

Volume I
Pages 1-167

ANNUAL HINGHAM TOWN MEETING

HELD AT:

Hingham High School
17 Union Street
Hingham, Massachusetts

DAY 1

Monday, April 23, 2012

To begin: 7:00 p.m.

ARTICLE 19

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

1 (No response)

2 MODERATOR: It is a unanimous vote.

3 Article 19. Now we slow down a bit. This
4 relates to the feasibility study for the acquisition
5 by the Town of the assets of the Water Company. And
6 I will call on Mr. Rabuffo, who wishes to present an
7 amendment -- proposed amendment.

8 MR. RABUFFO: Thank you, Mr. Moderator.
9 Bruce Rabuffo, One Dwiggins Pathe.

10 As many of you may have learned from
11 Aquarion's recent public statements, the company has
12 just accelerated by more than a year its repair of
13 the Union Street water main, which will begin two
14 days from today, and added repair of the Free Street
15 main within the next twelve months.

16 Further, Aquarion has agreed to provide the
17 Town with financial data by June 15th, that the Town
18 might otherwise have had to request through the
19 courts if Town Meeting approves Article 19 this
20 evening.

21 In recognition of the spirit of
22 cooperation, at last Thursday's meeting of the
23 Selectmen, the Board revised downward the amount of
24 money the Town may need to answer the questions this

1 proposed study envisions.

2 The Selectmen now estimate the amount
3 necessary to be \$320,000, not the \$500,000 we
4 estimated when Aquarion did not seem to be as
5 cooperative.

6 Following consideration of this amendment
7 of the study funding appropriation, the Selectmen
8 intend to present the rationale for why such a study
9 is in the best interest of rate payers, and the Town.

10 Accordingly, the Board of Selectmen moves
11 that the Town appropriate \$320,000 from available
12 funds to be used by the Board of Selectmen for those
13 purposes as enumerated in the recommended motion for
14 Article 19 printed in your warrant.

15 MODERATOR: It's moved and seconded --
16 Thank you. It's moved and seconded by the Board of
17 Selectmen that the recommended motion be changed,
18 amended by striking out \$500,000 and substituting
19 \$320,000.

20 Is there discussion of that motion to
21 amend?

22 (No response)

23 MODERATOR: If not, we come to vote on the
24 motion to amend.

1 All those in favor, please say aye.

2 (Verbal responses)

3 MODERATOR: Those opposed, no.

4 (Verbal responses)

5 MODERATOR: The motion to amend is adopted,
6 and the recommended motion before you now has been
7 amended, and I will read it because it is amended.

8 That the Town appropriate \$320,000 from
9 available funds to be used by the Board of Selectmen
10 for professional fees and costs, including but not
11 limited to engineering services, financial services,
12 valuation services and legal services to investigate
13 the feasibility of the acquisition of the corporate
14 property and all rights and privileges including the
15 assets of the Town's water company, now known as
16 Aquarion Water Company of Massachusetts and/or
17 affiliated and related companies pursuant to
18 statutes 1879, Chapter 139 or through any other
19 method of acquisition including any negotiation or
20 litigation the Board of Selectmen may determine to be
21 necessary or advisable in order to determine whether
22 the acquisition is feasible and advisable for further
23 Town Meeting consideration.

24 So that's the motion before the Meeting.

1 And I believe Ms. Power, of the Advisory Committee,
2 will like to speak first.

3 MS. POWER: Mary Power, One King Philip
4 Path, speaking on behalf of the Advisory Committee,
5 who unanimously supports Article 19. We believe Town
6 ownership of the water company could be financially
7 beneficial to rate payers and the Town.

8 Specifically, a town owned water company
9 wouldn't have to generate a ten percent return on
10 equity, pay dividends, corporate overhead, local,
11 state or federal taxes. It also wouldn't have to pay
12 litigation expenses associated with other communities
13 or defend rate cases.

14 In terms of Town costs, we wouldn't have to
15 pay upwards of \$100,000 to defend rate cases every
16 three years, and we wouldn't have to pay \$320,000
17 every year for emergency water for our fire hydrants.

18 All these items have the potential to
19 reduce Hingham water rates and bills, which average
20 \$919 per household, the fifth highest in the state.

21 The Department of Public Utilities approved
22 a 20.6 percent increase in 2009, and a 10 percent
23 increase last month. As we have done with other Town
24 costs, the Advisory Committee believes we should

1 analyze service delivery alternatives.

2 Advisory recognizes the importance of fully
3 developing the South Hingham Industrial Park area, so
4 the Town is less reliant on residential property
5 taxes. Existing commercial businesses currently
6 contribute over \$4,000,000 in tax revenue each year
7 to the Town. Some of them want to expand, and there
8 are other new businesses that want to come to
9 Hingham. Aquarion hasn't been easy to do business
10 with.

11 Advisory is also concerned that Aquarion is
12 not sufficiently investing in capital to maintain the
13 water infrastructure, potentially leading to higher
14 than necessary future capital costs and placing rate
15 payers at risk for service interruptions, similar to
16 those experienced by Union Street residents.

17 The final concern is ownership. Today,
18 Aquarion is owned by a private equity fund of
19 Macquarie, an Australian bank. They recently sold at
20 least a one-third stake to a Canadian pension fund,
21 leaving some our members to question just how long
22 Macquarie plans to own any part of our water company.
23 One wonders whether the intensive publicity blitz is
24 because Hingham's propelled study is interrupting

1 other plans Macquarie has.

2 You'll pardon the pun, but in the private
3 equity world, the utility of any company is its
4 ability to attract investors by showing strong
5 returns. How do you do that? By investing the
6 minimal amount of capital and raising rates as often
7 and high as you can. Then you sell the company to
8 somebody else, and the cycle begins all over again.

9 The Advisory Committee is concerned about
10 the long-term impact of this dynamic on our water
11 infrastructure and your water rates. It's a major
12 reason why we recommend studying the potential of
13 Town ownership.

14 As you have heard the appropriation request
15 for this article has been reduced to \$320,000. The
16 Advisory Committee believes these monies are
17 necessary to perform a complex analysis of this size
18 and scope that would be conducted by Town volunteers,
19 utilizing paid experts with specialized skills as
20 needed. We do not believe the Town would be able to
21 complete a thorough analysis for any less than this
22 amount.

23 As a point of reference, the Town's 2011
24 comprehensive wastewater management plan cost

1 approximately \$400,000.

2 Let me speak for a moment about the source
3 of funds which is our fund balance.

4 Could I have the slide please.

5 In 2009, fund balance was 8.9 percent of
6 total annual expenditures or TAE. Our financial
7 policy is area shaded gray on the chart, which is 14
8 to 18 percent. At the end of the 2011 fiscal year,
9 fund balance is 16.7 percent, or the middle of the
10 range.

11 During two years of some of the most
12 challenging economic times, Hingham replenished fund
13 balance, began funding our OPEB liability, increased
14 funding for our roads, opened a fourth elementary
15 school, and regionalized some Town services.

16 We are accustomed to and successful in
17 managing multiple priorities. It's what triple A
18 bond communities do.

19 If the entire amount being requested
20 tonight were to be spent and there were no other
21 changes to fund balance, it would be reduced to 16.4
22 percent, still in the middle of the range.

23 But there is some new and good news. We
24 expect to have a budget surplus at the end of this

1 fiscal year that will more than cover the maximum
2 estimated cost of this study. Which is not to say
3 the Advisory Committee considered this request
4 lightly. In fact, our unanimous vote took place
5 before we knew there would be budget savings,
6 and when the appropriation request was its
7 original \$500,000 amount.

8 One last point. In researching the number
9 of communities in Massachusetts currently served by a
10 private company like Aquarion, seventeen out of three
11 hundred fifty-one communities, we came across a 2009
12 dissertation that analyzed public versus private
13 ownership of Massachusetts water companies. It even
14 included case studies on towns including Hingham.
15 Among its conclusions was the following.

16 On average, the publicly owned and operated
17 systems provided water to the consumer at the lowest
18 rate.

19 The Advisory Committee unanimously
20 recommends favorable action on Article 19.

21 MODERATOR: Mr. Rabuffo of the Board of
22 Selectmen.

23 MR. RABUFFO: Thank you again, Mr.
24 Moderator. Bruce Rabuffo, One Dwiggins Pathe.

1 We want to state at the outset that
2 Selectman John Reilly has recused himself from this
3 discussion entirely.

4 Why are we having this discussion? Here
5 there are events that cause the Board of Selectmen to
6 draft this article.

7 May I have the slide please.

8 Aquarion requested an 18.7 percent rate
9 increase in the fall. They have now received rate
10 increases of 30 percent since 2009.

11 As part of its decision on the rate
12 increase, the Department of Public Utilities
13 guaranteed Aquarion an astonishing 10 percent yearly
14 return on equity.

15 There were six water main breaks in the
16 Union Street area in one year, and we know it's just
17 the tip of the iceberg of maintenance of properties.

18 This Board has reason to be concerned about
19 Aquarion's willingness to increase water service to
20 the South Shore Industrial Park.

21 These particular events, against a
22 background of complaints about high rates and poor
23 service going back years, are what sparked this
24 discussion.

1 The water company was founded by Hingham
2 citizens in 1879, and has always been a private
3 company. Several times the Town has considered
4 exercising its right to buy the company, which was
5 written into the company's charter by our state
6 legislature.

7 The Committee that studied this question
8 most recently in 1985, did not recommend it. One
9 reason was that the Town did not have the kind of
10 professional management structure which would be
11 needed to effectively operate such a concern.

12 Also, the relations with the American Water
13 Company were then open and cordial, which made it
14 easy to address issues.

15 A third reason was that the DPU had just
16 disallowed much of a requested rate increase and the
17 Committee felt optimistic that the potential for
18 large increases in the future was low.

19 None of these conditions exist today.

20 Next side please.

21 First, in 1985, the Committee was right to
22 be concerned about professional management. We
23 didn't even have then a Town Administrator. Today,
24 in addition to normal Town operations, Hingham owns

1 several successful businesses, including our electric
2 utility. Our Board is not involved in the running of
3 Hingham Light, but the feedback we hear about the
4 rates and the customer service of the municipal light
5 plant is in stark contrast with comments we receive
6 about Aquarion.

7 Our congratulations to Hingham Municipal
8 Light Plant.

9 And if anyone wonders if the Town should be
10 in the utility business, please recall that we have
11 been in that business for a hundred and twenty-two
12 years, and very successfully.

13 What about relations with Aquarion today?
14 In 2006, as you heard, the company was bought by an
15 Australian investment bank. Investment banks are all
16 about return on equity. They are not about customer
17 service at the companies they hold.

18 Add this to the concern, the spectacle of
19 lengthy and costly litigation, which Aquarion is
20 pursuing to prevent the Town of Oxford from
21 exercising its legal right to buy the water company.

22 Aquarion even asked the DPU to allow them
23 to charge union rate payers for the legal costs
24 against Oxford. And as a result, we will be paying

1 half of Aquarion legal costs in that suit.

2 Also, Aquarion has repeatedly said that the
3 company is not for sale, a denial of their legal
4 obligation, to make it for sale to the Town, which
5 was spelled out in the company's charter when they
6 bought it, and is still operative today.

7 And optimism about future rate increases is
8 at an all-time low.

9 We must emphasize that we have not made up
10 our minds that the right thing to do is to acquire
11 the company. There are too many large unanswered
12 questions. That's why we are asking for your support
13 in studying this idea.

14 The original estimate cost of this study,
15 \$500,000, was based on our concern that Aquarion
16 might possibly do what they have done in Oxford, and
17 oppose the Town's legal right to acquire.

18 In recent days though, Aquarion has
19 expressed some willingness to cooperate with our
20 investigation. We hope therefore that there will be
21 no litigation over our right to buy. At this point,
22 we believe legal expenses would only involve settling
23 disagreements over what information Aquarion should
24 provide us. This has enabled us to lower the

1 projected cost to \$320,000.

2 Some have asked why do we need to spend any
3 money at all? Why not recruit volunteers?

4 We will definitely use volunteers as far as
5 possible. The Selectmen have formed a committee to
6 oversee this process, if Town Meeting agrees to begin
7 it. And we have sought a broad spectrum of talent to
8 serve on it, with pertinent financial and legal
9 skills, and including representation from the Water
10 Supply Committee and the Sewer Commission. But this
11 will be a lengthy study, involving a very substantial
12 time commitment and considerable professional
13 expertise.

14 The scope is far beyond what we can ask our
15 volunteers. The financial, legal and engineering
16 questions are complicated and technical, and there's
17 no point in even beginning the study if it won't be
18 thorough enough to give us complete confidence in its
19 results.

20 MODERATOR: All right. Ms. Burns, the
21 Board of Selectmen.

22 MS. BURNS: Much of the proposed expense is
23 for expert review of the information Aquarion
24 provides to us. We need this review because in all

1 honesty, they have not been completely candid with
2 you about some of the issues. Let just give you
3 three examples.

4 Aquarion published estimates of the value
5 of the company in the \$100,000,000 range. You'll
6 notice that they always begin their estimates with
7 the value of the water treatment plant, which was,
8 indeed, very, very expensive to build. But what they
9 haven't mentioned is that Aquarion Water does not own
10 the treatment plant.

11 In estimating the value of their company
12 for you, they are claiming as an asset something
13 which they don't even own. It belongs to a separate
14 company, another subsidiary of the parent investment
15 firm.

16 Aquarion Water holds a long-term lease for
17 the plant. The Town could very well consider
18 acquiring the lease and not the plant. The price
19 would plunge because the plant represents the lion's
20 share of what they claim as assets. And would it
21 make sense to structure the purchase that way? We
22 don't know. We need to study it.

23 But Aquarion has not been candid about the
24 ownership of the treatment plant. Instead, they just

1 built it into their price estimates they gave you to
2 produce the highest possible price.

3 Another example, Aquarion would like you to
4 believe that we would lose \$700,000 in yearly revenue
5 if we purchase the company. They say that amount
6 represents the taxes they pay.

7 Aquarion Water actually pays \$450,000 in
8 taxes; that's what they paid last year. And the
9 entity that owns the water treatment plant paid
10 \$220,000. If the Town purchased Aquarion and stepped
11 into its lease for the treatment plant, \$220,000 of
12 that revenue stream would continue. Lost revenue
13 would then be \$450,000, but of course any loss of tax
14 revenue should be set off against any savings we
15 might realize.

16 For example, the Town pays Aquarion a fee
17 of approximately \$320,000 per year for the water that
18 stands in our fire hydrants. We won't pay this fee
19 to ourselves if we own the water company. That
20 brings the loss to about a hundred and thirty
21 thousand dollars.

22 But another saving might well be the
23 guaranteed ten percent per year return on equity that
24 we currently ship to Australia. Ten percent.

1 Not to mention the \$200,000 in legal
2 expenses to oppose rate increases over the last three
3 years.

4 So lost tax revenue is just one piece of a
5 very complicated picture. We don't know if it all
6 adds up to a case for buying the company. We need to
7 study it.

8 A third example. Aquarion stated in the
9 mailing that, quote, our Hingham operations are not
10 for sale. It is important to defend our private
11 property rights, close quote.

12 They do not have this right that they speak
13 of. The legislation which created the company
14 guarantees the Town the right to purchase it without
15 the use of eminent domain to do so. There is no such
16 thing as the water company being not for sale to the
17 Town of Hingham. The legislature gave us this right
18 in the event that private ownership ceased to serve
19 the needs of the rate payers. It's possible that
20 that moment has arrived. We need this study to find
21 out.

22 Many are concerned about the condition of
23 the pipes, the remaining major part of the equipment.
24 But we will be paying to repair that equipment no

1 matter who owns it. If we own it, we'll pay to
2 repair it. If Aquarion owns it, they will charge
3 rate payers for the repairs, plus a ten percent
4 markup for the folks in Australia.

5 After years of poor service and rate
6 increases, suddenly in the last few weeks, Aquarion
7 has suggested that we sit down and talk, so we did to
8 try to reach a compromise.

9 An agreement was drafted, in which the
10 company would make available the information we need.
11 It included a mechanism for resolving disputes and
12 provided a nonbinding mediation to try to reach an
13 accommodation after the study. In return, the Town
14 would agree not to initiate litigation unless a
15 future Town Meeting agreed.

16 Our Board indicated our willingness to
17 sign, and we were optimistic that we could bring you
18 this news today.

19 Late yesterday, Aquarion told us they would
20 not sign. Our guess is they felt that if Article 19
21 did not pass, they would no longer have any need
22 whatsoever to cooperate with the Town.

23 We have sat down to discuss matters as they
24 suggested, but we have no fruits to show for it so

1 far. If we want cooperation, we need to keep the
2 pressure on by approving this article.

3 Next please.

4 I'd like to mention one other cause. We
5 all received in our mailboxes a postcard warning us
6 not to vote for this article, or perhaps two or more.
7 In different colors. I got five, plus two letters.

8 We estimate the mailing costs alone to be
9 about \$25,000, not including printing, producing the
10 copy, or legal review. I don't know you feel about
11 Aquarion using the money that you pay them to deliver
12 water to instead deliver two color glossy postcards,
13 but I was not happy. I want to reassure you that
14 contrary to what the postcard suggests, Article 19
15 will have no effect on your taxes whether you approve
16 it or not.

17 The Board of Selectmen will not be sending
18 you glossy postcards to explain that. We don't have
19 a public relations firm.

20 Aquarion is not answerable to you for how
21 they spend your rate payer dollars, but we certainly
22 are answerable for your taxpayer dollars. We are at
23 a disadvantage though, faced with an extravagant
24 public relations barrage like this.

1 MODERATOR: You have one minute.

2 MS. BURNS: Thank you.

3 So we're asking this question, not because
4 we know the answer, but because citizens have pressed
5 their concerns on us in an ever-increasing crescendo
6 over the years. It would be much easier to ask for a
7 lower sum or no sum, but we could not in good
8 conscience guarantee that you would receive the
9 careful, thorough, professional examination required
10 without having adequate means to do it.

11 We ask you to vote for this article and
12 make available this sum so that we don't go into this
13 task with one hand tied behind our backs.

14 Thank you.

15 MODERATOR: I've had a request from Harry
16 Hibbard and Joe Connor, who are representing the
17 Water Company, to have the opportunity to address the
18 meeting. Mr. Hibbard is the manager of Aquarion for
19 this area. Mr. Connor is legal counsel. Neither of
20 course is a Hingham voter. And I explained to them
21 our custom has been to put to the Meeting the
22 opportunity to hear others. The Meeting has
23 customarily voted in favor of doing that.

24 So I would like to put to you the question

1 of whether we -- whether we should -- may recognize
2 Mr. Hibbard and Mr. Connor to address you.

3 All those in favor, please say aye.

4 (Verbal responses)

5 MODERATOR: Those opposed, no.

6 (Verbal responses)

7 MODERATOR: The aye's have it. I'll call
8 on Mr. Hibbard first.

9 MR. HIBBARD: Thank you, Mr. Moderator.
10 And thank you, ladies and gentlemen, for giving us
11 the opportunity to address you tonight.

12 We're here to give you ten reasons why this
13 is a bad idea.

14 We urge you to vote no on Article 19.

15 The first reason, the water company is not
16 for sale. That has a couple of important features.

17 First, we are not and never have been for
18 sale.

19 Through the changes in upper ownership that
20 were described earlier, Aquarion Water Company has
21 continued to run this water system.

22 We have no plans to sell, and any
23 suggestions to the contrary are pure speculation.

24 Number two. This is very important. This

1 is not just a study. This article authorizes the
2 Town of Hingham to file a lawsuit against our company
3 to determine the price. That is the first step down
4 a very slippery slope that will be long, costly and
5 divisive.

6 Once you file a lawsuit, you can't turn
7 that faucet off, ladies and gentlemen. The courts,
8 the process decide exactly what that's going to cost.

9 Number three. Does the Town of Hingham
10 really want to be responsible for Hull and Cohasset?
11 You have to ask yourself, does Hingham really want to
12 be a regional water supplier? Forty percent of our
13 customers live in Hull and Cohasset.

14 The Town will be responsible for the
15 customer service obligations, responding to the
16 inquiries of these towns. Forty percent of our main,
17 which are the pipes that deliver you the water, are
18 located in the towns of Hull and Cohasset. That's
19 forty percent of the infrastructure investment that
20 has to be made every year, has to take into account
21 the towns of Hull and Cohasset. The advantage of a
22 private water company is we do not know or recognize
23 municipal boundaries.

24 Reason number four. There are -- there

1 have been several reasons proffered with which we
2 respectfully disagree. The first is that it's
3 important for the Town to control the water supply.
4 This is a common fallacy. In fact, we don't control
5 the water supply. The water supply is owned by the
6 citizens of the Commonwealth of Massachusetts. We do
7 not control how much water we take out of the ground.
8 We do not control how that water is treated. We do
9 not control any of the manners in which we use and
10 treat that water. That is all controlled by the
11 Department of Environmental Protection and by the
12 Environmental Protection Agency of the United States
13 Government. And be very clear, that does not change
14 under Town ownership. So it's a fallacy to suggest
15 that it's a benefit to the Town to control its water
16 supply.

17 Second is control over infrastructure. Be
18 very clear, too, that we have a comprehensive capital
19 efficiency program that guides our infrastructure
20 investment. It too does not recognize political
21 boundaries.

22 The capital investment in Hingham and Hull
23 and Cohasset alone this year is 1.4 million dollars.
24 By way of contrast (phonetic), this is the equivalent

1 of your entire Town capital budget.

2 We are committed and we have committed and
3 we will follow through on the commitment to work with
4 the Town to seek input and consultation around our
5 capital investment program, but it is a significant
6 investment.

7 The next point is rates. Just as a level
8 set, ladies and gentlemen, you're paying one point
9 three cents per gallon for your water.

10 Water is by far your smallest utility bill.

11 And make no mistake about it, rates will go
12 up if the Town takes over this company. The
13 acquisition cost alone and the amount of money
14 necessary to service that cost is enough to drive
15 your rates up.

16 In addition -- every year you'll have to
17 invest -- to maintain what we're investing, you'll
18 have to invest a million and a half dollars a year.
19 The payment of those -- and that will be borrowed.
20 The payment of that debt is going to exert upward
21 pressure on your rates every single year.

22 Finally, there is a suggestion that somehow
23 we have stood in the way of economic development and
24 we aren't available and willing and able to help in

1 the development of South Hingham and the South Shore
2 Industrial Park.

3 MODERATOR: You have one minute left.

4 MR. HIBBARD: Thank you, Mr. Moderator.

5 We have cooperated with the Town every
6 single step of the way in the development of the --
7 of South Hingham. In fact, when Linden Ponds was
8 built, we cooperated with the Town to preserve the
9 water supply for future economic development for this
10 Town. We came up with a way to solve that.

11 We have just approved the project for the
12 South Shore Education Collaborate in the Hingham
13 Industrial Park, and we have also approved a project,
14 just last week, on Abington Street, which is on the
15 other side of the South Shore Industrial Park.

16 We are also recommending the formation of
17 an Economic Development Council to bring all the
18 stakeholders in that part of Hingham to the table to
19 work on a comprehensive plan to make sure all of the
20 infrastructure needs are there for the South Shore
21 Industrial Park.

22 MODERATOR: Your time is expired. Sorry.

23 MR. HIBBARD: Thank you very much.

24 MODERATOR: All right.

1 Mr. Connor.

2 MR. CONNOR: Thank you, Mr. O'Donnell. And
3 thank you, Town, for allow us to speak this evening
4 on behalf of Aquarion Water Company and its
5 employees.

6 In 1879, this charter was first adopted.
7 It was a different time. We have the same formula
8 though today. And to say that we're not willing to
9 sell is just that. The Town does have the right to
10 buy. The question will be the price. That's what --
11 where the dispute will raise. Our cooperation and
12 continued service for this community will not stop
13 during that process if it goes forward. We hope it
14 doesn't. We hope you save your money.

15 The 1879 formula actually is quite simple.
16 It's the actual cost incurred plus ten percent
17 interest per annum, minus dividends paid. It's very
18 simple.

19 We're in the process right now of
20 determining that amount. And what you have to do,
21 you have to go back to 1879 and decide -- and
22 determine from your records what was invested each
23 year, what's still there, and apply an interest rate
24 from 1879 per year forward.

1 We did not negotiate that. That's what the
2 legislature imposed in regard to the charter. It's
3 there for us and we live by it, as well as the Town
4 will and does.

5 This formula was confirmed by your own
6 Supreme Court in 1938.

7 I will use a simple example, and I beg to
8 disagree with Ms. Powers in regard and Ms. Burns in
9 regard to the ownership of this company. There was
10 in 1996 -- there's nothing to be hidden by it. When
11 the plant -- water plant was approved by the DPU, the
12 financing for that plant was done in order to
13 accommodate and save over eighteen million dollars in
14 financing by setting up a capital structure where
15 there was a lease and the owner, the landlord, is a
16 wholly owned subsidiary of Aquarion Water Company,
17 not Macquarie. Aquarion Water Company.

18 We can't litigate that here, but it's our
19 view that that would still fall under this formula.
20 Using that as a -- as the formula, thirty-five
21 million dollars in 1996, times ten percent per year
22 fifteen (phonetic) years does in fact equal eighty-
23 seven point five million dollars. That's just the
24 plant.

1 We have a hundred and ninety miles of pipe,
2 three thousand valves, over 3.75 million gallons of
3 storage capacity. This is a quality system, it has
4 its issues, and we're prepared to continue addressing
5 those issues.

6 One of the reasons I'm here though is not
7 to tell you about that. It's to tell you about some
8 lessons learned that we've learned throughout the
9 years in other communities. And I'm not here to say
10 that other communities has the answer -- or have the
11 answer for your community, but you need to take this
12 into consideration as you proceed forward and spend
13 up to \$320,000.

14 There's three things. Will you put the
15 slide up please, Jim. Or Mark.

16 Three -- four communities. Grafton,
17 Massachusetts; Felton, California; Peoria, Illinois;
18 Nashua, New Hampshire. I was involved as lead
19 counsel for the defense in the last three. I was
20 only two years out of law school when Grafton,
21 Massachusetts, started. And it lasted for ten
22 years.

23 In each of these -- the reason I've raised
24 these examples, three things were common. Every one

1 of these cases started with a feasibility study. And
2 once they started and once the dollars started to be
3 spent, it became a slippery slope. You heard that
4 word -- those words before because they came -- the
5 communities became vested. The administrators became
6 vested. The Commissioners became vested. They're
7 not bad decisions necessarily, but different from
8 what we would suggest. But they went forward with
9 the process.

10 In every case, the government number or the
11 valuation that the government -- of the systems was
12 significantly less than the final price. Sure, those
13 were different types of valuation formulas, but we
14 contend, based on what we heard even here tonight,
15 there's going to be a significant contention,
16 potentially, by the Town, that the price is much less
17 than the formula calls for.

18 In each of these instances, the Towns were
19 left holding the bag, except in Peoria, Illinois,
20 where they did not go forward. Eighty-two percent of
21 the public voted not to go forward.

22 Again, the final lesson, I would say, is
23 that this is a time-consuming process. Each one of
24 these cases took anywhere from six to ten years to

1 complete from start to finish, through acquisition,
2 or the decision not to go through.

3 I can give you many more examples of
4 communities that went through a study process, spent
5 millions of dollars throughout those years and still
6 did not buy their systems.

7 You have studied this before. The
8 Selectmen told you and Ms. Powers about three other
9 studies or attempts. In 1958, Town Meeting voted not
10 to do a feasibility study. Period. Not to do it.
11 There's precedent for that.

12 In 1985, the Water Supply Committee
13 recommended to not proceed after a study was
14 performed. They didn't say about the 2009 study that
15 was done by the Hingham Municipal Light Plant.

16 MODERATOR: You have one minute left.

17 MR. CONNOR: Thank you. That study was
18 done by CDM, Camp Dresser McKee, found no operational
19 efficiencies in ownership by Hingham Light. It cited
20 Grafton as an example of a takeover that went bad,
21 and in the end did not recommend proceeding and in
22 fact noted that it would be close to fifty percent
23 increase potentially if they went forward.

24 This is an issue of priorities we're

1 prepared to present to you in this town, and we're
2 going to do it no matter what happens tonight. We're
3 going to do it no matter what happens.

4 We're in the process of preparing an
5 evaluation of the price according to the formula by
6 an expert. You will be provided by June the 15th, or
7 sooner, a report that details all our investments in
8 the system, applies the interest rate according to
9 the formula, deducts the dividends paid, and
10 determines a price.

11 We don't have to do that under the charter.
12 We don't have to do that. We're going to do that,
13 again, regardless of what happens.

14 I'd encourage you tonight to recognize -- I
15 know you will. This is a great town and a great
16 process. It's an entity and process.

17 There are all kinds of other priorities in
18 your warrant booklet. I encourage you to look at
19 those.

20 Thank you. And please vote no.

21 MODERATOR: Thank you. Mr. Manning.

22 MR. MANNING: Good evening, ladies and
23 gentlemen.

24 Well, I must have shrunk.

1 My name is Bernard Manning, and I live
2 at 59 Cushing Street.

3 On January 29th, 2009, Camp Dresser McKee,
4 the world-famous consulting engineering firm, sent a
5 technical memorandum to the Hingham Municipal Light
6 Plant. Subject: Evaluation of the acquisition of
7 Aquarion Water Company. It is marked Private and
8 Confidential. I was fortunate enough to get it.

9 It was a black bag job, by the way.

10 They summary noted that two methods are
11 used to determine the purchase price for a water
12 utility. The first known as net asset value of the
13 company, which CDM Engineering calculated at
14 42,000,000. This meant that if the purchase price
15 were recovered over twenty years from water rate
16 revenues alone, the Town would have to increase
17 rates 41 percent in 2009.

18 Now, this is an objective analysis by the
19 best firm in the country, and it doesn't have an ax
20 to grind, it makes it objective. If the price --

21 If the net replacement value of Aquarion
22 calculated at 72,000,000 were used when the water
23 rates would have to increase 57 percent in 2009.

24 At the present time, Aquarion values just

1 the water treatment plant at 87.5 million. The value
2 of the delivery system is not available, but it could
3 bring the total value to well over a hundred million.

4 Imagine what an increase that would be in
5 your water rates.

6 CDM noted the plant is in good condition
7 but operating at near capacity at peak demand, so an
8 expanded plant is in the future.

9 The distribution system requires a
10 significant financial investment because of age,
11 condition and undersized water mains. A new staff,
12 of course, would have to be hired.

13 The engineering firm noted special
14 legislation appears necessary to acquire a water
15 system serving customers outside of Hingham, and the
16 creation of a water district would be required.

17 Now, a water district is an independent
18 agency that's not under Town control because a town
19 cannot directly sell water to the inhabitants of
20 another town, but must sell the water to another town
21 that may then distribute the water to its
22 inhabitants. This is an additional expense and
23 certainly a complication.

24 While Mass. law would allow Hingham to

1 incur debt for the purchase of the water company to
2 serve its own inhabitants or for the purpose of
3 serving customers in Hull and Cohasset would not be
4 included, a regional water department would be formed
5 under Mass. law directly through special legislation,
6 but Hingham would need the support of its neighbors
7 for its successive passage.

8 If the two parties cannot agree on a price,
9 then the water district could pursue the eminent
10 domain process. The Town of Grafton offered a case
11 study and that was presented on the board.

12 Experience has demonstrated that both
13 parties should negotiate a sale price agreeably to
14 each and eliminate lengthy and costly court
15 proceedings because no method of containing a fair
16 market value in the case of water utilities has been
17 established.

18 This factor may result in a financial
19 problem for the municipality since the company may be
20 viewed by a jury as a victim of an unwanted takeover
21 and receive a big damage award in retribution.

22 I recall that Hingham previously had a
23 disastrous experience with an eminent domain
24 procedure. In 1985 the Queenar Corporation sold --

1 sold the South Shore County Club to three developers
2 for four million dollars. Two years later, the Town
3 took the property --

4 MODERATOR: You have one -- you've got one
5 minute left.

6 MR. MANNING: Thank you.

7 -- by eminent domain for 7.5 million. The
8 developers made 3.5 million on a four million dollar
9 investment. Many of these cases the (inaudible)
10 doubles over what the company is expecting.

11 The Hingham Board of Health lists 325
12 households using private wells because the Town water
13 is not available. Presently Aquarion has 7,836
14 customers in Hingham and 4,580 in Hull and 325 in
15 Cohasset.

16 CDM Engineering did not mention property
17 tax increases because 40 percent of the customers
18 are in Hull and Cohasset that Hingham cannot tax, so
19 huge --

20 MODERATOR: Your time's expired.

21 MR. MANNING: Thank you.

22 MODERATOR: Mr. Ryan.

23 MR. RYAN: Good evening. Kerry Ryan,
24 special counsel to the Town of Hingham.

1 I just wanted to clarify a couple of legal
2 issues that have come up in the last two speakers, so
3 that the Town Meeting can be clear.

4 Number one, some of the charts that were
5 shown giving these huge number differences, and also
6 some of the last references to eminent domain, do not
7 apply to this -- this matter at all. This case does
8 not involve anything about eminent domain. The
9 courts are very clear about that.

10 The right to acquire the water company
11 arises from the 1879 statute enacted by the General
12 Court. It states the Town of Hingham shall have the
13 right at any time during the continuance of the
14 charter hereby granted to purchase the corporate
15 property and all the rights and privileges of said
16 company. And then it goes on.

17 So to the extent folks start talking about
18 eminent domain, you should just realize those cases
19 and that area of law does not apply to this matter.

20 One other area is there was a reference to
21 the 2009 Hingham Municipal Light Plant study. That
22 was a twenty-five page study, done in 2009, by Camp
23 Dresser and McKee. That study did not even realize
24 apparently, and perhaps nobody told them that this

1 statute existed. So the study in no way even dealt
2 with the 1879 statute and the formula it gave for the
3 purchase price that's set out in that statute.

4 Another thing the Camp Dresser and McKee
5 study did was that it included the cost of the plant
6 as a given that the Town would have to purchase it.
7 As was indicated to you by the Board of Selectmen,
8 the plant is owned by a separate company. It's very
9 complicated, quite honestly, and the plant itself for
10 tax and bond purposes was specifically set aside in a
11 separate company. It's not something that collapses
12 down and then just becomes part of Aquarion or the
13 water company, and just because their parent is
14 involved with that subsidiary doesn't mean it
15 collapses down.

16 The long-term lease that was entered into
17 in 1995, specifically in Section 4.4, Section D,
18 Section III. And we don't need to get into the
19 details, but you need to know at least it
20 specifically gives the Hingham -- Hingham, if it does
21 take this property, the water company, the right to
22 step into that long-term lease. And so the idea that
23 you have to purchase the water company versus just
24 simply stepping into the long-term lease is a huge

1 swing in purchase price that the CDM study did not
2 recognize and that quite honestly some of the prior
3 charts did not recognize.

4 One other item was there was a mention that
5 well, if you add interest, oh, my goodness, the price
6 again goes through the roof.

7 One of the items that's not mentioned in
8 connection with that is the formula then reduces the
9 interest number by dividends paid. This is not going
10 to be just a simply, oh, it's going to be off the
11 charts. Somebody's going to have to sit down and
12 calculate these numbers, and it's going to take a
13 little bit of effort. I don't think any of us can
14 stand up here right now and tell you what that number
15 is. I believe that's why the Board of Selectmen have
16 recommended this study.

17 I hope I have at least hit the critical
18 items that seem to be from a legal perspective that I
19 wanted to clarify for you.

20 Thank you.

21 MODERATOR: Mr. Sullivan.

22 Mr. Sullivan has handed me a proposed
23 amendment to the motion under Article 19, and I'll be
24 glad to read it if you wish.

1 In the second line of the recommended
2 motion which is in the book, the number printed of
3 course if \$500,000. The proposal is now 320,000.
4 Mr. Sullivan proposes that be changed to 100,000.
5 And, the second part of his proposed amendment is
6 that after the words "statute 1879, Chapter 139," a
7 period be placed, and all the remaining words in the
8 motion be deleted. So that the words "or through any
9 other method of acquisition, including any
10 negotiation or litigation, the Board of Selectmen may
11 determine to be necessary or advisable in order to
12 determine whether the acquisition is feasible and
13 advisable for further Town Meeting consideration."

14 Those words would all be deleted under his
15 proposed amendment, and the dollar amount would be
16 changed from 320,000 to 100,000.

17 So that's the proposed amendment. Is it
18 seconded?

19 UNIDENTIFIED VOICES: Second.

20 MODERATOR: It is seconded.

21 Mr. Sullivan, you have the floor. We're
22 now going to discuss your proposed amendment.

23 MR. SULLIVAN: Thank you very much.

24 The original number in the Selectmen's

1 article was a guess. There's no plan that I've seen,
2 no quantitative analysis, no specifics concerning
3 where the money would go. It was simply to entrust
4 us, but if we don't need the money, we won't spend
5 it.

6 This is not an acceptable basis on which to
7 appropriate under that original plan as much money as
8 we had planned to spend to resurface and build all
9 the roads in Hingham. Even the reduced amount comes
10 out to more than what we're planning to spend for
11 expenses and capital outlay for the library. So
12 there's a lot of things we could do with the
13 \$320,000.

14 I concede that my hundred thousand dollars
15 is a guess, too. I just removed the prospect of
16 litigation from this -- from this proposal. I know
17 the Selectmen have a right to litigate if they want
18 to, so I'm not attempting to bar the Selectmen from
19 suing the Aquarion Water Company, but I suggest this
20 change so that we can express the Town's consensus
21 that such a serious and expensive step should be
22 considered by Town Meeting only after an initial
23 feasibility study has concluded that acquisition of
24 the company is likely to be recommended.

1 Now, a preliminary feasibility study
2 without litigation should not exceed a hundred
3 thousand dollars, and could well be a lot less.

4 Now, the Selectmen mentioned that when the
5 1985 study was done, things were different. Well,
6 they certainly were. They didn't mention one of the
7 biggest changes that has taken place since 1985, and
8 that was the passage in 1986 of the Massachusetts
9 Water Management Act.

10 The 1986 Water Management Act declares that
11 all the water in the State, with the exception of
12 private wells, belongs to the State. The State Water
13 Management Policy under the Act is that relevant
14 state authorities will manage the water resources
15 through water districts, not on a town by town basis.

16 And we live in the Hingham, Hull, Cohasset
17 water district. If we buy Aquarion, we'll still live
18 in the Hingham, Hull, North Cohasset district. And
19 the relevant state agencies will continue to control
20 how much water can be pumped here, where it can be
21 withdrawn, and how much the water supplier must
22 charge for it. You're not allowed to subsidize water
23 rates under the Water Management Act, and that would
24 not change.

1 Just a few years ago, Cohasset was ordered
2 to increase its water rate because it was not
3 charging full cost as required by the Water
4 Management Act. So the chances that the State would
5 allow us to lower rates approaches zero.

6 What would change is the process of
7 increasing rates. A private company has to jump
8 through the DPU hoops before it can raise rates. If
9 Hingham owned the water company, we could raise the
10 rates by a two to one vote of the Selectmen.

11 Now, the first stage of the study -- of
12 this limited feasibility study that I'm proposing,
13 would be to look at how the water district would be
14 managed.

15 We could have a regional water commission
16 with members elected or appointed by Hingham, Hull
17 and Cohasset. It's been suggested that we have a
18 regional dispatch center, so we know how to operate
19 regional organizations. Well, I know the regional
20 dispatch center, and I tell you a regional water
21 commission is no dispatch center.

22 Alternatively, we could turn over
23 management of the water company to the DPW or some
24 other Town department. Then we would have the DPW,

1 or whatever department was going to take it,
2 servicing Hull and North Cohasset, billing customers,
3 answering service calls, repairing their equipment.
4 How does that appeal to you?

5 And maybe some other options -- although I
6 doubt it. I've been studying this issue for fifteen
7 years, and we keep raising that terrible question of
8 what do we do about Hull and Cohasset?

9 I think that when you look at that in
10 detail you see that the options are so unattractive
11 that the study should end right there.

12 So why should we worry about spending a lot
13 of money and a lot of time litigating the cost issue
14 if we've already concluded that we wouldn't take on
15 this management problem if Aquarion gave us the
16 company as a gift?

17 Well, we do, of course, seriously want
18 some -- some hard data, but most of it's already
19 available either from the recent study done by the
20 Light Plant or the voluminous submissions that
21 Aquarion was required to produce for the recently
22 concluded rate case.

23 MODERATOR: You have one minute.

24 MR. SULLIVAN: Add to that cost study,

1 Aquarion's in the process of preparing the cost
2 according to the guidelines under the law, and when
3 they finish that -- and they expect to finish it,
4 I've been told, in June -- it will be made available
5 to the Town, so we don't have to sue for it.

6 So let's start slowly. Let's look at the
7 numbers we have by the end of June. By July, we may
8 have concluded that the price is out of reach. Well,
9 more likely we will have concluded that we just don't
10 want to take on the nightmare scenario of trying to
11 set up and manage a regional water authority.

12 The State Department of Public Utilities
13 has commented that Aquarion's communications with the
14 Town leave much to be desired, and they have mandated
15 that Aquarion commission an outside study to see what
16 improvements could be made.

17 MODERATOR: Your time's expired.

18 Mr. Rabuffo.

19 MR. RABUFFO: Thank you, Mr. Moderator.

20 Bruce Rabuffo, One Dwiggins Pathe.

21 It is not a guess. Your Advisory
22 Committee, whose recommendations you just accepted
23 would not have allowed the Selectmen to proceed with
24 a guess. This is a summary of the various components

1 that made up the \$320,000. They have low and high
2 ranges associated with them. The high is the 320.
3 And that, of course, as you also know relates to the
4 request for a proposal process which our procurement
5 laws require us to follow.

6 So we have breakdowns in terms of the
7 valuation, financial analysis, forensic accounting,
8 corporate work, negotiation, litigation authority,
9 those kinds of items require a detailed study. And
10 therefore, the Advisory Committee guided us in
11 setting these numbers.

12 In addition, I would be reluctant in not
13 addressing the issue. Everybody wants to get the
14 structure. We have had very preliminary discussions
15 with our friends in Hull and Cohasset, and they have
16 indicated various and differing needs that they have,
17 but are anxious and appreciative of the fact that
18 we're starting to undertake this.

19 To suggest that the answer to the solution
20 is preordained is too soon to propose.

21 And finally, this is not about control of
22 the water supply. It is about the control of the
23 rates and the service you deserve.

24 Thank you.

1 MODERATOR: We're discussing Mr. Sullivan's
2 proposed amendment. When we finish voting on the
3 amendment, we will have the motion as it had been
4 amended or not, and we'll continue discussing the
5 motion. We're now discussing Mr. Sullivan's proposed
6 amendment.

7 Yes, sir.

8 MR. DAILY: Good evening, Mr. Moderator,
9 Selectmen, elected and appointed officials.

10 Thank you, ladies and gentlemen, for being
11 here tonight. Thank you for the opposing point of
12 view. It's a great country we have that we get to
13 discuss these things.

14 Just briefly --

15 UNIDENTIFIED VOICES: --

16 MR. DAILY: What's that?

17 UNIDENTIFIED VOICES: Your name.

18 MR. DAILY: Sorry. My enthusiasm.

19 Bob Daily, 168 Holmes Street.

20 Accountable leadership is what we need here
21 in this Town and what we want. Mr. Sullivan's
22 proposal, I think that a figure between one hundred
23 and three hundred thousand dollars would cover the
24 survey. We have a local electric utility, and that

1 if you have questions for them, you don't have to
2 leave the state, you don't even have to leave the
3 room. We have accountable leadership there.

4 The price of water going up is unbelievable
5 and we need to have control costs, something that we
6 can speak with our elected officials or appointed
7 officials. And I think that the hundred to three
8 hundred thousand dollars is within the range. It's a
9 feasibility study that needs to be done, and we need
10 to keep control of the cost of this Town.

11 Thank you.

12 MODERATOR: Mr. Taylor of the Advisory
13 Committee.

14 MR. TAYLOR: Hi. Good evening. Jim
15 Taylor, 3 Bristol Lane, member of the Advisory
16 Committee.

17 The Advisory Committee voted unanimously to
18 support this study with the understanding that it
19 would be conducted in a phased manner, utilizing
20 unpaid volunteer expertise to minimize study costs
21 whenever possible.

22 The first phase of the study would be an
23 in-depth discovery and an analysis of the Macquarie,
24 Aquarion financial structures, followed by an

1 evaluation of what Town ownership of Aquarion might
2 mean to the Town and citizen rate payers.

3 In my real job, in wealth management, I
4 often perform due diligence on investments prior to
5 recommending them to a client. This typically
6 includes studying a company's balance sheet, income
7 statement, management team, and competitive industry
8 placement. While I'm knowledgeable and experienced
9 enough to be able to make such an assessment on my
10 own, I always utilize the experience and expertise of
11 others to perform a thorough analysis prior to
12 recommending the investment to a client.

13 The first phase of the proposed water
14 company study requires the same detailed scrutiny.
15 While many individuals in Town may have general
16 knowledge of how utility companies operate, a
17 financial analysis sufficient to make a
18 recommendation to the Board of Selectmen and
19 ultimately to the Town, would require hiring proper
20 accounting and consulting experts who can perform the
21 in-depth due diligence that the study will require.
22 This is especially important given the additional
23 complexity due to how Aquarion is structured, and
24 some of its financials are consolidated with its

1 parent company.

2 In preparing for the Advisory Committee
3 Hearing on this article, I began reading all the
4 public documentation that is available regarding
5 Aquarion and its business. All you need to do is
6 read through the DPU rate case finding, all 287 pages
7 of it, to determine that experts in public utilities
8 will need to be retained to truly help the Town
9 assess the value of this business and compare it to
10 the valuation as determined by the calculation as
11 laid out in the statute.

12 The industry financial management and
13 forensic accounting experts that the Town would
14 require if this article passes will have to determine
15 and evaluate issues such as what is the true cost of
16 delivering our water service? What is the value of
17 the assets that might be purchased?

18 We would need a complete analysis of all
19 the issues surrounding the 3.5 million dollars per
20 year that Aquarion and ultimately rate payers pay to
21 lease the water treatment plant, since it is owned by
22 another Macquarie entity, and the expense and
23 potential savings associated with the millions of
24 dollars of outstanding debt that Aquarion has issued.

1 As reflected in the slide, a second study
2 phase, focusing on engineering appraisal and the
3 conditions of the existing infrastructure would only
4 be initiated if the results of the first phase
5 financial analysis demonstrated that rate payers
6 would benefit financially from an acquisition of the
7 water company by the Town.

8 Lastly, the potential governing structures
9 would be examined, but only if the previous stages
10 provide for the study to continue.

11 Just as I do in my professional work, it's
12 critical that the Town retain the appropriate experts
13 to supplement Town volunteers in each of these areas.

14 During our deliberations, the Advisory
15 Committee discussed the importance of insuring that
16 there are adequate funds to complete this study.
17 Based upon several meetings and discussions with the
18 Board of Selectmen, the Advisory Committee offered
19 unanimous support for the initial amount proposed and
20 today amended by the Selectmen to conduct this study.

21 Obviously, the starting point of the
22 financial analysis phase would be to address the
23 ownership of the Aquarion Water Company in
24 Massachusetts.

1 You've all heard that a private equity fund
2 run by an Australian bank originally acquired what is
3 now the parent company of Aquarion about six years
4 ago. The sole purpose of these private equity funds
5 is to maximize investment returns to investors by
6 typically targeting and inherently promising a return
7 in equity in excess of twelve percent. They attempt
8 to deliver this return in a number of ways, but
9 ultimately it is through increasing the profitability
10 of the companies they own, and subsequently selling
11 those assets generally in a six to ten-year time
12 frame.

13 This turn over has already begun with
14 Macquarie recently selling a large stake in the fund
15 to the pension arm of British Columbia. The Advisory
16 Committee, in its deliberation noted that the
17 financial impact on Hingham rate payers of these
18 multiple levels of Macquarie-Aquarion ownership, each
19 with its own profit markups, and the inevitability of
20 a fairly short term ownership change of Aquarion,
21 needs thorough and careful examination.

22 Also, it's the opinion of the Advisory
23 Committee in its ongoing spirit of effective cost
24 management that a business as usual attitude with

1 respect to the water company was not in the best
2 interest of either the Town or its rate payers, and a
3 further in-depth study is our recommendation.

4 Whatever the outcome of a phased study
5 might be, the Advisory feels that such a study is
6 worth the time of qualified volunteers and the
7 financial investment in recognized experts to
8 carefully and unemotionally examine the facts of the
9 matter and make a reasoned recommendation as to what
10 future course of action is appropriate.

11 Thank you.

12 MODERATOR: We're now on the proposed
13 amendment, and so we should have our discussion
14 focusing on whether we wish to adopt Mr. Sullivan's
15 amendment or not, and I will recognize Mr. Barclay.

16 MR. BARCLAY: Thank you, Mr. Moderator.
17 Mike Barclay, 11 Cottage Street.

18 I believe amending this article would be
19 unwise for the following reasons.

20 First of all, there's been a tremendous
21 amount of work put into this by the Selectmen, by the
22 Advisory Committee. Amending it at this point would
23 be on the fly, with not a whole lot of thought.

24 The Selectmen have outlined a cost

1 of \$320,000 for this project, which has some meat to
2 it. They've done the due diligence; there's some
3 data behind it. The hundred thousand dollar number
4 is arbitrary at best.

5 We keep getting scared by the concept of
6 litigation, which is really what Aquarion and their
7 owner Macquarie wants us to do. No one likes
8 litigation. It unnecessarily drives up the cost of
9 doing business. But this is a double-edged sword
10 because if we enter into litigation with
11 Aquarion -- and I'm ninety-nine percent sure of this,
12 not a hundred, but ninety-nine percent sure --
13 Macquarie would have to disclose that in any public
14 filings or offering memorandum to potential
15 investors. And that's the last thing they want to
16 do. The last thing they want to do is have to
17 disclose litigation related to a valuable asset
18 within the fund that produces a great return, because
19 as an investor, that's going to make you take a step
20 back and say, gees, maybe I don't want to invest in
21 this fund.

22 So before we say the sky is falling on this
23 litigation issue, remember, this is a double-edged
24 sword, and I'm pretty sure under SEC requirements

1 they would be required to disclose any kind of
2 litigation to all of their potential and current
3 investors. And that's -- I'm pretty sure that's
4 something Macquarie does not want to do.

5 On top of them being regulated by the DPU,
6 I don't really find a lot of comfort there. Last
7 summer at Town Hall, I stood before the DPU, when
8 Aquarion was proposing the egregious eighteen percent
9 increase, and I pleaded with the DPU on the basis
10 that at that point we were getting about a two
11 percent return on a ten year treasury.

12 So what did the DPU do? They awarded them
13 a ten percent return on equity. And that's still
14 five times as much as you're getting on a ten year
15 treasury today. So I don't find a lot of comfort
16 with the DPU at this point either.

17 There's been a lot of thought that's gone
18 into this. I think amending this article on the fly
19 would be unwise, and I think we should proceed with
20 Article 19 as it's written. Thank you.

21 MODERATOR: Mrs. Salisbury. This is on the
22 proposed amendment. Mrs. Salisbury.

23 MS. SALISBURY: Catherine Salisbury, 10
24 Ridgewood Crossing.

1 I urge a no vote on the amendment -- Mr.
2 Sullivan's amendment and then the second amendment
3 for 320,000, and I urge a no vote on Article 19.

4 I was the Chairman of the Water Supply
5 Committee when the study -- when we did the 1985
6 study. We went to Town Meeting in 1984 and requested
7 \$50,000 to do a study on the adequacy of existing
8 treatment and delivery systems and existing and
9 potential water sources within the Town.

10 Also studied were an evaluation of possible
11 water -- alternative water supply strategies,
12 including among others buying the Hingham Water
13 Company. But it was the Hingham Water Company, not
14 American, it was the Hingham Water Company at that
15 time. Whitman and Howard did the engineering
16 analysis, and Consultants to Management did the
17 financial piece.

18 The engineering study reached the following
19 conclusions: The necessity of building a water
20 treatment plant to remove organics and manganese from
21 the water, the recommendation to install new water
22 mains in various streets to eliminate dead ends and
23 create flow in order to prevent the settling of
24 manganese in these dead ends, the recommendation to

1 locate and secure title to land on which an
2 additional well could be drilled and a water tank
3 could be built to accommodate a predicted increase in
4 demand.

5 The cost of the treatment plant was
6 estimated to be 10.6 million dollars. The cost of
7 the new water main installations, 9.4 million. And
8 no cost was specified for surveys, land acquisition
9 and construction of the water tank and additional
10 well.

11 The cost to purchase the company was
12 estimated using the formula at a low of 3.9 million
13 and a high of 6.1 million. Using the higher figure
14 and combining it with the estimated cost for the
15 plant and water main installations, the total came to
16 \$26,000,000.

17 In its 1985 report, the committee
18 concluded, and I quote, although there are some
19 savings on water rates, if the Town should purchase
20 the assets of the Hingham Water Company and then
21 proceed to build the treatment plant, these savings
22 were not substantial enough to offset the
23 difficulties and uncertainties of buying the assets
24 and then of running a municipal water district.

1 What has not changed during the ensuing
2 twenty-seven years since we did this study? The
3 Water Supply Committee is still working on our water
4 issues. You've heard from some of these members
5 tonight. We still have requests for rate increases
6 which the Town still opposes. All of Hull's
7 residents and some of Cohasset's residents are still
8 a part of our service territory. We are still
9 withdrawing roughly the same amount of water from our
10 aquifer, using the same wells as we did in 1985, and
11 the water is being distributed using mostly the same
12 pipes as were used back then.

13 What has changed in the past twenty-seven
14 years? The Hingham Water Company has been bought out
15 several times. With the construction of the
16 treatment plant, our water quality problem has been
17 largely solved. There is more demand for water due
18 to growth and the use of in ground sprinklers. The
19 State exercises much greater control over water
20 resources than it did back then, due to the passage
21 of the Watershed Management Act which sets withdrawal
22 limits for each aquifer.

23 What are my concerns about Article 19? The
24 proponents should have fully considered the policy

1 implications before putting this article with this
2 huge appropriation before the Town Meeting. There is
3 no discernable groundswell of public concern on this
4 issue. Most water customers are generally satisfied
5 with their service.

6 Although the source of our water supply is
7 all in Hingham, save for an amount purchased from
8 Cohasset for Linden Ponds, there are thousands of
9 customers in Hull and a few in Cohasset, state
10 regulators will require that Hingham continue to
11 service these populations, and they will demand a
12 voice in policy decisions related to their water
13 supply.

14 The necessity of providing an adequate
15 supply of water to the South Shore Park to allow its
16 development is put forward as a reason to investigate
17 buying Aquarion, but we have an adequate water supply
18 for our residents at present.

19 State mandated caps on withdrawals of water
20 from our aquifer insure its replacement. But it is
21 possible that our adequate water supply may not be
22 adequate to add the amount of growth anticipated by
23 the development of the South Shore Park and the
24 additional 65 acres to be rezoned by Articles 35

1 and 36 later in this Town Meeting. Town ownership
2 will not magically create more water. If our aquifer
3 cannot accommodate a major increase in demand, other
4 alternatives will have to be considered.

5 In conclusion, I can see little benefit to
6 existing customers from Article 19, and a potential
7 for huge expenses to the taxpayers. I believe if you
8 vote for either one of these amendments, or for
9 Article 19, we will in fact be starting down a very
10 slippery slope. And it will be an extremely
11 expensive and painful process, and one in which in
12 the end will not benefit our existing customers.

13 For these reasons, I urge you to vote no on
14 both amendments and on Article 19.

15 Thank you.

16 UNIDENTIFIED VOICE: Move the question.

17 MODERATOR: Did someone move the previous
18 question?

19 UNIDENTIFIED VOICES: Yes.

20 UNIDENTIFIED VOICE: I wish to move the
21 previous question.

22 MODERATOR: Is it seconded?

23 (Verbal responses)

24 MODERATOR: I'll receive the motion for the

1 previous question.

2 As you know, the purpose of the motion is
3 to end debate and discussion on the pending matter
4 before us and come to an immediate vote.

5 That means the previous question, if it is
6 adopted, we will come to an immediate vote on the
7 proposed amendment by Mr. Sullivan. When we have
8 taken care of that amendment one way or the other, we
9 will have the motion again before us to discuss the
10 main motion as it may have been amended.

11 So, we come now to vote on the motion for
12 the previous question which ends debate and
13 discussion on the amendment. If you're in favor of
14 that motion, please say aye.

15 (Verbal responses)

16 MODERATOR: Those opposed, no.

17 (Verbal responses)

18 MODERATOR: The previous question is
19 ordered, and we come now to vote on Mr. Sullivan's
20 proposed amendment.

21 This is on Mr. Sullivan's proposed
22 amendment, which would amend the motion before the
23 main motion to change 320,000 to 100,000, and to
24 delete everything in the main motion after the words

1 "statutes 1879, Chapter 139." The following material
2 would all be deleted.

3 All those in favor of that amendment, Mr.
4 Sullivan's amendment, please say aye.

5 (Verbal responses)

6 MODERATOR: Those opposed, no.

7 (Verbal responses)

8 MODERATOR: The no's have it and the
9 proposed amendment is lost.

10 So now we have before us the original main
11 motion, and is there further discussion of that
12 motion before we come to vote on it?

13 Mr. Barclay.

14 MR. BARCLAY: Mike Barclay, 11 Cottage
15 Street.

16 I just wanted to really kind of get back to
17 the top ten list we got by Aquarion and maybe run
18 through a couple of those and provide a little bit of
19 balance.

20 First of all, in their contention that it's
21 not for sale, I wouldn't sell it if I was them
22 either. It's the goose that lays the golden egg.

23 Not just the study. We talked a little bit
24 about the litigation earlier. The fact of the matter

1 is that they could have signed an agreement yesterday
2 with the Selectmen and chose not to. I'm not really
3 sure why they did that, but they chose not to, and
4 again, the litigation issue is a double-edged sword.

5 A lot of the other points really, you know,
6 control over water supply, you know they seem to have
7 stepped things up recently because all of a sudden
8 we're starting to really press them. I went to the
9 hearing last summer and there were a lot of people
10 who were really upset because the quality of the
11 service and the infrastructure was terrible. And now
12 they've gotten some religion, they know we're taking
13 it seriously, and all of a sudden they've stepped up
14 their efforts.

15 And most of the other points that they make
16 throughout those -- you know, the top ten there,
17 really just go to the point that's why we're doing
18 the study. Because we want to find out, we want to
19 make an educated decision about whether or not we
20 should pursue any kind of a purchase of this asset.
21 We will have the opportunity at a future point to say
22 yea or nay on that decision, but given the way they
23 keep coming at us with these rate increases, we are
24 going to be defending ourselves time and time again.

1 The management of Aquarion, because it is
2 owned within a private equity structure, has a
3 fiduciary duty to maximize the returns of the fund.
4 That's their first priority. Service and quality and
5 good infrastructure come second.

6 This study is the result of a lot of work,
7 and I think it's a really prudent idea to go forward
8 with this.

9 The thing that really got me kind of fired
10 up about this was the letter that they sent to all of
11 us, and I didn't even get all the rest of the stuff.
12 But it's not -- you know when big corporations get
13 involved in local politics, it's really not out of a
14 sense of benevolence. It's really because they're
15 trying to protect their own self-interest. I mean,
16 let's call a spade a spade.

17 When you think about Article 19, the way I
18 look at it is, you know, in life, there's the way
19 things should be and there's the way they are. The
20 way things should be is that given the high rates
21 that we pay relative to other communities in the
22 State, and the big increases we've seen over the last
23 couple of years, we ought to be getting top notch
24 service and state of the art infrastructure. The way

1 things are, is we're not.

2 As long as this company is owned by a
3 private equity firm that is managed by an Australian
4 investment bank -- or maybe the fund is actually run
5 out of New York, depending on how the corporate
6 structure is -- but this fund -- the way private
7 equity funds work is you've got a general partner
8 that sits up at the top of the structure usually, and
9 that general partner is usually a representative of
10 the company that's put the fund together, and that
11 general partner typically exerts a disproportionate
12 amount of influence over the fund's operations and
13 the fund's investments.

14 Now, not all of them are the same, but in
15 general, that is how a private equity structure
16 works. And as long as that's the case, the
17 management of Aquarion really doesn't have a choice,
18 because if the general partner says to them, we need
19 a certain rate of return for our investors, you
20 better go out and get a certain rate increase from
21 your -- your constituents, the management of Aquarion
22 is going to have to do that. And they'll keep
23 playing this game with us, where they'll throw an
24 eighteen percent at us, and then the DPU will say,

1 gees, no, we're only going to make it ten. Okay?
2 We've had twenty-one percent, we've had ten. It's
3 going to continue in the future, and that's the way
4 things are.

5 I hope you'll support Article 19 like I am
6 and vote yes.

7 Thank you.

8 MODERATOR: Mr. Clarke.

9 MR. CLARKE: Thank you, Mr. Moderator.
10 Terence Clark, 111 Summer Street.

11 Let me state up front that I have performed
12 contract work with Aquarion. I am here this evening
13 however to read a statement from an informed friend
14 and Town resident of forty-one years who is out of
15 town and unable to be present.

16 The statement was written by Dick Norman
17 who resides at 3 Chute Avenue, and who serves as
18 President of Essex Hydrill, LLC. What follows are
19 his words.

20 First, let me say that I am not a fan of
21 Aquarion Water. I am troubled by the large increases
22 in water rates, mainly brought about by the Water
23 Treatment Plant that was built by the prior owner,
24 American Water, in 1996, at the cost of \$35,000,000.

1 I thought far too much money was spent on
2 the plant. I have not experienced any water quality
3 or supply problems, but I'm aware others in Town may
4 have. Nevertheless, I oppose Article 19 and predict
5 it will turn out to be a colossal waste of precious
6 Town funds.

7 My perspective is somewhat unique. For
8 more than thirty years, I have managed or partially
9 owned a natural gas storage business and several
10 electric generating plants. My companies are
11 regulated businesses that in most cases enjoy the
12 right of eminent domain. I have personally learned
13 through the management of contested legal proceedings
14 how protracted and costly the process can be, with
15 the outcome very uncertain.

16 I'm surprised that the Town fathers would
17 unanimously vote to recommend authorization of an
18 expenditure of up to \$500,000 at this juncture to
19 investigate the purchase of the water company.

20 The first question that comes to mind is
21 the ultimate objective of this process. Is it to
22 achieve lower water rates, to address service
23 problems, or to essentially punish Aquarion for past
24 problems?

1 I've not seen any estimate of the potential
2 rate savings the Town could achieve through purchase
3 of Aquarion. Water rate calculations are quite
4 straight forward. The rates consist of the sum of
5 operating costs and capital costs. I doubt that the
6 Town can achieve significant savings in the operation
7 of the water company through its purchase.

8 The real potential savings arise if the
9 Town can lower capital costs through lower cost
10 borrowings and an acceptable purchase price. The
11 Town already has or can obtain information regarding
12 its cost of borrowing. The embedded capital cost of
13 the water properties was extensively explored in the
14 recent rate case. It is a simple exercise to
15 complete a sensitivity study to determine at what
16 maximum acquisition cost the Town would be rate
17 indifferent to a purchase.

18 Expensive engineers and financial experts
19 are not needed at this juncture. If such an analysis
20 has not yet been done, it should be completed by the
21 Town Administrator before any additional funds are
22 expended. The analysis may show that even at a
23 \$100,000,000 purchase price, rates could be lowered.

24 Conversely, the study might show that even

1 if the Town were able to purchase the company for
2 25,000,000, there might be little rate savings.

3 The buyout formula is quoted in Warrant
4 Article 19. The Town will have to pay the original
5 cost of all the property, plus ten percent interest
6 per annum, less dividends that have been paid by
7 Aquarion. The water and treatment plant alone cost
8 \$35,000,000. Over the time since its construction,
9 the acquisition cost would be 87.5 million dollars.

10 I have a nagging concern about the proposed
11 process. Quite honestly, I'm not convinced that the
12 study will be handled well or efficiently
13 administered by Town administration. I cannot forget
14 the \$7,000,000 fire station expansion, nor the
15 recently approved \$61,000,000 middle school
16 construction.

17 At this time we know school proponents will
18 be out in force next year seeking to improve our
19 playing fields. Recently, our teachers agreed to
20 give-backs because of budget problems. We have yet
21 to see the tax increases that will kick in over the
22 next two years, yet we find there's \$500,000
23 available to undertake a study with a very uncertain
24 outcome. Surely, there's a better way to spend a

1 half million dollars if in fact it's available.

2 It's obvious that Warrant Article 19 has
3 finally gotten the attention of Aquarion Management.
4 Aquarion has come forward with several proposals to
5 address past problems. Why not use this opportunity
6 to explore whether past problems can be resolved
7 through negotiation before spending up to \$500,000 to
8 hire expensive, third-party consultants.

9 One thing is certain. If the Town does
10 decide to invoke its purchase right under the
11 existing charter, the Town will find itself in a
12 lawsuit over the price of the water system. My own
13 company has been involved in a similar lawsuit for
14 the past two years over the price of a piece of
15 property. All I can say is that it has been a money
16 pit, and a drain of time and resources. One thing is
17 certain. Purchase of the water plant will cost more
18 than you think and take time to resolve.

19 Finally, let's assume that the Town can
20 study the issue, determine a price, litigate to a
21 final price, and do all this for under 500,000, and
22 conclude everything in time for next year's Town
23 Meeting. Unlikely. Then the Town votes to not buy
24 the company. At that point, not only will the

1 \$500,000 be gone, but Aquarion likely will have the
2 right to recover its legal expenses in the next rate
3 case, resulting in even higher rates.

4 My advice? Vote no on Article 19. If
5 approved, the Selectmen should delay engaging third-
6 party consultants and initiate negotiations with
7 Aquarion.

8 My hope is that this threat of a takeover
9 could lead to a fresh start between Aquarion and the
10 Town where the company would be more responsive to
11 service obligations and maybe even some better water
12 rates. There simply is no compelling reason to rush
13 into this. Let's try to resolve the issue
14 responsibly.

15 Respectfully, Dick Norman.

16 Thank you.

17 MODERATOR: Mr. Stathopoulos.

18 MR. STATHOPOOLOS: Peter Stathopoulos, 17
19 Volusia Road.

20 First of all, let me say I'm against the
21 takeover. But one of the questions I have, if this
22 study is so important, why aren't we collecting forty
23 percent of the study from -- from Hull and Cohasset?
24 I mean they should be kicking in on this. So it's

1 just -- That's one point.

2 Two was, in the article, you mention about
3 six times the water main was broken. We had about
4 ten times on Volusia Road. I live in a part of
5 Hingham that uses Weymouth water. All Hingham had to
6 do was tear up the road and Weymouth would lay the
7 new pipes for free. Hingham says budgetary reasons.
8 We don't have the professional management, I think,
9 to handle a water type company. We went three years
10 before all the pipes were laid out, and my neighbors
11 across the street and down the street live in
12 Weymouth all had new pipes, but they kept on breaking
13 because the Town of Hingham did not address it.

14 So I feel that six times by Aquarion water,
15 if that's the only instance, that's great.

16 The other thing is we have a number, which
17 isn't addressed anywhere in the article, of Hingham
18 taxpayers that live in Hingham that do not have
19 Aquarion water. In fact, since my neighborhood has
20 Weymouth water, we pay a surcharge of twenty-five
21 percent, and we don't get a senior discount.

22 So we just -- and are we planning on doing
23 something like that to Hull and Cohasset, for
24 nonresident water supplies?

1 And again, you know, I just think it's
2 water down the pipe there, so it just isn't cost
3 justified at this point. I think more study has to
4 be done. You have -- and never mind the water --
5 waste water thing, but other towns have spent money
6 on it, but I see nothing quoted by any of the people
7 who did research about forensics and like that.

8 What have other towns, cities spent?
9 Upstate New York, they -- a combination of three
10 towns have \$75,000 for a feasibility study to take
11 over the water company, but I don't see any of that
12 in this study.

13 So right now, I think it's very poorly
14 constructed. We talk about Cushing Street, Manatee
15 Road, Volusia Road, Waleka (phonetic) Road, that do
16 not have Hingham water, and we're going to have to
17 pay for this study that I just don't think will come
18 to fruition.

19 Thank you.

20 MODERATOR: Mr. Salerno.

21 MR. SALERNO: Thank you, Mr. Moderator.

22 Good evening, everyone. Michael Salerno,
23 17 Kilmer Road. I'm Chairman of the Sewer
24 Commission.

1 This community has been capable of
2 running -- more than capable of running a parallel
3 utility and the Sewer Commission for over sixty
4 years. The Sewer Commission year over year attempts
5 to and quite often succeeds in keeping our rates
6 lower than rising costs.

7 We are and would be in the business of
8 saving the rate payers money, not giving the
9 stockholders their quarterly share of the profits.

10 We are and would answer to the public.
11 Where there is an ability to attend public hearings,
12 where input could be given publicly, review budgets
13 at any time, and/or at Town Meeting and elect another
14 person if that is how governance is determined.

15 This is only a study on whether or not it
16 is economically feasible for the Town to be able to
17 do all of this. If the study determines that we can
18 do all of this, I am one hundred percent confident we
19 will do a better job, not only keeping the rates from
20 rising at the percent they have been by Aquarion, but
21 managing the system and its infrastructure better,
22 too.

23 I urge you to vote in favor of this
24 article.

1 MODERATOR: Mr. Hibbard.

2 MR. HIBBARD: Thank you, Mr. Moderator.

3 There's a better way. We have offered, and
4 we will fulfill that offer, to provide our entire
5 financial study on the cost of the system with all
6 the backup. You saw earlier a display that showed
7 that Phase I is a financial analysis. All the
8 information you need for that financial analysis is
9 either already available or will be provided by us.

10 We talked about a cost of service study.
11 That's part of the rate case that we just concluded.
12 We talked about an examination of the lease. You
13 have the lease, obviously. The Advisory Committee
14 already has the lease. The lawyers have already
15 examined it.

16 The debt study. You have all that data,
17 too. What we're proposing is that we work with the
18 Town for the financial phase of this. We are
19 confident, by the way, that when that financial phase
20 is completed, this Town is going to say, no way, it's
21 too expensive.

22 We cooperate with the Town. The Town does
23 the financial phase. If we're wrong and the Town
24 actually believes it would make sense to spends

1 hundreds -- millions and millions of dollars to take
2 over a water company, serve Hingham and Hull and
3 Cohasset, you'll be back here next year.

4 Why not work with the company, do the
5 financial piece first, come back next year. If I'm
6 right, you won't even be coming back. If I'm wrong,
7 you can then take on all the other big issues. But
8 at least you'll know the number. You'll know what
9 the Town says the number is, you'll know what we say
10 the number is.

11 And one last thing. With regard to taking
12 over the lease. Are you taking the whole company or
13 half the company? That's what it comes down to.

14 Thank you, ladies and gentlemen.

15 MODERATOR: Further discussion? Yes. Ms.
16 Sneath.

17 MS. SNEATH: Hi. It's Judy Sneath, 89
18 North Street.

19 Just very briefly.

20 I, like you, have received multiple glossy
21 direct mail pieces in the last month, and I've just
22 been amazed to get them. In the past ten years,
23 there have a been a number of times that I would have
24 loved to be in closer contact with Aquarion Water

1 Company and haven't been able to. As I resident, I
2 had a situation with a neighbor that had me on the
3 phone with somebody in Connecticut who couldn't
4 really help me. Planning events downtown, trying to
5 get Aquarion to come with water. Not very
6 successful.

7 As a member of the Planning Board, a number
8 of situations with permitting where water was an
9 issue, Aquarion wasn't there. We're doing, as you've
10 heard earlier, some planning in South Hingham, trying
11 to get Aquarion there. Now, they want to do a study
12 but really haven't been part of the process.

13 A year or two ago we had a terrible
14 drought, I thought, with Accord Pond very low,
15 irrigation systems going off, no word from Aquarion,
16 until finally there was a ban.

17 But I'd like to see some leadership from
18 our water company. You know, these are troubling
19 times. Yes, the State has control over the water,
20 but it's not to say that our water company can't
21 provide leadership on the issue of water.

22 This year's CPC articles has two land
23 purchases that both hinge on sort of saving our
24 aquifer. Aquarion wasn't part of that conversation

1 either, and that's a million and a half dollars for
2 those two pieces of property that make a dent in sort
3 of protecting the aquifer.

4 So yes, we all received mail from Aquarion
5 in the last week or two. And my -- this postcard
6 says let's work together. So what does that really
7 mean, right? From my experience with Aquarion, the
8 words just don't ring true.

9 In fact, in Aquarion's ten reasons to vote
10 no, I didn't hear a lot of working together. I heard
11 threats, slippery slopes and not concerns about
12 Hingham. And there's a tone here that doesn't give
13 me a lot of confidence in this working together
14 unless we have some leverage. And I feel like if we
15 walk away from this article, we lose the leverage.
16 We don't know what will happen next. It feels like
17 whether we purchase the water company or not,
18 spending this \$320,000 today will give us a lot
19 greater control over our future and it seems like a
20 small price to pay for long-term security.

21 Please vote yes.

22 UNIDENTIFIED VOICE: (Inaudible)

23 MODERATOR: A motion has been made for the
24 previous question. Is it seconded?

1 UNIDENTIFIED VOICES: Second.

2 MODERATOR: Seconded.

3 I'll receive the motion for the previous
4 question. As you know, this has the effect of ending
5 debate and discussion, coming to vote on the main
6 motion. So if you want to end debate and vote on the
7 main motion now, you will vote yes on the previous
8 question.

9 If you would like to have more debate and
10 discussion, you'll vote no on the motion for the
11 previous question.

12 We put now the motion for the previous
13 question. All those in favor, please say aye.
14 (Verbal responses)

15 MODERATOR: Those opposed, no.
16 (Verbal responses)

17 MODERATOR: The previous question is
18 ordered.

19 So now we come to vote on the main motion
20 presented by the Board of Selectmen.

21 All those in favor of the main motion,
22 please say aye.

23 (Verbal responses)

24 MODERATOR: Those opposed, no.

1 (Verbal responses)

2 MODERATOR: The aye's ave it and the motion
3 is adopted.

4 MR. HEALEY: Paul Healey, 209 Main Street.
5 Mr. Moderator, I'd like to make a motion to
6 reconsider the previous motion.

7 MODERATOR: Motion to reconsider. A motion
8 to reconsider action under Article 19. Is that
9 motion to reconsider seconded?

10 UNIDENTIFIED VOICES: Second.

11 MODERATOR: Motion is made and seconded.
12 It requires for adoption a two-thirds vote.

13 Is there discussion on the motion to
14 reconsider?

15 (No response)

16 MODERATOR: All in favor of the motion,
17 please say aye.

18 (Verbal responses)

19 MODERATOR: Those opposed, no.

20 (Verbal responses)

21 MODERATOR: Reconsider fails. The motion
22 is not adopted.

23 Article 20. This is the first of several
24 articles related to the Community Preservation