transfers finished water to an elevated storage tank on the plant site. Finished water from the clear well also flows via three gravity mains to the New York and Greenwich distribution systems.

The residuals treatment facility (installed in 1999) includes settling, thickening, and centrifuge dewatering units. From the thickener, the residuals are fed directly into a single Humboldt centrifuge and dewatered residuals from the centrifuge are dropped into a roll-off storage container via belt conveyor and sent off-site for disposal.

The WTP has 12 operators who work in shifts around the clock, 7 days a week. The plant has been a member of the AWWA's Partnership for Safe Water (PSW) Program for over 14 years and received the PSW Director's Award for Outstanding Performance in 2015.

I&C system is based on General Electric, GE-Fanuc programmable logic controllers with two workstations running Wonderware HMI software. The SCADA control system and HMI software are similar to that at the Easton and Hemlocks WTPs. The control system, analytical equipment and sensing devices are recent installations and utilize up-to-date technology.

ATTACHMENT D: NEW HARTFORD, CT CASE STUDY

New Hartford, like many CT municipalities, owns a wastewater system with significant challenges. Despite years of diligent work by municipal leaders, and a volunteer WPCA board, the Town is faced with a wastewater system that runs an annual deficit and requires subsidization from its general fund to meet its debt service. Aquarion was brought in to manage the plant through a contract operations agreement. Through the first 16 months of that contract Aquarion was able to lower wastewater operations and maintenance budget items not associated with labor or non-routine services by 17%. Below are a few of the accomplishments:

- Process Optimization. Aquarion operators improved the operations of the auger screen, grit chamber, Sequencing Batch Reactor (SBR) biological process control, tertiary filters, equalization tank operation, and the UV disinfection system during the first year of our contract.

- Sludge Disposal Savings. Aquarion reduced the number of sludge truck loads sent off-site for disposal from 53 in FY 2016-17 to seven in FY 2019-20 ($23,000 per year cost savings); we currently have stabilized the number of trucks at 10 to 12 per year.

- Electrical Cost Savings. Aquarion optimized the process control operations of the SBR process based on oxygen levels and reduced the annual WPCF electrical costs by 10 percent.

- UV Disinfection Improvements. Aquarion conducted an optimization study and implemented changes in flow patterns to the tertiary filters and UV disinfection process that allowed a reduction in the number of UV lamps from 48 to 16.

- Equalization (EQ) Tank Cleaning. Aquarion operators were trained in confined space entry and were able to perform EQ tank cleaning (that had not been completed for six years) and saved the WPCA about $6,300 per year in third party contracts.

- Standby Power Coordination. When the standby generator failed at the WPCF, Aquarion was able to communicate with the CTDEEP and arrange for the mobilization of an Aquarion generator from another site. The contingency plan coordinated by Aquarion resulted in about a $15,000 savings to the WPCA.

Even after Aquarion was able to significantly lower the operating costs of the plant through careful management, the WPCA still faced an uncertain future as it looked at long term capital needs and what the required trajectory of its rates would look like. As a result, the Town decided to solicit proposals for the privatization of the water and wastewater systems and to remove the risk of operating the water and wastewater infrastructure. After considering responses from Aquarion and two other firms, the Town selected Aquarion as the buyer of the system. The selection was further ratified by a town-wide referendum in March 2021. Aquarion has filed the application for approval of the sale with the CT PURA subsequently.

ATTACHMENT E: DOVER, MA CASE STUDY

Aquarion acquired a water system in Dover, MA in 2021 that had numerous issues including long-term discolored water, periods of low pressure and/or no water during high summer demands, and regular emergencies that caused significant overtime.

Regarding discolored water, Aquarion resolved the issue within several months of ownership. Aquarion field technicians first implemented a sampling program to determine the concentrations of iron (Fe) and manganese (Mn) in the individual wells. Aquarion discovered a significant difference in the levels of Fe and Mn in the various wells, even within the same wellfield. Thus, Aquarion adjusted the operating strategy to maximize use of the higher quality wells and minimize use of the lower quality wells. Aquarion is also constructing infrastructure improvements (including treatment, wellfield, distribution system, and pump station projects) that will increase the capacity of the higher quality wells.

Also relative to discolored water, the distribution system hadn't been properly flushed for many years because it was thought that without a water storage tank in the system, there wouldn't be adequate flow to flush the water mains. Aquarion determined that the system could in fact be flushed using the capacity of the existing well pumps and flushing at night when demands were low. Aquarion successfully flushed the entire distributions system, which led to an immediate improvement in water quality.

Regarding low pressures and/or no water during high summer demands, prior to Aquarion ownership, it was believed that there was inadequate water supply for the system. That was not the case. The issue was that wells were not being used effectively due to lack of instrumentation and inadequate electrical and control systems. Aquarion installed level sensors in wells, installed VFDs for well pumps, and upgraded monitoring systems. With these changes, Aquarion was able to meet summer demands during a drought, and did so without even having to use all the wells.

Regarding emergency events and related overtime, when Aquarion acquired the system, the operations staff reported that there were numerous afterhours emergencies each week related to supply and treatment issues. As described above, Aquarion addressed the supply issues and eliminated emergency events related to supply. Aquarion did the same with treatment systems by identifying and fixing chemical system issues. Within a month of Aquarion's ownership, emergencies and overtime were reduced significantly.

Attachment A

Form 1

Certificate of Tax Compliance

Pursuant to Chapter 62C, §49A(b) of the Massachusetts General Laws, I,

Donald J. Morrissey authorized signatory for
(Name)

Aquarion Water Company of Massachusetts do hereby certify under the pains and
(Name of Proposer)

penalties of perjury that said proposer has complied with all laws of the Commonwealth of Massachusetts relating to taxes.

Signature: [signature]

Printed name: Donald J. Morrissey

Title: President

Name of Business: Aquarion Company

Date: 7/12/23

Form 2

Town of Ware
Request for Qualifications
CERTIFICATE OF NON-COLLUSION

The undersigned certifies under penalties of perjury that this bid or proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean natural person, business, firm, corporation, union, committee, club, or other organization, entity, or group of individuals.

Donald J. Morrissey / President

Signature **Typed Name/Title**

Name of Firm/Business Aquarion Water Company of Massachusetts

Form 3

CERTIFICATE OF AUTHORITY

Give full names and residences of all persons and parties interested in the foregoing proposal:

(Notice: Give first and last name in full; in case of a corporation, give names of President and Treasurer; in case of a limited liability company, give names of the individual members, and, if applicable, the names of all managers; in case of a partnership or a limited partnership, all partners, general and limited and; in case of a trust, all the trustees)

NAME	ADDRESS	ZIP CODE
Donald Morrissey	835 Main St. Bridgeport, CT	06604

Kindly furnish the following information regarding the Respondent:

1) **IF A PROPRIETORSHIP**

Name of Owner: _____

Address: _____

Name of Business: _____

Home: _____

2) **IF A PARTNERSHIP**

Business Name: _____

Business Address: _____

Names and Addresses of Partners:

PARTNER NAME	ADDRESS	ZIP CODE

3) **IF A CORPORATION OR A LIMITED LIABILITY COMPANY**

Full Legal Name: Aquarion Water Company of Massachusetts

State of Incorporation: MA.

Principal Place of Business: 835 Main St. Bridgeport, CT 06604

Qualified in Massachusetts: Yes X No _____

Place of Business in Massachusetts: 24 Providence St. Millbury, MA 01527

4) **IF A TRUST**

Full Legal Name: _____

Recording Information: _____

Full names and address of all trustees:

NAME	ADDRESS	ZIP CODE

Signature: _____

Printed name: Donald J. Morrissey

Title: President

Name of Business: Aquarion Company

Date: 7/12/23

Form 4

DISCLOSURE STATEMENT FOR
TRANSACTION WITH A PUBLIC AGENCY CONCERNING REAL PROPERTY
M.G.L. c. 7C, s. 38 (formerly M.G.L. c. 7, s. 40J)

The undersigned party to a real property transaction with a public agency hereby discloses and certifies, under pains and penalties of perjury, the following information as required by law:

(1) Real Property: The parcels of land described in Exhibits A, B, and C to this Agreement.

(2) Type of Transaction, Agreement, or Document: Sale of Property by Town

(3) Public Agency Participating in Transaction: Town of Ware

(4) Disclosing Party's Name and Type of Entity (if not an individual): Aquarion Water Company of MA./ Corporation

(5) Role of Disclosing Party (Check appropriate role):

_____Lessor/Landlord _____Lessee/Tenant

_____Seller/Grantor __X__Buyer/Grantee

_____Other (Please describe): _____

DISCLOSURE STATEMENT FOR
TRANSACTION WITH A PUBLIC AGENCY CONCERNING REAL PROPERTY
M.G.L. c. 7C, s. 38 (formerly M.G.L. c. 7, s. 40J)

(6) The names and addresses of all persons and individuals who have or will have a direct or indirect beneficial interest in the real property excluding only 1) a stockholder of a corporation the stock of which is listed for sale to the general public with the securities and exchange commission, if such stockholder holds less than ten per cent of the outstanding stock entitled to vote at the annual meeting of such corporation or 2) an owner of a time share that has an interest in a leasehold condominium meeting all of the conditions specified in M.G.L. c. 7C, s. 38, are hereby disclosed as follows (attach additional pages if necessary):

NAME	RESIDENCE
None	

(7) None of the above- named persons is an employee of the Division of Capital Asset Management and Maintenance or an official elected to public office in the Commonwealth of Massachusetts, except as listed below (insert "none" if none):

(8) The individual signing this statement on behalf of the above-named party acknowledges that he/she has read the following provisions of Chapter 7C, Section 38 (formerly Chapter 7, Section 40J) of the General Laws of Massachusetts:

> *No agreement to rent or to sell real property to or to rent or purchase real property from a public agency, and no renewal or extension of such agreement, shall be valid and no payment shall be made to the lessor or seller of such property unless a statement, signed, under the penalties of perjury, has been filed by the lessor, lessee, seller or purchaser, and in the case of a corporation by a duly authorized officer thereof giving the true names and addresses of all persons who have or will have a direct or indirect beneficial interest in said property with the commissioner of capital asset management and maintenance. The provisions of this section shall not apply to any stockholder of a corporation the stock of which is listed for sale to the general public with the securities and exchange commission, if such stockholder holds less than ten per cent of the outstanding stock entitled to vote at the annual meeting of such corporation. In the case of an agreement to rent property from a public agency where the lessee's interest is held by the organization of unit owners of a leasehold condominium created under chapter one hundred and eighty-three A, and time-shares are created in the leasehold condominium under chapter one hundred and eighty-three B, the provisions of this section shall not apply to an owner of a time-share in the leasehold condominium who (i) acquires the time-share on or after a bona fide arm's length transfer of such time-share made after the rental agreement with the public agency is executed and (ii) who holds less than three percent of the votes entitled to vote at the annual meeting of such organization of unit owners. A disclosure statement shall also be made in writing, under penalty of perjury, during the term of a rental agreement in case of any change of interest in such property, as provided for above, within thirty days of such change.*

Any official elected to public office in the commonwealth, or any employee of the division of capital asset management and maintenance disclosing beneficial interest in real property pursuant to this section, shall identify his position as part of the disclosure statement. The commissioner shall notify the state ethics commission of such names, and shall make copies of any and all disclosure statements received available to the state ethics commission upon request.

The commissioner shall keep a copy of each disclosure statement received available for public inspection during regular business hours.

(9) This Disclosure Statement is hereby signed under penalties of perjury.

Aquarion Water Company of Massachusetts

Print Name of Disclosing Party (from Section 4, above)

Authorized Signature of Disclosing Party

7/12/2023

Date (mm / dd / yyyy)

Donald J. Morrissey President

Print Name & Title of Authorized Signer

PRICE PROPOSAL

Town of Ware
Purchase, Upgrade, Maintenance and Operation of the Town's Water and Wastewater Systems and Facilities

The undersigned proposed to pay the Town of Ware the sum of:

$ 9,688,000.00/cc
(figures)

$ Nine million six hundred eighty eight thousand dollars
(words)

For the purchase of the Town's Water and Wastewater Systems and facilities.

The undersigned certifies the responsibilities of the Proposer and the Town of Ware conform to the attached Request For Proposal.

DATE: 7/12/13

Donald Morrissey President
(Name & Title of Authorized Person)

COMPANY: Aquarion Water Company of Massachusetts

NAME: Donald Morressey

ADDRESS: 24 Providence Street Millbury, MA 01527

TELEPHONE: 203-336-7650 EMAIL: DMorrissey@aquarionwater.com