400 thousand.

Twenty years from now, if we don't address the question now, we will be making the statement, "If we had passed this in '84 we only would have had to appropriate, instead of 6 million, maybe 2 million." You see the advertisement "Pay me now or pay me later" and later the payment goes up. (Applause.)

THE MODERATOR: If there is no further discussion we come to vote on the recommended motion under Article 11. All those in favor please say aye. Opposed no. The aye's have it and the motion is carried.

Before taking up Article 12 I would like you to acknowledge the presence with us tonight of Senator Allan McKinnon, who is retiring from the Senate later this year and who has visited the Hingham Town Meeting many times during his incumbency. Welcome this evening, Senator. (Applause.)

Article 12 would direct a study by the Water Supply Committee of the demands or the adequacies of water resources through the year
2025 and the manner of providing for the needs
of the Town for future water services and would
appropriate $50,000 for that study. The
recommended motion of the Advisory Committee is
presented in it's report and I need not read it.
Is there discussion of this motion? Yes, sir.

MR. HENKE: David Henke, 15
Hawthorne Road, Manager of the Hingham Water
Company. I would first like to review several
things and then give my comments on this article.
One of the reasons for this article has been
mentioned; the responsibility of the Hingham
Water Company to the community's needs and a
fast review of this is:

In the past 10 years the Hingham Water
Company itself has invested over a million
forty-six thousand dollars, while the deferred
out-of-pocket expenses for the Town during the
same period was only $425,000. We have heard a
lot in the Town of Hingham about the bills being
the highest in the city, the state, the county,
the nation. In a review of 12 water departments
which are controlled by the D.P.U. in the
Commonwealth of Massachusetts, the Hingham Water Company was 10th. The highest being Barnstable, with $355 annually; Hingham with 146.92; the lowest, Southbridge, with $114.80. One municipality reviewed was in Plymouth County and it has an average bill of $166.

We've been talking about operating expenses being high, unreasonable. In these same 12 communities reviewed, operating expenses and maintenance expenses and cost per thousand gallons sold, Hingham came in 7th. Pumping expenses 5th, water treatment 3rd, distribution and transmission expenses, 6th, administrative and general expenses, 9th overall and cost per thousand gallons sold was 8th.

Cost per customer -- again, instead of going through the long list -- the overall average was 8th. It might be interesting to note that in property taxes the average customer in Hingham paid, $28.74 of their water bill went directly to property taxes. That is 15.78 -- excuse me, 15.87 percent of each dollar paid goes to property taxes.
There's been a question concerning pipe line sizes. In Hingham, approximately 10 percent of our pipe line is smaller than four inches. Of the 12 communities visited by the State, the average is 12 percent. Just look at the larger size; 12 inch and larger. Hingham has 20 percent of it's pipe line 12 inches or larger. The average of the 12 is 14 percent. Yes, we do have a color problem. We have admitted this. It's magnesium. The U.S. E.P.A. says the customers will note magnesium staining clothes, dishwashers and appliances. There is 2.15 milligrams per liter.

The Hingham Water Company averages from point 2 to point 6. What is it the company could do to eliminate that? We have proposed a treatment plant to eliminate this problem. During this year we have been undertaking a $75,000 study, distribution study. This will be a 15-year study program for detailed analysis. The timeframe for this program -- which I think is important to mention -- it started in January and will be finished in late November or the
first of December.

Now, this goes to the article. They're planning to spend $50,000 to have completed by December a study of the company, which we cannot do ourselves in a six-month timeframe. They plan to study it through the year 2025, which is 40 years from now, which most of us in this room will be lucky if we are still here. The odds of what they're going to find in the next 40 years will be fascinating to see.

Right now in the Commonwealth of Massachusetts there is a great debate in the water works industry. For example, the governor last week recommended the M.D.C. be split off from the Commonwealth and operated as a separate unit. One of the recommendations is to study if the M.D.C. would be a better alternative. Since as of today no one in the Commonwealth knows what the M.D.C. is going to be, it's going to be kind of ridiculous to study if we can join them if we don't even know what they are. The second item is this thing that's been proposed by the State. This will be for financing water, sewer
utilities.

Now, historically, the Hingham Water Company has been reviewed by the Town of Hingham for acquisition approximately six times, I'd say, like it's bi-decade. Now, as a taxpayer and also concerned about my job, I feel that if we're going to spend $50,000, we should get the most for our $50,000 and to rush out and try and do the study by December, with so many things up in the air, it seems like a ridiculous point right now to rush. After all we've heard tonight, how tight the Town budget is this year and next year and the following year will be even tighter.

I believe at this time, while a study may be advised, we should postpone and wait and see which direction the wind is going to blow. Also, the Town's interest in the State's rate case decision also will not be known until approximately the 1st of June. I thank you.

(Applause.)

THE MODERATOR: Mr. DiCenso for the Advisory Committee.

MR. DICENSO: Robert DiCenso, 119
Thaxter Street. I won't go through my spiel, but I think I'll just continue where Mr. Henke left off. He said let's wait and see. I think we've been doing that for a hell of a long time. We seem to be waiting for the Water Company to do something.

As most of you know, the Hingham Water Company is privately owned. It is not our municipal water company, it is privately owned, as Mr. Henke indicated. We do have a number of water related issues and we'd like something done on them. The Water Supply Committee is saying to us, without going through all the particular water related issues, the water company is going to do their own internal water study because, I'm lead to believe, their headquarter people are gonna come and evaluate their own subsidiary and then tell themselves what's wrong. What the Water Supply Committee is saying is, "Let's do an independent evaluation ourselves."

As to the question of trying to do the study by December, I'll leave that up to the Water Supply Committee to discuss but several --
at least one of the proposals we've gotten is from a firm that the water company is familiar with because they have already done three studies on the water company and I'm not sure that it's going to be done by December, it just says by next Town Meeting.

I think that the Advisory Committee -- speaking for the Advisory Committee, we feel very strongly that an independent evaluation of our problems and what our needs are in the future should be done in order to supply the Water Supply Committee with the necessary information. We urge you to vote favorable action.

THE MODERATOR: Mrs. Salisbury for the Water Supply Committee.

MRS. SALISBURY: Catherine Salisbury, 606 Main Street. I'm Chairman of the Water Supply Committee. My Committee has become aware over the years of a number of problems with the Hingham Water Company service. These problems have -- are chronic problems, they have not gone away and I don't think they're
going to go away without some pressure being brought on behalf of the Town.

The list of problems includes water quality problems, black water -- black water, not brownish or orange tinged water, which is a result of naturally occurring organics, but black water, which is a result of manganese, inadequate pressure, fire hydrants that do not have an adequate flow and in order to pass the insurance office's standard -- seven out of the 20 fire hydrants did not pass the test.

There are a lot of dead ends in Town and a lack of looping, which means connecting pressure to make the waterfront areas that have no water service at all but have homes that want either domestic water or fire hydrants; inadequately sized mains for certain areas. We have areas that are zoned for a particular use and the water mains that are in that area are inadequately sized for the particularly zoned use. Small mains, below six inches.

Also, the lack of planning that the Hingham Water Company has shown and their lack
of responsiveness to the problems that I have just listed and on top of all this is the increasing cost of water service. The Hingham Water Company has had a rate increase in 1969, 1972, 1975, 1977, 1979, 1981, 1983 and very shortly will come out with 1984. They are trying to get a yearly increase in your rates. Every year they're going to come in and ask for an increase and a great deal of the increase in rate this year is the fact that they've added three people and two vehicles to their staff. They now have 31 employees down at the water company. In addition to three employees, they have what we refer to as the service charge.

These are charges which they pay to the parent company, which is American Water Works. In this case American Water Works Service Company, located in Westwood. They provide financial and administrative and legal and administrative support to the Hingham Water Company and the Hingham Water Company has 31 people. These service charges have gone up and up and up and up. They have gotten a great deal
larger and a great deal of the increase, the current increase in the current case, is due to the increase in the service charges.

The reason for the rush, the reason for this particular article this year that is now before you, is the fact that the Hingham Water Company is currently in the planning stages and intends to build a filtration plant which will cost over $6 million. This particular $6 million investment will have a very significant impact on the Hingham Water Company's rate base and subsequently on the water rates that they are allowed to charge the customers.

Building this filtration plant will not correct any of the problems that I have enumerated previously. It will eliminate problems of organics, which is this naturally occurring yellowish tinge in the water. This yellowish tinge exceeds the standard -- secondary standards that are currently in effect. However, there is no requirement by D.E.Q.E., there's no requirement that the Hingham Water Company build this filtration plant. It is a management
decision that they wish to, they chose to build this plant.

They have not chosen to address these other problems that I have just enumerated, they have instead chosen to build this $6 million plant. Once the plant is built, if there is any talk at all about buying the company we're buying a completely different company than we're buying now and this is one of the reasons why we're in sort of a hurry to do the study, is because we want to look at the whole system; we want to look at the plant, the equipment, the distribution system, their planning, the water supply, their sources of supply. We want to look at everything and we want to say, "Here we are, this is where we are now, this is the number of people we have now, this is the number of people we project that we're going to have. This is the supply that we have now, this is the supply that we project that we're going to have 40 years in the future and is the system adequate now and is it going to be adequate for the future?"
And, the Hingham Water Company, their $75,000 distribution study -- which is a relatively late decision on their part -- this came out in the rate hearings that we had in Boston. No one knew about this until just a couple of months ago -- is going to be done by the American Water Work Service Company. That $75,000 will come back to us in the form of next -- the next rate case. It will be a charge included in that rate case and if it is allowed by the Department of Public Utilities it will filter back to us in the form of higher rates. So, we're going to be paying for that $75,000 and we're going to be paying for this $50,000 study, hopefully.

But, quite frankly, the in-house study I think will not be an objective study. I do not think it will be an objective study and I think it's extremely important now that we take a look at where we are and whether we think we're going to have the improvements and have the things necessary to provide adequate service for the people in the Town and the Water Supply.
Committee has over the years developed a great skepticism on behalf -- on what we think the water company is doing in their management policies and we're very, very concerned about this and we feel that we better take a look at this and what the alternatives are.

We get the study all done and we say okay, this is what needs to be done to the system and in order to make it an adequate system and at that point we have to take that information and somehow decide which are the alternatives and there are a number of alternatives besides buying out the water company --

THE MODERATOR: You have one minute.

MRS. SALISBURY: Okay. There are quite a few alternatives and we have to look at all the alternatives which make sense from a cost basis, so I urge -- the Water Supply Committee feels that this study is very important at this time and we urge your affirmative support and your affirmative vote on
this article. (Applause.)

THE MODERATOR: If there is not further discussion then we will come to vote on the recommended motion of the Advisory Committee under Article 12. All those in favor please say aye. Those opposed no. The ayes have it and the motion is carried.

The next one is Article 13 and before we embark on that I would like to check with Mr. Colantonio, whom we see on the monitor. Do you have any voters with you, Mr. Colantonio?

MR. COLANTONIO: Mr. Moderator, there are no voters in the auditorium.

THE MODERATOR: Well, would you like to come in and join us then?

MR. COLANTONIO: Very much so.

I'll bring my wife with me.

THE MODERATOR: Please do.

(Laughter.) Article 13 relates to the water main project for Gardner Street and the recommended motion of the Advisory Committee, along with it's comment, is in the material that was distributed in the hall this evening.