

Advisory Committee – Water Company Acquisition Subcommittee –

Meeting Minutes

Date: February 27, 2019

Place: Town Hall

In attendance: Subcommittee Members Dave Anderson, Victor Baltera, Bob Curley, Libby Claypoole, Eryn Kelley

Subcommittee Chair Baltera called the meeting to order at 7:32 pm.

Discussion of warrant articles MM, NN, OO, and PP relating to possible acquisition of water company

The meeting was attended by John Walsh, Aquarion's Vice President of Operations, Debra Szabo, Aquarion's Director of Rates and Regulations, and Andrew Bosnian, Director in Blum, Shapiro, and Company's ("blumshapiro") Litigation and Business Valuation group. Blumshapiro was retained by Aquarion to perform an assessment of the analysis of the financial aspects of the water supply system purchase provided in the Andersen Tax model. Steve Olson, Director of Operations for Aquarion, was also available to answer questions concerning operations. Members of the Board of Selectmen and the Water Company Acquisition Study Committee attended as well, as did the Town's consultant, Jim Dondero of Andersen Tax and Julie Keim of Berry Dunn. The meeting was televised and may be seen in its entirety on Harbor Media.

There was a lengthy discussion with the Aquarion representatives regarding financial and operational matters, including the DPU rate setting process, inflation rates, income tax, the spread between municipal and private borrowing costs, prevailing wage, costs for contract operators, and unaccounted for water. After the discussion with Aquarion, Mr. Dondero, Ms. Keim, Jon Asher and Ed Siegfried from the Water Company Acquisition Study Committee and Selectmen Mary Power, Karen Johnson and Paul Healey were available to respond to the Aquarion comments. Members of the public were invited to present questions or comments.

Adjourn – 10:31 pm

Respectfully submitted,

Bob Curley, Secretary

Documents Distributed

Agenda

2/26/19 letter of John Walsh to Victor Baltera

Cost of Service Model Review by blumshapiro

2/25/19 letter of blumshapiro to Aquarion

Lynn Water and Sewer Contract Specifications

AdCom approved on 4/9 /2019 by a vote of 4-0