

FOR IMMEDIATE RELEASE

December 1, 2004

Statement provided by Williamstown Citizens for Informed Decisions  
(Prof. Williams can be reached at: 413-458-9836)

## **WILLIAMS COLLEGE PROFESSOR'S ANALYSIS OF TOWN DOCUMENTS SHOWS PROPOSED 16" WATER LINE WILL COST TAXPAYERS \$860,000.**

WILLIAMSTOWN, Mass., Dec. 1, 2004 - The Cold Spring Road water main project has been billed as "free" to taxpayers. However, an analysis of the town's own documents by Williams College professor Heather Williams shows that the water main actually would carry a heavy price tag for town residents.

According to official town documents, the total cost to the town of building and operating the water line for the next twenty years will be \$1,848,000. These same documents project water revenues from the new users of the line over that period will be \$980,000. This leaves a shortfall of \$868,000.

Here's how this number is calculated:

The town has said it "intends" to pay the debt service on the bonds with water fees from the Clark, Northern Berkshire Health Systems, and Mount Greylock Regional High School. These payments are expected to total \$49,000 a year.

Meanwhile, the town has estimated that debt service on the bond issue will total \$57,000 annually for the first four years, and will jump to \$75,000 annually for the following sixteen years.

This leaves the town \$8,000 short each year for the first four years, and \$26,000 short each year after that, for a total of \$448,000 over the life of the bond issue. The town has not identified how it will make up this shortfall: the only possible sources are water fees and/or our taxes.

In addition, the town has estimated that labor and service costs associated with the water line extension will be \$17,600 in 2005. The town projects annual increases in these expenses, until they reach \$24,900 in 2024. These costs will be borne entirely by Williamstown water customers and/or taxpayers, with no contribution from the Clark or Northern Berkshire Health Systems. Over 20 years, these costs amount to \$420,000.

--- MORE ---

Together, the debt service that is not covered by the water fees plus the additional labor and service costs come to a total of \$868,000. Even if the town is able to obtain a loan at a very low, two percent rate from the state "revolving fund," the deficit will still amount to \$500,000. This represents a "back door" tax on Williamstown residents. It is money will not be available for other important public services, such as schools, police, and fire protection.

"Not building the water line extension would effectively save the town at least half a million dollars," Williams said. "This money could be applied to solving the school's water problem in other ways."

Heather Williams is a professor of biology professor at Williams College. She holds a PhD. in neuroscience from Rockefeller University, and is a winner of a MacArthur Foundation Fellowship. For this analysis she relied on the Town of Williamstown's "Operating Expense and Debt Repayment Analysis." Further information on the bond payment schedule was provided by Town Manager Peter Fohlin.

-30-