

ANNUAL HINGHAM TOWN MEETING

HELD AT:

Hingham High School
17 Union Street
Hingham, Massachusetts

DAY 1

Monday, April 28, 2014

To begin: 7:00 p.m.

ARTICLE 17

Maureen D. Pires
Verbatim Court Reporting Services
521 Ashley Boulevard
New Bedford, Massachusetts 02745
508-998-5334

1 those in favor, please say aye.

2 (Verbal responses)

3 MODERATOR: All those opposed, no.

4 (No response)

5 MODERATOR: It is a unanimous vote.

6 We now come to Article Seventeen.

7 Article Seventeen relates to the continuing
8 investigation of the feasibility of the acquisition
9 of the Town water company, known as the Aquarion
10 Water Company of Massachusetts. The recommendation
11 of the Advisory Committee is an affirmative one and
12 will be received as the main motion before this
13 meeting. The recommendation of the Advisory
14 Committee is that the Town appropriate four hundred
15 seventy-five thousand dollars from available funds
16 to be used by the Board of Selectmen for
17 professional fees and costs, as more particularly
18 set forth in the affirmative motion of the Advisory
19 Committee which is at pages -- Page Thirty-one of
20 your Warrant booklet, all as more particularly set
21 forth therein.

22 Is there discussion?

23 Mrs. Power for the Advisory Committee.

24 MS. POWER: Good evening. Mary Power, 1

1 King Phillip Path, representing the Advisory
2 Committee, who unanimously supports Article
3 Seventeen. We do so for three reasons.

4 One, the economic opportunity is
5 significant. Advisory has reviewed the cost model
6 and has met with the Town's expert witnesses. We
7 think the Town's position is strong, and the
8 potential to eliminate fifty-five to sixty-eight
9 million dollars in cost is real.

10 Two, we are satisfied with the process.
11 The Water Study Committee is made up of five
12 citizens, four of them former Advisory Committee
13 Chairs, each having a track record of distinguished
14 service to the Town. The Advisory Committee has
15 closely followed the work of this committee for two
16 years. It has spent thousands of hours carrying
17 out the charge of the 2012 Town Meeting in an
18 objective, professional, and high integrity manner.
19 Members followed the data with no agendas. They
20 are not invested in a particular outcome. Funds
21 have been used judiciously. We expect that will
22 continue. The Water Study Committee participated
23 in twenty open meetings and three Town Forums.
24 Executive sessions were called when necessary in

1 accordance with Mass. General Law. We understand
2 some are frustrated by not having access to certain
3 information, including legal strategy before
4 tonight's vote. This is not without precedent.
5 Town Meeting frequently votes budgets that include
6 collective bargaining allowances. You did so
7 tonight when you voted the education budget. All
8 collective bargaining strategy sessions and
9 negotiations are conducted entirely in executive
10 session, and for good reason, to protect the Town's
11 interest. Since we are involved in litigation and
12 do not rule out the possibility of a negotiated
13 settlement, the same caution must be taken.

14 Three, we remain concerned over the
15 stewardship of the water system and water supply
16 under the current owner. We keep hearing about
17 Aquarion's expertise managing water systems, and to
18 this we ask why didn't Aquarion refinance the seven
19 percent water treatment debt sooner? Why didn't
20 Aquarion develop a plan to manage unaccounted for
21 water sooner? And with one hundred sixty-six
22 emergency system repairs in Hingham alone over the
23 past ten years, why did Aquarion underspend its
24 2012 capital efficiency plan by four hundred

1 thousand dollars? Some are concerned the Court
2 could set a price that doesn't make sense for the
3 Town. The Advisory Committee is more concerned
4 about what happens if the potential for acquisition
5 goes away or if the Town waivers in any way.

6 Aquarion's cost structure, profit returns to
7 investors, and higher borrowing rates prevent it
8 from adequately maintaining our water
9 infrastructure without significantly raising rates.

10 Aquarion has been owned by Macquarie since 2007.

11 In their first five years of ownership, they
12 petitioned the DPU for rate increases totaling
13 fifty-four percent. The DPU granted increases
14 totaling thirty-one percent. During that same
15 time, Hingham was cutting municipal services while
16 still having to spend sixty to eighty thousand
17 dollars to challenge its rates case. When Aquarion
18 tells you that the rate increases are among the
19 lowest in the state, keep in mind they are counting
20 years when they were owned by somebody else.

21 Assuming Town Meeting approves Article
22 Seventeen and all monies are spent, the Town will
23 have spent a total of nine hundred forty-five
24 thousand dollars, which is the red bar on the

1 screen.

2 Since initiating this study, Aquarion has
3 refinanced its debt and announced a one-time tax
4 refund. We don't think either are a coincidence.
5 Those savings are the blue bar on your screen.
6 Hingham's share is sixty-one percent. Since the
7 refinancing savings carry into the future, we will
8 fully recover what we have spent in less than two
9 years' time.

10 The funding source for this article is
11 our fund balance, which you heard from Mike Barclay
12 earlier stands at eighteen percent, well within the
13 range of our town financial policy.

14 It's been suggested that this article is
15 diverting funds from the operating budget. It's
16 not. We don't use fund balance to pay for the
17 Article Six budget. So if this study were to go
18 away, we wouldn't be hiring any more public safety
19 officials or any more teachers.

20 In our Advisory deliberations, we
21 considered the length and the cost of litigation,
22 the strength of the Town's position, and the risk
23 as one of my colleagues put it, of falling in love
24 with an idea so much that you lose perspective. We

1 also talked about how Town ownership would work.

2 On this last point, we agreed that
3 significant --

4 MODERATOR: One minute.

5 MS. POWER: -- discussion of ownership
6 matters is premature until we get a price, which is
7 what this article seeks to do.

8 We therefore recommend that the Town
9 continue its efforts to obtain a purchase price.
10 Once that happens, a future Town Meeting will make
11 the ultimate decision whether or not to buy the
12 water company.

13 One final point. Town ownership makes
14 sense today because we can borrow money for twenty
15 percent at a two percent rate. While low interest
16 rates are not a reason on their own to move ahead,
17 we can't count on them staying this low
18 indefinitely. As interest rates rise, Hingham's
19 window of opportunity closes.

20 The Water Study Committee, Board of
21 Selectmen, and Advisory Committee all unanimously
22 recommend approval of Article Seventeen.

23 Thank you.

24 MODERATOR: Mr. Asher?

1 MR. ASHER: Thank you, Mr. Moderator.
2 Jonathan Asher, 5 Common Street, Chairman of the
3 Water Company Acquisition Study Committee.

4 Two years ago Town Meeting authorized up
5 to three hundred and twenty thousand dollars to
6 conduct a study of the feasibility and advisability
7 of the Town exercising its right to purchase its
8 water company. At that time, Hingham rate payers
9 had the fifth highest water rates in the
10 Commonwealth, and there were repeated water main
11 breaks, the infrastructure repair of which was
12 constrained by Aquarion's limited capital budget.
13 After two years, what do we know now that we didn't
14 know then?

15 Well, we've learned five important facts.

16 First, we've learned that Aquarion cannot
17 make significant improvements to our aging water
18 system infrastructure without increasing rates. As
19 you just heard, since 2007, Aquarion has requested
20 rate increases by the Department of Public
21 Utilities totaling over fifty-four percent, and was
22 granted increases over thirty-one percent.

23 Aquarion executives have consistently
24 refused to make any commitments to limit future

1 rate increases, and, in fact, have signaled their
2 intent to file rate cases every three years.

3 Second, we've learned how Aquarion spends
4 the revenue it receives from rate payers. In 2012,
5 over one million six hundred thousand dollars of
6 the money we spent for water ultimately went to
7 Macquarie Bank's private equity shareholders.
8 Aquarion earns over ten percent net return for its
9 investors and over a thirteen percent return on its
10 water treatment plant. Those are enviable returns
11 when individual savings accounts now earn less than
12 one percent.

13 We have identified a total of six million
14 seven hundred thousand dollars in Aquarion charges
15 from 2012 that would be eliminated under Town
16 ownership. You will hear more about these charges
17 from Ed Seigfried.

18 Third, we've learned what the
19 consequences are of Aquarion's constrained capital
20 budget. Two successive years of unaccounted for
21 water at twenty-one percent, more than one out of
22 every five gallons lost. That figure is over twice
23 the DEP standard and seven percentage points higher
24 than the average of the two hundred and seventy-

1 nine water companies in the Commonwealth, over
2 ninety-five percent of which are owned by the towns
3 they serve. If unaccounted for water were reduced
4 just to the Massachusetts average, we would
5 conserve over eighty-four million gallons of water
6 each year, otherwise drawn from our stressed Weir
7 River Watershed.

8 Fourth, we carefully investigated the
9 work of previous studies, both the 1985 study by
10 the Water Supply Committee, and the 2009 CDM study
11 commissioned by the Hingham Municipal Light Plant.
12 The 1985 Water Supply Committee Town Report
13 concluded that savings were not substantial enough
14 to warrant acquisition. That's an understandable
15 conclusion to draw, given the double digit interest
16 rates in effect in the mid 1980's.

17 With regard to the relevance of the 2009
18 CDM study, the Committee talked with CDM, and CDM
19 sent a letter to the Town last December clarifying
20 two facts. First, that their 2009 evaluation
21 reflected the fact that the Light Plant did not
22 have the statutory authority to acquire or operate
23 a water utility. Second, costs presented by CDM
24 were based on limited information and did not

1 involve discussions with Aquarion representatives.
2 The letter acknowledges that the Town's current
3 study has allowed the Town to develop a much better
4 understanding of potential acquisition costs and
5 impacts on water rates. That's why the Advisory
6 Committee omitted any mention of the 2009 CDM
7 report. It wasn't relevant. That CDM letter was
8 posted on the Water Company Acquisition Study
9 Committee's web page upon receipt.

10 Finally, we learned that at the right
11 price were a future Town Meeting to vote to
12 actually purchase the Water Company, the Town could
13 acquire the Water Company, invest millions of
14 dollars each year to repair the infrastructure, and
15 repay to fund balance all the money expended in the
16 study and the Town's lawsuit.

17 So what about that right price? Well,
18 that's why the Town filed its lawsuit last July, to
19 determine the system's acquisition price, since
20 Aquarion and Macquarie executives have consistently
21 rebuffed the Town's offer to negotiate a price. A
22 water utility expert and a nationally known
23 valuation firm have independently derived --

24 MODERATOR: You have one minute.

1 MR. ASHER: -- an acquisition price of
2 fifty million to sixty million dollars. At that
3 price, the Town could acquire and significantly
4 improve the system and water conservation using
5 cost savings from two million six hundred thousand
6 to three million two hundred thousand dollars per
7 year.

8 We are all aware that there are no
9 guaranteed outcomes. However, our research into
10 previous court decisions, coupled with the informed
11 opinions of experts in the field convince me that
12 the potential benefits of a court decision greatly
13 outweigh the costs of continuing the Town's
14 lawsuit. The vote tonight is not a vote to buy the
15 water company. That deliberation is only relevant
16 once we know the actual acquisition price as
17 determined by the courts.

18 Two years ago Town Meeting made a three
19 hundred and twenty thousand dollar decision to
20 authorize a study based on very limited
21 information. Two years later we have the facts and
22 have filed a lawsuit to obtain a purchase price.
23 Given those facts and the strengths of the Town's
24 legal position, I believe that authorization by

1 Town Meeting to continue the lawsuit is in the best
2 interest of the Town and its rate payers.

3 Thank you.

4 MODERATOR: Mr. Seigfried.

5 MR. SEIGFRIED: Ed Seigfried, 21 Camelot
6 Drive, a member of the Water Study Committee.

7 I want to share with you the work done by
8 the Committee in determining the financial impact
9 and the feasibility of a Town-owned water company.
10 The objective was to build a financial model,
11 comparing the cost of continued Aquarion ownership
12 versus Town ownership by year over a number of
13 years. At the outset, we had no predetermined
14 conclusion or agenda. Our work was based only on
15 what the numbers told us, and if they did not make
16 sense, our work would be over.

17 We started this effort twenty months ago,
18 and have spent many, many hours gaining an
19 understanding of Aquarion's cost structure. To do
20 this, we used reports filed with the Mass. DPU,
21 information supplied by Aquarion, and information
22 provided by Aquarion's consultants in their
23 reports.

24 Finally, we held three meetings with

1 Aquarion. We compared financial data and obtained
2 Aquarion's projected rate increases by year to
3 2022. Our numbers were also reviewed with several
4 experienced financial professionals and all were
5 satisfied with our projections.

6 The end result is a financial projection
7 in great detail by year from 2015 to 2035,
8 comparing the cost of Aquarion ownership with the
9 cost of Town ownership. As you saw in the slide
10 John Asher projected, the cost savings under Town
11 ownership are significant, bearing only on the
12 purchase price.

13 I want to now review the cost elimination
14 numbers and how we arrived at the difference
15 between the cost of running a Town-owned water
16 company compared with Aquarion's costs. These are
17 the same numbers that I presented at the recent
18 Town Forum, and also as part of several public
19 meetings of our Water Committee.

20 First, the charges for Aquarion water
21 delivery to us are currently approximately twelve
22 million annually. This is what we are charged for
23 water. These charges are based on Aquarion's costs
24 approved by the Mass. DPU, plus a profit to

1 Aquarion. Based on the work we have done over the
2 past twenty months, we have identified six point
3 seven million dollars in Aquarion annual costs that
4 will be eliminated if the Town owned the water
5 company. That's six point seven million out of
6 total charges of twelve million, or fifty
7 (inaudible) the six point million -- debt service
8 is one point seven, and percent range is one
9 million. The percent range is pure profit for
10 Aquarion, and will total thirty million over the
11 next twenty-one years. The return on the rate
12 base, one point six million. That's essentially
13 more Aquarion profit. Federal and Mass. income
14 taxes, six hundred thousand. A Town-owned water
15 company does not pay federal or state income taxes.

16 Depreciation, eight hundred and fifty
17 thousand. Plus the elimination of other expenses
18 including rate case (phonetic) expenses, corporate
19 overhead expenses, customer satisfaction surveys,
20 rent expense for facilities in other towns, water
21 purchase for resale, all of which add another one
22 million in eliminated costs, bringing the total
23 eliminated Aquarion costs to six point seven
24 million annually. This is a firm number. It is

1 not a guesstimate. No personnel reductions are
2 included in this total. No water treatment costs
3 or quality control costs are eliminated.

4 What is eliminated are Aquarion charges
5 that an investor-owned water company is allowed to
6 charge us for water. Under Town ownership, its
7 eliminated charges would be used to first fund the
8 purchase price of the water company, plus invest
9 three million in year one of capital improvements,
10 which would address, in part, the twenty-one
11 percent unaccounted for water. All of this would
12 be paid for through twenty year borrowing and
13 recovered through water bills, not through real
14 estate taxes.

15 Second, it would fund two million
16 annually in capital for system improvements for the
17 next twenty-one years.

18 Third, it would be used to repay to the
19 Town all expenses incurred in funding the current
20 legal action.

21 Finally, it would be used to add two
22 hundred thousand annually in new municipal costs,
23 primarily administrative costs, including a billing
24 system and related expenses.

1 After funding all of this, there would
2 still remain a cost savings difference between Town
3 and Aquarion ownership ranging from fifty-five
4 million to sixty-eight million over the next
5 twenty-one years, depending on the purchase price.
6 As was said earlier, we believe the ultimate
7 purchase price will be in the range of fifty to
8 sixty million.

9 The next slide shows an example of what
10 the annual cost savings are in various years,
11 assuming the sixty million dollar price. The top
12 numbers are Aquarion's numbers. They're Aquarion's
13 own numbers. The bottom section shows the costs
14 under Town ownership.

15 Based on the expected purchase price, I
16 am confident that a Town-owned water company can do
17 two things that Aquarion absolutely cannot do
18 financially. One, produce cost savings of fifty-
19 five to sixty (phonetic)-eight million over a
20 twenty-one year period. Money that would be
21 available for additional --

22 MODERATOR: You have one minute.

23 MR. SEIGFRIED: -- water system
24 improvements or for rate savings.

1 Two, make critical improvements to an old
2 and aging system that Aquarion cannot do without
3 substantial increases in rates far exceeding the
4 rates that a Town-owned company would have to
5 charge.

6 As a former CFO of two publicly investor
7 owned companies, I know all about the pressure to
8 produce profits. I will conclude with one
9 question. Why does Aquarion not want to sell the
10 water company and why are they working so hard to
11 convince us not to buy? The answer is simple. It
12 is because it is a very profitable business for
13 Aquarion. Aquarion is making a ton of money for
14 its investors selling us our water.

15 Thank you.

16 MODERATOR: Further discussion? Mr.
17 Mitchell.

18 MR. MITCHELL: Christopher Mitchell, 120
19 Hersey Street. I move to an amendment to the
20 affirmative act motion of the Advisory Committee
21 under Article Seventeen. I had previously
22 delivered a written copy of this proposed amendment
23 to the Moderator, and I would like -- like to move
24 this amendment and ask the Moderator's approval to

1 read this to the meeting. Once this motion is
2 seconded, I would like to explain why this
3 amendment is proposed and what the amendment should
4 accomplish.

5 MODERATOR: I have before me a proposed
6 amendment to the main motion under Article
7 Seventeen, and I will read it now. It is what is
8 called a motion to refer or a motion to commit and
9 it reads as follows:

10 Voted: to refer this Article Seventeen
11 to a committee of the Town hereafter described and
12 created, which is to -- which is directed to study
13 all relevant issues it deems to affect or influence
14 the matters raised in this article and to report
15 its findings and recommendations to a future town
16 meeting, such report and recommendations to be in
17 written form, widely disseminated and prominently
18 posted on the Town Website not less than sixty days
19 prior to such future Town Meeting. Such
20 recommendations may, in part, take the form of
21 articles for inclusion in the future Town Meeting
22 Warrant; and,

23 Two, to direct the Moderator to appoint a
24 committee of seven citizens of the Town

1 knowledgeable in its affairs and possessing such
2 other knowledge, expertise or experience as the
3 Moderator, in his discretion, deems useful, one of
4 whom he shall designate as chairman, to be known as
5 the Hingham Water System Future Committee,
6 hereinafter referred to as Committee; and,
7 (The word "Three" not stated by Moderator.)

8 To direct all Town Boards, other
9 Committees, Commissions, Officers, and employees to
10 cooperate fully and in a timely fashion with the
11 Committee, and upon request, to deliver to the
12 Committee accurate copies of all books, records,
13 reports, minutes, communications, studies, opinions
14 of experts and any similar materials in the
15 possession of or in control of the Town, including
16 without limitation all materials filed or prepared
17 at Town expense in connection with the current
18 litigation between the Town and Aquarion Water
19 Company of Massachusetts, Aquarion Litigation; and,

20 Four, to recommend strongly to the Board
21 of Selectmen that it promptly seek either a
22 continuance or a dismissal without prejudice of the
23 Aquarion Litigation pending further action by a
24 subsequent Town Meeting on the report and

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recommendations of the Committee; and,

Five, to direct the Selectmen to make available within the Town Hall or such other Hingham public building as the Committee in its discretion deems appropriate, suitable office and meeting space for its exclusive occupancy which shall contain such utilities, telecommunications and similar support services as are generally available in other Town Offices; and,

Six, that the Town raise and appropriate the sum of one hundred thousand dollars for the work of the Committee, it being understood that the Committee may require clerical and professional services and incur expenses for office equipment and supplies and the like in order to discharge its duties in a professional manner with all due deliberate speed; and,

Seven, that the term of the Committee shall expire unless extended by vote of a subsequent Town Meeting, on the earlier to occur of the conclusion of the Town Meeting to which the Committee makes its report and recommendation, or the conclusion of the 2016 Annual Town Meeting.

So that is the proposed motion to refer

1 or to commit that has been proposed as an
2 alternative to the main motion under Article
3 Seventeen as proposed by the Advisory Committee.

4 Is there a second on Mr. Mitchell's
5 proposed motion?

6 (Verbal responses)

7 MODERATOR: There's a second, so you may
8 now begin, Mr. Mitchell.

9 MR. MITCHELL: Thank you, Mr. Moderator.

10 I, like many of you tonight, have been
11 greatly troubled by the close nature of the process
12 surrounding this very important public policy issue
13 around the future of Hingham's water supply that
14 have been held to this date.

15 Going back two years, I voted in favor of
16 the feasibility study. I believed that an
17 independent outside expert's help to assist and to
18 assess, to have an open and public forum to discuss
19 these findings, and to have all the documents both
20 favorable and unfavorable posted and available for
21 all citizens.

22 But over time, I noticed that this
23 information in detail and in open debate was not
24 coming out the way I had anticipated and expected.

1 So I went to the Town Office and I asked about the
2 Water Acquisition Study, if I could talk to
3 somebody to find out more information. I was
4 pointed to the Selectmen's Office. And in the
5 Selectmen's Office, I was told that they couldn't
6 comment on the Water Acquisition Study because they
7 were in litigation and the meetings were in
8 executive sessions, so it was closed to the public.
9 I was told that all public documents were on the
10 Town's Website, under the Water Company Acquisition
11 Study Committee. The Website contains eleven
12 documents. Seven are from the Town, four are from
13 Aquarion. Of the seven documents that are from the
14 Town, there's only forty-two pages. Of the four
15 documents that are from Aquarion, there are three
16 hundred and twenty-seven pages. I'm a little bit
17 of a accountant nerd, and I really want to find the
18 facts and make sure that this information was there
19 and to follow up on the suggestions for this
20 information from the Selectmen.

21 Going through the minutes of the Water
22 Company Acquisition Study, I noticed that they had
23 just forward of eight hours of public meetings and
24 fourteen meetings over two years. We are very

1 fortunate that Hingham Town government is built
2 around an open meeting, affording the citizen to
3 participate actively in debate and discussion that
4 have a meaningful opportunity to shape Town
5 policies.

6 But this has not been the case to date.
7 This amendment seeks to reverse that closed course
8 and return consideration to such an important and
9 complicated public policy issue in full to inform
10 public debate for all its complexities.

11 This amendment does several things. It
12 replaces the existing motion. It refers to the
13 subject matter under Article Seventeen to a
14 committee of the Town to study and report to the
15 Town Meeting. Since its a legislative committee it
16 reports to Town Meeting, not the Selectmen. All of
17 the members are appointed by the Moderator who has
18 -- who is held as a legislative branch of Town
19 government.

20 The legislative branch has three standing
21 committees, the Capital Outlay Committee, the
22 Personnel Board, and the Advisory Committee, each
23 of which consider and report directly to the Town
24 Meeting and in various matters for which they are

1 responsible. This Committee would address in-depth
2 only those issues that surround Article Seventeen.

3 The balance of this amendment strongly
4 recommends, it does not direct, that the Board of
5 Selectmen pause litigation. The amendment directs
6 all board, committees, commissions, officers and
7 employees to cooperate fully with the Committee.
8 It seeks to provide space and financial resources
9 for the Committee, so that it can do its job and
10 issue identification analysis and recommendation in
11 a professional manner and quickly and practically.

12 What this amendment is not about, it does
13 not take sides. Many of the people supporting this
14 amendment do not advocate for Aquarion and do
15 respect the Boards of Selectmen and Town Office
16 time and hard work and long hours.

17 Ours is a difference between seeking more
18 open and public response traditionally of what is
19 Hingham's virtue.

20 Forty-two documents, just over eight
21 hours of public forum for this Article, so that is
22 why this amendment's in place.

23 Thank you, Mr. Moderator.

24 MODERATOR: Ms. Salisbury.

1 MS. SALISBURY: Good evening. My name is
2 Katherine Salisbury, and I live at 10 Ridgewood
3 Crossing.

4 I have not decided yet whether buying the
5 Aquarion Water Company is a good idea or not. How
6 could I? I do not have enough facts and I have not
7 heard enough debate on the subject to render an
8 intelligent decision. I suspect many of you here
9 tonight feel the same way.

10 There has been no consensus on this
11 issue, and voters suspect that there are other
12 issues besides price that have not yet been
13 addressed or debated.

14 This being so, why are we so far down the
15 litigation track? Why was the money appropriated
16 by Article Nineteen at the 2012 Annual Meeting been
17 spent for consultants to establish what they think
18 the Town's price should be, and for lawyers
19 involved in the litigation. This issue is too
20 important not to have thought through all the
21 issues. This has not been done so far.

22 I was the Chairman of the Water Supply
23 Committee when it obtained fifty thousand dollars
24 from the 1984 Town Meeting to do a study to examine

1 the present and estimated future demand for water,
2 the adequacy of existing and potential future water
3 sources, and existing treatment and delivery
4 systems, the cost effectiveness of the current
5 public utility, which at that time was the Hingham
6 Water Company, and provided water service to the
7 Town, possible alternative water supply strategies,
8 including the purchase or taking by the Town of the
9 existing public utility, and recommending to the
10 Town action to secure adequate future water
11 service.

12 We hired consultants who produced a
13 written report. We held a public hearing, at which
14 that report was presented, questions asked and
15 comments received. The Committee concluded that a
16 treatment plant was necessary and voted against
17 advising the Town to pursue the acquisition of the
18 Hingham Water Company. A written report is found
19 in the 1985 Annual Report.

20 While all this history may seem
21 irrelevant to the current discussion, and while the
22 construction of the water treatment plant in 1996
23 alleviated many of the water quality problems that
24 my committee was concerned with in the 1980's, many

1 problems remain today that would become the Town's
2 problems if it acquired the water company.

3 For example, how much will it cost to
4 rectify the undocumented water loss of twenty-one
5 percent? How can the critical problem of our
6 current demand bumping up against our statutory
7 limit on water withdrawal of three point five
8 million gallons per day be solved? How significant
9 is the fact that forty-five percent of the mains in
10 Hull and fourteen percent in Hingham were installed
11 before 1920? What should our negotiating position
12 with the Towns of Hull and Cohasset be considering
13 that we are proposing to bear the entire burden of
14 the litigation and acquisition ourselves. And the
15 source of supply lies entirely within the
16 geographical limits of Hingham.

17 How can such an important intermunicipal
18 agreement be currently in negotiations with
19 officials in these towns without the draft document
20 being public, and without public input from the
21 voters in all three towns?

22 How will future water sources be
23 developed in order to allow future development such
24 as in South Hingham?

1 I presume that you are interested in the
2 answers to these questions. These issues are too
3 important not to have a special legislative
4 committee appointed by our Town Meeting tonight to
5 study them. This amendment will allow a
6 legislative committee to have the resources to
7 study the facts and reach its own conclusion. It's
8 deliberation in an open forum will enable residents
9 to be apprised of these facts.

10 MODERATOR: You have one minute.

11 MS. SALISBURY: There will be no shroud
12 of secrecy over its deliberations. Informed voters
13 will be empowered if they have identified the
14 issues, know the facts, and have an opportunity to
15 ask questions and engage in public debate. Don't
16 voters deserve that?

17 This is the one opportunity you have as
18 voters tonight to demand these rights. If you do
19 not, at the end of the litigation, you will be
20 asked at a future town meeting to vote on whether
21 to acquire Aquarion and you will have no more facts
22 than you do now. How can you then make an
23 intelligent decision?

24 The Board of Selectmen's policy of

1 utilizing the litigation exception to the open
2 meeting law is an abuse of that exception, but you
3 cannot expect that policy to change if this
4 litigation, fueled by an additional appropriation
5 tonight, is allowed to continue.

6 MODERATOR: Your time is up.

7 MS. SALISBURY: I urge a yes vote on the
8 offered amendment. Thank you.

9 MODERATOR: Mr. Delauter.

10 MR. DELAUTER: Dewitt Delauter, 300 High
11 Street, Hingham.

12 MODERATOR: Speak directly into the
13 microphone, please.

14 MR. DELAUTER: Dewitt Delauter, 300 High
15 Street, Hingham.

16 MODERATOR: Thank you.

17 MR. DELAUTER: Like many here tonight,
18 I'm disturbed by the closed process shielded by
19 litigation the selectmen have chosen to adopt to
20 consider the future of the Town water supply.

21 If the motion under Article Seventeen
22 passes as amended, the Selectmen continue as before
23 and spend almost a million dollars to determine the
24 price to buy the water company. No one knows what

1 the price will be. Town officials seem to tell us
2 that it's going to be somewhere between fifty and
3 seventy million bucks. The water company feels
4 it's going to be somewhere in the neighborhood of a
5 hundred and eighty million dollars. In each case,
6 that's a lot of money.

7 The purchase price however is just the
8 beginning of the capital expenditures. The water
9 company records indicate that almost half the mains
10 in Hull are about a hundred years old. In
11 Cohasset, a third of the mains are also that same
12 age. And in Hingham, about fourteen percent.

13 Currently, the water company loses -- the
14 water system loses twenty percent of the water
15 pumped from the ground, which does not go through
16 the end user's meters. Twenty percent of a scarce
17 resource where a system (inaudible) return is
18 supposed to be much lower. The result is not
19 surprising, given the age of the system. The
20 needed fix is going to be a big, huge capital
21 infusion for infrastructure and refurbishing to
22 make it right.

23 Town officials are quick to point out
24 that the borrowing costs are dirt cheap. True

1 enough. But a capital loan must be repaid and
2 historically low interest rates can rise rapidly
3 and provide nasty surprises when it comes time to
4 refinance it.

5 Hingham for many years has had a policy
6 that the debt service should not exceed five
7 percent of the annual Town operating budget.
8 Several years ago that target was raised to seven
9 and a half.

10 The project ratio for the upcoming fiscal
11 year is almost eleven percent without any water
12 related capital expenditures and in the temporary
13 environment of dirt cheap interest rates.

14 Hingham is like a large family. It must
15 live within its means. It cannot have everything
16 that some family members want. We deal with that
17 in our own family budgets every day when the kids
18 want this and that. Support this amendment, open
19 up the process, let the Committee of the Town sort
20 things out for all of us, so that a fully informed
21 future Town Meeting can make wise choices based on
22 the full citizen discussion and participation.

23 Thank you.

24 MODERATOR: I recognize Mr. Hidell in the

1 rear. Come to the microphone to be heard.

2 MR. HDELL: Henry Hidell, 63 Gilford
3 Road.

4 -- this proposed amendment --

5 UNIDENTIFIED VOICES: Can't hear you.

6 MODERATOR: Just get close to the mike.

7 MR. NIDELL: I don't want to become
8 intimate with it.

9 MODERATOR: That's okay. We won't hold
10 it against you.

11 MR. NIDELL: The -- my name is Henry
12 Hidell, 63 Gilford Road.

13 The issue before us in the proposed
14 amendment to the main amendment is a smokescreen if
15 you listen to the questions that have been asked by
16 Mrs. Salisbury. The questions which she has asked
17 I asked recently in a meeting, in a forum, in which
18 a number of Hingham Committee Chairmen were
19 present, and including the -- John Walsh of the
20 Water Company. And the question I asked, you can't
21 answer in the two years that she has suggested a
22 hundred thousand dollars would solve.

23 The issue we face as a town is correct.
24 We have a long-term issue with water. We have had

1 study committees obviously forever. We have had a
2 committee that has determined that the Weir River
3 Watershed is stressed, which is our principal
4 watershed. And nobody's come up with the answer to
5 how much water we have available and what
6 population will it provide sufficient water for
7 within the town. The issues that this has to
8 address has nothing to do with water alone. It has
9 a lot to do with how much development can we have
10 in this town, what will our water resources
11 support; and as you go far afield to get more water
12 to support the growth of this town what really
13 happens is that cost of water becomes very
14 significant. The further you have to move water to
15 support the economic interests and the population
16 of this town, the more expensive it is going to
17 become, substantially.

18 I am a hydro geologist. I guess that's a
19 lot like being a dentist, you don't actually know
20 what's going on in your mouth. We drill holes in
21 the ground, and sometimes we guess.

22 The other -- I have spent a number of
23 years as senior planner of the Department of
24 Natural Resources with the Commonwealth of

1 Massachusetts, and I was the author of a Charles
2 River Basin Study, which addressed this very issue.

3 I have been a water consultant for forty-
4 five years, running a global consultancy of water,
5 and just spent the last seven and a half years
6 living in Bombay, India. I can describe water
7 problems to you. But the most important thing you
8 have to realize is that do not confuse this is --
9 the proposed amendment with the acquisition of the
10 water company. These are two different universes.
11 The things this town needs to know about its
12 resources is driven by the knowledge of how many
13 cubic meters in our aquifer are available for us to
14 draw on, can support what population, and what kind
15 of zoning is required to maintain the growth of
16 this town in concert with the resources available
17 to support this town. If you think you can answer
18 that, put a hundred grand in a budget, and with two
19 years of study, you're nuts. That's all I can tell
20 you, you're nuts. I do this for a living.
21 Sometimes this takes a half a decade, sometimes it
22 takes a decade to understand environmental issues
23 that drive the decisions we have to make.

24 The issue of whether we should purchase

1 this water company, I have clients who are both
2 public and private water companies. I owned one of
3 the largest water companies in Australia, the home
4 of Macquarie, which happens to own Aquarion.

5 A lesson in point. Aquarion is the owner
6 of the Charleston, West Virginia Water Company.
7 Three hundred thousand people had a contaminant of
8 unknown character driven straight through the
9 entire distribution of that city's water system.
10 So please don't tell me that we're necessarily
11 better off having a public company whose profit-
12 driven motives prevent them from spending money or
13 participating in certain types of activities which
14 they should do. But I will tell you that this
15 amendment is a smokescreen. If you're going to do
16 this business correctly, we just heard three
17 excellent presentations from the Water Study
18 Committee of very talented people. These are not
19 novices. They understand finance.

20 MODERATOR: You have one minute, sir.

21 MR. NIDELL: I'm done. Thank you very
22 much.

23 MR. ROSS: That's a very tough act to
24 follow. Let me just say at the outset that it's

1 like a privilege to come to Town Meeting and be
2 able to address these kinds of issues.

3 MODERATOR: Speak right in that mike,
4 please.

5 MR. ROSS: I never take it for granted.
6 Nelson Ross, 18 Bradford Road, Hingham.

7 I believe it's important that we purchase
8 the Hingham Water Company if it is at all feasible.
9 I want to say that I have no obligation on this
10 issue to the Board of Selectmen, to the Advisory
11 Committee, to the Water Study Committee, or any
12 political candidate. I have not spoken with any of
13 them.

14 No one influenced me in my thinking in
15 regard to this issue except my wife, Barbara, who
16 forty years ago said, Nelson, we're going to run
17 out of water and we should be investing in a water
18 source, and I ignored her. Big mistake.

19 Okay. The major focuses of those who
20 have spoken in support of the acquisition have been
21 primarily financial and concern about Aquarion and
22 their performance. That is not my focus. I come
23 at it from a different perspective. First some
24 facts which I think are indisputable.

1 First, clean high quality drinking water
2 is essential to our way of life. Second, we do not
3 have an unlimited supply of this critical resource.
4 Third, there are water shortages and drought being
5 experienced already in parts of the United States.
6 How about a community on the east coast of
7 Massachusetts? Let me quote from one study which I
8 did read, authoritative study on the effect of
9 climate change on water scarcity. Quote: as sea
10 levels rise due to climate change, coastal
11 communities could lose up to fifty percent of their
12 fresh water supplies. Salt water intrusion of
13 fresh water aquifers is an essentially big threat
14 to drinking water supplies along the U.S. eastern
15 seaboard, a situation driven by rapid population
16 growth and over pumping of groundwater in coastal
17 communities and exacerbated by rising sea levels.

18 I believe it is imperative that we take
19 control of our water supply and water company
20 assets if it is at all feasible. We need to do
21 this in our own interest and in the interest of
22 future generations in Hingham.

23 I do not want the fate of our community
24 in the hands of some company executive who is

1 thousands of miles away from here, someone we do
2 not even know, someone who is not invested in our
3 welfare, someone whose primary obligation is to his
4 or her shareholders. I do not want that person
5 deciding our future with regard to this essential
6 resource.

7 I believe that it would be a serious
8 error, one that we would regret if this substitute
9 motion passes. That vote, in my view, could
10 threaten, if not torpedo, the possible acquisition
11 of the Hingham Water Company.

12 Others can speak more knowledgeably than
13 I about the impact on the court proceedings and
14 whether or not the ultimate price could even rise.
15 It is critical that we continue the legal process
16 which is under way to get an answer to the
17 question. What is the price we need to pay to buy
18 the Hingham Water Company? Once we know the price,
19 we can at least determine whether or not it's not
20 feasible. If it might be feasible, then there are
21 many other questions that need to be answered, and
22 I have no doubt they will be.

23 So, if you believe, as I do, that we must
24 take control of our water resource for the sake of

1 our future and for the sake of future generations,
2 please vote against the substitute motion and in
3 favor of the main motion.

4 Thank you very much.

5 UNIDENTIFIED VOICE: Move the motion.

6 MODERATOR: The motion to -- for the
7 previous question would end debate. It is up to
8 the Moderator when to entertain the motion for the
9 previous question. I will do so as such time as
10 debate becomes repetitive or there are not other
11 voters who wish to be recognized. I am not
12 disposed at this time to entertain the motion for
13 the previous question.

14 MR. ENGELHART: Al Engelhart, 96 Martins
15 Lane.

16 I've read this amendment several times.
17 I've heard it read, and I listened to several
18 dissertations favoring this. I really believe from
19 the very first time I read it that it was more of
20 the form of obfuscation and a delaying tactic that
21 would kill the progress that we've done so far.

22 If you read on Page Eleven, just a
23 summary of the Advisory Committee and the Board of
24 Selectmen, the Selectmen unanimously support this

1 article. They've spent many months. System wide
2 elimination of forty-one to eighty million
3 (phonetic) dollars in the first twenty-one years if
4 the Town owned the system.

5 I think that the case has been made that
6 in my opinion that this amendment is not the way to
7 go. And I will just give you one personal account
8 of my relationship with Aquarion. Several years
9 ago, when we had a severe drought, and there were
10 signs all over, Aquarion was saying don't run your
11 water, don't irrigate your lawn, and I believe they
12 even gave a telephone number to call. So my wife
13 and I were taking a trip, (inaudible) Otis Street,
14 and then up to view the harbor, and there was water
15 running down the streets from all the irrigation.
16 So I made a phone call to Aquarion. I got an
17 answering machine in Connecticut. I never got a
18 reply back. Enough said. Thank you.

19 MODERATOR: Yes, sir. Mr. Connelly.

20 MR. CONNELLY: Thank you, Mr. Moderator
21 and good evening.

22 My name is James Connolly of 37 Elm
23 Street, Hingham, and I am on the Town Water Supply
24 Committee, but I do not speak tonight for that

1 committee.

2 From 1987 to 2007, I dealt with the water
3 company's rates and services and securities and in
4 fact with the establishment of the treatment plant
5 when I was general counsel and later Commissioner
6 and Chairman of the Massachusetts Department of
7 Public Utilities, then known as the Department of
8 Telecommunications and Energy.

9 I rise to urge passage of this amendment
10 and the pause that it would make for a second
11 opinion about taking Aquarion's waterworks. A
12 pause is called for because the requested four
13 hundred and seventy-five thousand dollars would
14 start to push the startup, the mere startup costs
15 of this whole venture closer to a million dollars.

16 The meter is going to continue to run on
17 this, and the tab will quickly mount. I'm afraid
18 also that you won't get much more information to
19 judge future funding requests, and there will be
20 future funding requests for this litigation.

21 Public meetings and open discussions are
22 largely foreclosed by the Town's legal complaint
23 filed that day, July 3rd, just before the long
24 Fourth of July weekend last year. That complaint

1 triggers exemptions from the public meeting and
2 freedom of information laws, and the transparency
3 of public business has really been trumped for this
4 -- for this pending litigation.

5 I think in many ways what you're getting
6 here, we saw a lot of facts and figures and
7 applauds -- applause for it on the bias up here,
8 but the -- what you're really paying for I think
9 with this -- with passage of this main motion is
10 essentially a beacon of hope. And the price of
11 this is going to increase over the years.

12 If you look at Page Thirty of your
13 Warrant, it suggests a wide gap in the value of the
14 utility plant. It seems to range from a hundred
15 and fourteen maybe up to a hundred and forty
16 million. To me that's a sure sign that the trial
17 and appeal will be long and will be expensive, far
18 more than people think.

19 Other towns -- other towns have followed
20 this road, have gone down this very road, and found
21 it was a lot rougher than they expected it or were
22 led to believe it would be.

23 A first unhappy example. The Town of
24 Stow wanted to buy the electric distribution plant

1 that served that town but was owned by the Hudson
2 Municipal Light Board. Stow's request that the DPU
3 value the property was litigated throughout much of
4 the 1990's, right up to the Supreme Judicial Court
5 in the Stow Municipal Light Case, which you'll find
6 at 426 Mass. 341, a 1997 case.

7 Second, the Town of Bradford got sticker
8 shock back in 1984 when the Appeals Court upheld a
9 verdict for an additional five point six million in
10 Grafton's taking of the water company property of
11 Mass. American. There's a Mass. American case on
12 that you'll find at 36 Mass. -- Mass. Appeals Court
13 944.

14 Third, last December, just this past
15 December, the Town of Oxford's takeover ran into
16 more judicial sticker shock as an additional two
17 million dollars was tacked onto the price they
18 expected.

19 Finally, closer to home, although it was
20 a long time ago Hingham, once in the past attempted
21 to rewrite the 19 -- 1879 Charter Act and was
22 halted by a 1938 SJC decision advising the
23 legislature that it violated the State of
24 Massachusetts Constitution.

1 These examples, they -- what do they say?
2 They don't say much about the disputes that are
3 sure to arise over the governance in this multi
4 town utility that's envisioned in the future.
5 That's a large question that is really going to be
6 a difficult one to deal with. It's not part of the
7 litigation.

8 But what's the take-away lesson here? I
9 think the take-away lesson, and it's the one I
10 would draw from having been involved in a number of
11 these cases, and it's not a smokescreen. I drink
12 this water. I use it every day. So a smokescreen,
13 don't listen to that. That's just pejorative.

14 I think the take-away lesson is
15 litigation risks pricey surprises that the
16 partisans of legal action either do not see --

17 MODERATOR: You have one minute.

18 MR. CONNELLY: -- or won't acknowledge.

19 DPU process was recently strengthened by
20 an amendment that our senator and our state rep.
21 put in that allows the AG to intervene in water
22 cases, and a taking of the company would nullify
23 that before it even has a chance to work.

24 So I would say this. The proposed

1 amendment allows a pause and nothing more for
2 evaluating the course. Nothing's lost by a pause.
3 Aquarion will still be here for the taking.

4 So tonight before you pay your next
5 property tax bill two weeks from now or two days
6 from now, think what the library or kids' teachers
7 or the police department or the firemen can do with
8 that money rather than shoveling it into legal
9 fees.

10 I urge you to take this pause and to vote
11 for the amendment.

12 Thank you.

13 MODERATOR: Yes.

14 MR. BIERWORTH: Thank you, Mr. Moderator.
15 Joe Bierworth, 36 Park View Drive.

16 Speaking tonight as a member of the Water
17 Company Acquisition Study Committee, but I was not
18 an original member of the Committee. In fact, I
19 was asked to join the Committee when one of the
20 members needed to step down after some months that
21 the Committee had been deliberating. Frankly, at
22 the time, I was not looking for any additional
23 work, any opportunity to serve on a town board or
24 committee, but it's an interesting and important

1 issue for the Town --, but also I was drawn to
2 serve on the Committee by the caliber of the people
3 who I knew were already serving on the Committee.
4 I knew that we would be well led by Jonathan Asher,
5 who I've always found to be a fair and impartial
6 board member when I served with him on Advisory. I
7 knew that we would be guarded -- guided by an
8 analysis of the facts and not by any ideology or
9 emotion. I knew that the Committee members had the
10 experience to provide the best advice possible to
11 the Town.

12 The questions I asked before joining the
13 Committee were whether the Board, in fact, would be
14 independent, and I was assured that it was. My
15 expectations have been borne out by my time serving
16 on the Committee.

17 Our Chair, Mr. Asher, is fair in the same
18 and what we have done is look for showstoppers.
19 Whether those showstoppers arose in the context of
20 the price, governance, operation, we have studied
21 these issues. We've studied these issues as far as
22 is reasonable to study them at this time, not
23 knowing what the purchase price is going to be.

24 If we found an insurmountable impediment

1 on any of these issues, we would have been happy to
2 report back to Town Meeting to the effect and gone
3 home, that would have been it, but we haven't found
4 those.

5 What we have done as we've seen is the
6 opposite. We've been guided by Mr. Seigfried in
7 his analysis of the anticipated savings and the
8 purchase price. Those -- that analysis has been
9 roundly supported by the analysis that we've seen
10 from expert consultants on these issues, on
11 valuation and on water issues in general.

12 We have examined the statute and the case
13 law, and all the cases cited by the last speaker,
14 and those cases guided us toward believing firmly
15 that our legal analysis is the right one, and that
16 the purchase price that we had set is likely to be
17 the purchase price the Town will find. That's why
18 we recommend moving forward with the litigation.

19 In the end, what we did was we invited
20 the Advisory Committee and the Selectmen to meet
21 with us in executive session. They had the
22 opportunity to hear our litigation strategy and the
23 report from our experts, and as you've heard, all
24 of them, twenty-three people on three committees,

1 voted unanimously to support the recommendation.

2 I did want to say one quick word on the
3 executive sessions that we have held. Obviously,
4 there is an exception to the open meeting law, and
5 it's there for a purpose. There was an indication
6 in the local newspaper recently that the executive
7 session exception was only available if there was
8 active pending litigation. Well, that's not the
9 case. The statute doesn't say that, and, in fact,
10 there are opinions from the Attorney General and
11 opinions in case law that stand for the opposite
12 proposition. So, if a municipal board or committee
13 is faced with threatened litigation or can
14 reasonably anticipate that litigation is in the
15 offing, it's entitled to meet with its legal
16 counsel, and in a case as complex as this, to meet
17 with its experts to form a litigation strategy and
18 it may do that in executive session. That's all we
19 did. That was the rational and prudent thing to
20 do. In fact, I would think we would be criticized
21 if we didn't do that. We're entitled to get that
22 candid and frank advice from our legal counsel in
23 executive session.

24 On this amendment, again I'm not trying

1 to be disingenuous, but I just don't see what a new
2 committee could do that we have not done. It's not
3 certain, in fact, that we could obtain a stay in
4 the business litigation session in superior court
5 where this case sits now. If we did, and then try
6 to reactivate the case on a later date, it's not
7 certain that we could get the expedited schedule
8 for discovery that we have asked for and which the
9 Court has granted, which was designed to save the
10 Town money in litigation expenses. It would add a
11 level of uncertainty and costs and delay that I
12 don't believe is warranted. Plus, it would send
13 absolutely the wrong message to Aquarion in the
14 middle of a litigated matter. The bottom line to
15 me is that there's no reason for that delay or that
16 additional cost by pushing this out later on.

17 The time is right now for getting --

18 MODERATOR: One minute.

19 MR. BIERWORTH: -- this declaration from
20 the Court. If we get a declaration of a purchase
21 price that is beyond what we think is reasonable,
22 we don't need to act on it. So that's what we are
23 seeking from the Court.

24 In the end, this is a risk reward type of

1 analysis. We've just voted a budget of a hundred
2 million dollars, we're asking for an appropriation
3 of four hundred and seventy thousand dollars that
4 can't be used for other purposes, as Ms. Powers
5 indicated. We understand this is a significant
6 sum, but the potential reward to the rate payers is
7 astronomical, and we think that it's a wise use of
8 Town funds to get that declaration now and not
9 abandon this litigation.

10 Thank you.

11 MS. ENGLISH: Edna English, 36 Gardner
12 Street.

13 Thank you, Mr. Moderator, members of the
14 Board of Selectmen, ladies and gentlemen.

15 I support the motion, the amendment,
16 because I believe that the magnitude of this
17 decision to acquire the water company and its cost
18 which is somewhere between fifty and a hundred
19 eighty million dollars, we really don't know the
20 price, although the excellent presentations that
21 have been made certainly lead us to believe that
22 it's less than a hundred eighty-four.

23 I think that the complexity also of the
24 issue is -- it calls for a second opinion from an

1 independent committee appointed by the Moderator.
2 Ours is, I think, a reasonable approach. It does
3 not stop the court case. We wouldn't want to do
4 that. It does not cut off funding to continue work
5 on the issue.

6 When I attended an information session
7 given on this just two weeks ago, I heard the
8 Chairman of the Selectmen say that they were
9 working on drafting an intermunicipal agreement and
10 I was alarmed at that. I couldn't help thinking
11 that the train had left the station and it was
12 barreling down the tracks and we didn't know
13 whether we wanted to on board or not.

14 So I think that there's a lot more that
15 we need to talk about. The Selectmen's group has
16 spent nearly a half a million, and now they would
17 like to spend another half million of consulting
18 services.

19 The Court case, when it comes in next
20 year, will probably mean that there will be an
21 appeal, and after the appeal, there will probably
22 be additional legal services. So as other people
23 have said, the four hundred seventy-five thousand
24 that's being requested really is only one step

1 along the way. So it's not hard to imagine a bill
2 would reach two million dollars, after which we may
3 have spent so much money that it would be very hard
4 to turn back. In other words, a point of no
5 return. So I don't want that to happen.

6 I think right now is a good opportunity
7 to take a break, in the sense just to stop a little
8 bit, slow down -- not stop completely, but to slow
9 down, and to -- and to take a look at where we are
10 and if we really want to continue to buy the
11 company because even if a business plan can be
12 shown -- and no one does a business plan better
13 than Ed Seigfried -- even if a business plan can be
14 shown that it is feasible, there are other issues.

15 For example, there's a governance issue.
16 When we talk about governance, we are talking about
17 the multitown governance. It would be a water
18 board, we would be a water district. And we would
19 then be partners with Hull and with Cohasset, and
20 the Board that would supervise this would be -- we
21 would have to make decisions along with them. So
22 it would not be a Hingham run administration as it
23 is with the Hingham Light Plant. It would not be
24 at all like that.

1 So those are issues that I think need to
2 -- need to be ironed out and talked about. What
3 would happen if there were disputes, as there
4 certainly would be between the different
5 communities. How would we work that out? Would
6 there be more litigation and more -- more legal
7 expense. I worry about that.

8 Now, supporting this motion does not
9 disparage the excellent work that has been done by
10 the five member selectmen's committee. They've
11 done excellent work. They've certainly identified
12 problems with Aquarion, the water company changed
13 its management, they've changed its policies and
14 they have certainly improved that. We're grateful
15 for that, and we credit them for having done that.

16 So I also want to emphasize again, we do
17 not want to stop the process. We do want to have
18 another look by an independent group of people
19 appointed by the Moderator and we -- they would
20 also have a hundred thousand dollars, which is not
21 an insignificant sum to continue the work of
22 proceeding with finding out what the purchase price
23 would be.

24 And as we know, the Selectmen are always

1 able to arrange, as they did this year, an
2 additional hundred fifty thousand for legal
3 expenses.

4 So, the difference, I think, would be
5 more accountability and more transparency because I
6 feel, as an individual who tries to pay attention,
7 that I just don't know enough, and that we have
8 gone a little too far.

9 Other issues that we would need to talk
10 about and that we hope another committee would talk
11 about would be --

12 MODERATOR: You have one minute.

13 MS. ENGLISH: Okay. -- such things as
14 outsourcing, water quality, and whether it would be
15 more efficient than having the company do it.

16 Debt load. The Town should definitely
17 consider the purchase of the water company in the
18 context of all the other demands that are on the
19 budget. We have many things that are waiting in
20 the wings. Would it crowd out more essential
21 services, essential capital expenses.

22 So I hope you will agree that the second
23 opinion from an independent group of people
24 appointed by the Moderator with funding, not

1 stopping the process of looking for the price,
2 would be a prudent and sensible thing to do for
3 this town, for this town meeting body, to make a
4 decision on. We believe our approach is reasonable
5 and sensible, and we hope you'll vote yes on the
6 amendment.

7 Thank you.

8 MODERATOR: Mr. Ryan, then Mr. Salisbury.

9 MR. RYAN: John Ryan, 175 Otis Street.

10 I'm here -- First of all, it's great to
11 follow Edna English. She's a hard act to follow,
12 but I would like to say I come at this from two
13 perspectives.

14 The first is in my earlier years in my
15 service to the Town, I was a member of the Advisory
16 Committee and Chairman one year, and I have a great
17 deal of respect for the opinions of the Advisory
18 Committee, and I know that this issue has been
19 studied very, very deeply by them.

20 I'm also very impressed by the -- the --
21 Mr. Asher's Committee, the work that they have
22 done.

23 My current position is as Chairman of the
24 Hingham Electric Light Plant, and I can tell you

1 from my tenure there that having the Town in
2 control of a critical utility, in my opinion, is a
3 very, very advisable situation, and that we should
4 do everything in our power to take control of our
5 water future. And I have every reason to believe
6 that the problems that everybody has outlined here
7 that are attendant to the current infrastructure
8 can be handled much better by the Town than it can
9 by Aquarion.

10 The Electric Light Department probably
11 saves the rate payers in this town a couple of
12 million dollars a year because we don't ship money
13 to Wall Street. We have probably better service
14 than any utility around, and I would expect that if
15 the Town takes control of the water system, that
16 it, after a catch-up period, that they could run it
17 in the same efficient and reliable way.

18 I think putting this off for two years is
19 just going to do what an earlier speaker has said,
20 it's going to cost us time in the court and is
21 going to push this thing onto the back burner.

22 What we're trying to find out is what
23 this is going to cost us, and then we can make an
24 informed decision. And yeah, a million dollars is

1 a lot, and maybe it'll cost a little more than
2 that, but if we can save anything like the numbers
3 of two to three million a year that are advertised,
4 increase the reliability of the system, and insure
5 us long-term stability by owning the system
6 ourselves, I think we're miles and miles ahead. We
7 should just continue down this path, figure out
8 what it's going to cost, and then we can make that
9 decision.

10 Simply referring it to a study committee
11 is tantamount in my opinion to killing it. So I
12 hope we can vote to continue the process.

13 Thank you.

14 MR. SALISBURY: Well, it's not that bad.
15 One of the references was to someone who got a
16 terrible surprise having taken a light plant by
17 eminent domain and then it was told what the price
18 was going to be that they had to pay. Hingham's
19 not that idiotic. We have a statute which provides
20 a court mechanism to find out the price ahead of
21 time. So that's what we did.

22 How fast can we get it done? We started
23 in the Supreme Judicial Court, the highest court of
24 the Commonwealth. As expected, they remanded it

1 downstairs for the fact-finding to go on. But
2 we've got a placeholder up there; we'll be back
3 there lickity-split; and in the meantime, in the
4 Superior Court, we are in the business litigation
5 system. Sorry to talk inside baseball, but that's
6 the fastest session that the great and general --
7 the great trial court of Massachusetts give you.
8 And we've got a speedy discovery.

9 Where does all the money go? It doesn't
10 all go in the lawyers' pockets, I can guarantee you
11 that.

12 The mechanism for establishing price
13 requires expert valuation and a lot of numbers.
14 This isn't going to be a pro forma bill. We're
15 going to have the real numbers to talk about. And
16 we will have the Court decision.

17 So, what is involved in buying the light
18 plant? I think we can all agree that price is an
19 important part of that; and that the only way to
20 get Aquarion either to the table to give us a price
21 or to determine the price in advance before we have
22 to open our own wallet is this litigation. So it's
23 the right way to go to determine price.

24 I think we're being sold a false dilemma

1 here. I'm in complete agreement with Edna that
2 every one of the issues that she has addressed here
3 today, in her article, and that others have raised,
4 are all issues that the Town must and should decide
5 before we're asked to vote to buy the water
6 company.

7 Tonight's not the vote to buy the water
8 company. Tonight is what's the best way as a town
9 to continue the analysis of this complex question.

10 I remind you, Edna remembers well, that
11 we were in litigation with another big outfit for
12 over a decade when we fought the MBTA tooth and
13 nail, all the way. There is no question that the
14 effect of holding firm in that litigation has a
15 great deal to do with why we have a Hingham Square
16 still, with a tunnel under it, and that we didn't
17 sacrifice that precious asset.

18 No one likes to litigate, except people
19 like me who do it for a living. But sometimes if
20 you want to vindicate your rights and proceed in a
21 prudent manner in how you're handling your affairs,
22 you must go to court to get a definitive answer.

23 The false dilemma is the thought that
24 it's one or the other. I think, and I think the

1 Advisory Committee and the Selectmen understand
2 this, that this motion is to go forward with the
3 case, and in the meantime, as a town, let's
4 continue to study each and every one of these
5 issues. That's not going to cost a lot of money.
6 God knows we don't have to create -- five of these
7 paragraphs deal with where the offices of this new
8 committee is going to be.

9 MODERATOR: You have one minute.

10 MR. SALISBURY: So, in the time between
11 now and the next year or two, the Selectmen and the
12 Advisory Committee should get the extra experts
13 needed to look at all of these other issues and
14 continue work so we're not hurrying at the end. And
15 if we need a group of the independent individuals
16 appointed by the moderator, we've got an Advisory
17 Committee.

18 UNIDENTIFIED VOICES: Move the question.

19 MODERATOR: I'll hear Mr. Stathopoulos
20 first.

21 MR. SATOPOLOUS: Peter Stathopoulos, 17
22 Volusia Road.

23 This amendment came as a little surprise
24 to me today, and I support it. All right? But I

1 support it for reasons of what's happening with
2 these discussions.

3 One is of the last eight meetings of the
4 Acquisition Study Committee, six of them were
5 executive session, one was for seventeen minutes to
6 discuss a draft report to the Town Meeting, they
7 came up with it in seventeen minutes. The other
8 was on June 25th, thirty-five minutes.

9 So I realized why so many different
10 things. Mr. Rabuffo has pointed out a thing that
11 we spend nine hundred and fifty some odd dollars
12 based on some state figures per household here.
13 Aquarion says it's seven hundred and thirty-three
14 dollars. Well, there's a big difference.

15 And one of the questions that I would ask
16 is how much of that is amortization of the current
17 plan that would stay in there?

18 Now, we have two figures they're running
19 around, and the opportunity is we don't have it to
20 ask the question.

21 Another question comes up. If the Town
22 owns it, the DPU doesn't audit our rates, deliver
23 our rates which they do for Aquarion right now.

24 And, you know, if executive session is to

1 protect the Town's interest, at this point I do not
2 buy because there should have been a lot more that
3 should have been broadcast.

4 As far as -- also a concern, Cohasset and
5 Hull. Oh, yeah, they support us. Well, show us
6 the money. If it's one third or whatever it is,
7 why aren't they taking in that money for this no
8 showstopper approach.

9 I mean this is just a lot of unanswered
10 questions, and whether a hundred thousand is enough
11 or not, but I support this Article Seventeen based
12 on all the discussions of the people that support
13 it. I have not heard anything against it saying
14 we're studying too much or whatever.

15 So I have a lot more prepared to talk
16 about, but everybody else seems -- but as a former
17 internal auditor, I am concerned of what's
18 happening here. And we're saying to the Town, I
19 don't have the full confidence that we have the
20 proper checks and balances within the Town. And I
21 -- you know, I guess as Edna stated, the Committee
22 would still do its work, but this is an oversight
23 committee.

24 So that's all I have to say.

1 MODERATOR: A motion has been made for
2 the previous question. Is there a second?

3 UNIDENTIFIED VOICES: Second.

4 MODERATOR: The purpose of the motion for
5 the previous question as I averted to earlier, is
6 to end dispute -- if you -- not to end dispute --
7 if you wish to end debate -- to end debate -- if
8 you wish to end debate, you will vote in favor of
9 the previous question. If you wish to hear
10 additional debate, you will vote against the
11 previous question.

12 So, the motion having been made and
13 seconded, all those in favor of the previous
14 question, please say aye.

15 (Verbal responses)

16 MODERATOR: All those opposed, no.

17 (Verbal responses)

18 MODERATOR: It is virtually a unanimous
19 vote. They aye's have it and we will now proceed
20 to vote on the proposed amendment.

21 So again, the main motion came from the
22 Advisory Committee. There was a motion proposed to
23 refer the matter that is the subject matter of
24 Article Seventeen to a different committee to be

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appointed by the -- by the Moderator rather, as I read earlier. So if you want to vote in favor of that motion, you will vote aye. If you want to vote against it, you will vote no.

And this requires for passage a majority vote. If this vote is affirmative, this will effectually be substituted for the main motion and the matter will be referred to the aforesaid committee.

So all those in favor of the motion that was put forth by Mr. Mitchell to refer this matter to a committee, please say aye.

(Verbal responses)

MODERATOR: All those opposed, no.

(Verbal responses)

MODERATOR: It is clearly the no's have it, the motion is lost.

We now return to the main motion under Article Seventeen as made by the Advisory Committee. It is set forth on Page Thirty-one of your Warrant booklet. All those in favor of the recommended motion of the Advisory Committee, please say aye.

(Verbal responses)

1 MODERATOR: All those opposed, no.

2 (Verbal responses)

3 MODERATOR: The majority has it and the
4 motion is adopted.

5 We move on now -- yes, sir?

6 UNIDENTIFIED VOICE: Move to reconsider.

7 MODERATOR: A motion has been made to
8 reconsider the vote. You're about to miss a vote
9 to reconsider.

10 A motion has been made and seconded to
11 reconsider the vote just taken on Article
12 Seventeen. A motion for reconsideration requires
13 for passage a two-thirds affirmative vote. If you
14 would like to reconsider the matter that was just
15 voted on Article Seventeen, you will vote in favor
16 of the motion for reconsideration. If you do not
17 wish to return and reconsider the matter under
18 Article Seventeen, you will vote no.

19 A motion to reconsider requires for its
20 adoption a two-thirds affirmative vote.

21 So all those in favor of reconsidering
22 the matter that was just voted under Article
23 Seventeen, please say aye.

24 (Verbal responses)

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MODERATOR: All those opposed, no.

(Verbal responses)

MODERATOR: The motion to reconsider is lost. It cannot be reopened.

We now move on to Article Eighteen.

Article Eighteen asks whether the Town will revoke its prior acceptance of MGL 48, Section 42, and insert in its place a new manner of hiring firefighters. The recommendation of the Advisory Committee is a positive recommendation, so it is the main motion before you, that the Town revoke its prior acceptance of MGL Chapter 48, Section 42, and insert in its place MGL Chapter 48, Section 42A, effective July 1, 2015.

Is there discussion?

(No response)

MODERATOR: Hearing none, we come to vote. All those in favor of the recommended motion of the Advisory Committee, please say aye.

(Verbal responses)

MODERATOR: All those opposed, no.

(No response)

MODERATOR: The aye's have it, the motion is adopted.