

John D. McCown statement at June 2, 2026 Pound Ridge board meeting

With the Comptroller's Office approval to form the water district, I think it would be good for the board to address the impact of this. In other words, what does it change and what does it not change? For instance, will the board now be moving ahead and spending resources on engineering and other items, even with the litigation now in the courts? What actions, if any, does the town have to take to form the district? Or has that happened automatically with the Comptroller's Office approval? Has the Aquarion term sheet been turned into a signed agreement? What will be the governing structure of the district? Who will be on any district board? With the district formed, will all costs going forward be for the district? My understanding is that all of these become project costs and are rolled into the capital cost component paid solely by district members, with repayment to the town of any amounts it previously advanced. But what happens if the project doesn't move ahead for any reason? I'm specifically thinking of the budget showing \$960,000 of engineering design costs. My experience in shipbuilding has always been that fixed priced bids only come after all design work is provided to bidders. My research on engineering design costs in a project that doesn't move ahead points to the Comptroller's Office indicating that they would be absorbed by the district in the form of assessments on all real property within the water district boundaries. Let's say, hypothetically, that bids come in indicating the maximum project cost will be 61% higher than your budget. I used that because that is the same percent increase from May 2024 recently disclosed in Laberge Group's November 2025 updated cost letter for purchasing Aquarion water. That results in the maximum project cost going from \$10.9 million to \$17.6 million. Whether the town decides not to go ahead or the Comptroller's Office declines to relax its conditional approval, my question is who has the risk of the \$960,000 in engineering design costs already paid to get the fixed bids? It seems to me that is a fundamental question that it is incumbent on the board to address. Will it follow Comptroller Office guidance and access that cost to district members, presumably based on EDU where the cost will be approximately \$3,300 per EDU? Or will it take the position that those costs are not the responsibility of district members, violating repeated pledges that all water district costs are the sole responsibility of water district members? I believe it is unfair to both district members and town residents to not immediately address this topic before spending more funds on this project. Please consider discussing my questions and providing some feedback that folks really deserve when this matter comes up as the first agenda item. Thank you.