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1 400 thousand.

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

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

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

21 Article 12 would direct a study by the
22 Water Supply Committee of the demands or the
23 adequacies of water resources through the year

1 2025 and the manner of providing for the needs
2 of the Town for future water services and would
3 appropriate \$50,000 for that study. The
4 recommended motion of the Advisory Committee is
5 presented in it's report and I need not read it.
6 Is there discussion of this motion? Yes, sir.

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

15 In the past 10 years the Hingham Water
16 Company itself has invested over a million
17 forty-six thousand dollars, while the deferred
18 out-of-pocket expenses for the Town during the
19 same period was only \$425,000. We have heard a
20 lot in the Town of Hingham about the bills being
21 the highest in the city, the state, the county,
22 the nation. In a review of 12 water departments
23 which are controlled by the D.P.U. in the

1 Commonwealth of Massachusetts, the Hingham Water
2 Company was 10th. The highest being Barnstable,
3 with \$355 annually; Hingham with 146.92; the
4 lowest, Southbridge, with \$114.80. One
5 municipality reviewed was in Plymouth County and
6 it has an average bill of \$166.

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

16 Cost per customer -- again, instead of
17 going through the long list -- the overall
18 average was 8th. It might be interesting to note
19 that in property taxes the average customer in
20 Hingham paid, \$28.74 of their water bill went
21 directly to property taxes. That is 15.78 --
22 excuse me, 15.87 percent of each dollar paid
23 goes to property taxes.

1 There's been a question concerning pipe
2 line sizes. In Hingham, approximately 10 percent
3 of our pipe line is smaller than four inches. Of
4 the 12 communities visited by the State, the
5 average is 12 percent. Just look at the larger
6 size; 12 inch and larger. Hingham has 20 percent
7 of it's pipe line 12 inches or larger. The
8 average of the 12 is 14 percent. Yes, we do have
9 a color problem. We have admitted this. It's
10 magnesium. The U.S. E.P.A. says the customers
11 will note magnesium staining clothes,
12 dishwashers and appliances. There is 2.15
13 milligrams per liter.

14 The Hingham Water Company averages from
15 point 2 to point 6. What is it the company could
16 do to eliminate that? We have proposed a
17 treatment plant to eliminate this problem.
18 During this year we have been undertaking a
19 \$75,000 study, distribution study. This will be
20 a 15-year study program for detailed analysis.
21 The timeframe for this program -- which I think
22 is important to mention -- it started in January
23 and will be finished in late November or the

1 first of December.

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

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

1 utilities.

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

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

20 (Applause.)

21 THE MODERATOR: Mr. DiCenso for
22 the Advisory Committee.

23 MR. DiCENSO: Robert DiCenso, 119

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

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

21 As to the question of trying to do the
22 study by December, I'll leave that up to the
23 Water Supply Committee to discuss but several --

1 at least one of the proposals we've gotten is
2 from a firm that the water company is familiar
3 with because they have already done three
4 studies on the water company and I'm not sure
5 that it's going to be done by December, it just
6 says by next Town Meeting.

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

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

17 MRS. SALISBURY: Catherine
18 Salisbury, 606 Main Street. I'm Chairman of the
19 Water Supply Committee. My Committee has become
20 aware over the years of a number of problems
21 with the Hingham Water Company service. These
22 problems have -- are chronic problems, they
23 have not gone away and I don't think they're

1 going to go away without some pressure being
2 brought on behalf of the Town.

3 The list of problems includes water
4 quality problems, black water -- black water,
5 not brownish or orange tinged water, which is a
6 result of naturally occurring organics, but black
7 water, which is a result of manganese,
8 inadequate pressure, fire hydrants that do not
9 have an adequate flow and in order to pass the
10 insurance office's standard -- seven out of the
11 20 fire hydrants did not pass the test.

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

22 Also, the lack of planning that the
23 Hingham Water Company has shown and their lack

1 of responsiveness to the problems that I have
2 just listed and on top of all this is the
3 increasing cost of water service. The Hingham
4 Water Company has had a rate increase in 1969,
5 1972, 1975, 1977, 1979, 1981, 1983 and very
6 shortly will come out with 1984. They are trying
7 to get a yearly increase in your rates. Every
8 year they're going to come in and ask for an
9 increase and a great deal of the increase in
10 rate this year is the fact that they've added
11 three people and two vehicles to their staff.
12 They now have 31 employees down at the water
13 company. In addition to three employees, they
14 have what we refer to as the service charge.

15 These are charges which they pay to the
16 parent company, which is American Water Works.
17 In this case American Water Works Service
18 Company, located in Westwood. They provide
19 financial and administrative and legal and
20 administrative support to the Hingham Water
21 Company and the Hingham Water Company has 31
22 people. These service charges have gone up and
23 up and up and up. They have gotten a great deal

1 larger and a great deal of the increase, the
2 current increase in the current case, is due to
3 the increase in the service charges.

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

14 Building this filtration plant will not
15 correct any of the problems that I have
16 enumerated previously. It will eliminate problems
17 of organics, which is this naturally occurring
18 yellowish tinge in the water. This yellowish
19 tinge exceeds the standard -- secondary standards
20 that are currently in effect. However, there is
21 no requirement by D.E.Q.E., there's no
22 requirement that the Hingham Water Company build
23 this filtration plant. It is a management

1 decision that they wish to, they chose to build
2 this plant.

3 They have not chosen to address these
4 other problems that I have just enumerated, they
5 have instead chosen to build this \$6 million
6 plant. Once the plant is built, if there is any
7 talk at all about buying the company we're
8 buying a completely different company than we're
9 buying now and this is one of the reasons why
10 we're in sort of a hurry to do the study, is
11 because we want to look at the whole system; we
12 want to look at the plant, the equipment, the
13 distribution system, their planning, the water
14 supply, their sources of supply. We want to look
15 at everything and we want to say, "Here we are,
16 this is where we are now, this is the number of
17 people we have now, this is the number of people
18 we project that we're going to have. This is
19 the supply that we have now, this is the supply
20 that we project that we're going to have 40
21 years in the future and is the system adequate
22 now and is it going to be adequate for the
23 future?"

1 And, the Hingham Water Company, their
2 \$75,000 distribution study -- which is a
3 relatively late decision on their part -- this
4 came out in the rate hearings that we had in
5 Boston. No one knew about this until just a
6 couple of months ago -- is going to be done by
7 the American Water Work Service Company. That
8 \$75,000 will come back to us in the form of next --
9 the next rate case. It will be a charge included
10 in that rate case and if it is allowed by the
11 Department of Public Utilities it will filter
12 back to us in the form of higher rates. So,
13 we're going to be paying for that \$75,000 and
14 we're going to be paying for this \$50,000 study,
15 hopefully.

16 But, quite frankly, the in-house study
17 I think will not be an objective study. I do not
18 think it will be an objective study and I think
19 it's extremely important now that we take a look
20 at where we are and whether we think we're going
21 to have the improvements and have the things
22 necessary to provide adequate service for the
23 people in the Town and the Water Supply

1 Committee has over the years developed a great
2 skepticism on behalf -- on what we think the
3 water company is doing in their management
4 policies and we're very, very concerned about
5 this and we feel that we better take a look at
6 this and what the alternatives are.

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

15 THE MODERATOR: You have one
16 minute.

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

1 this article. (Applause.)

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

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

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

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

16 MR. COLANTONIO: Very much so.
17 I'll bring my wife with me.

18 THE MODERATOR: Please do.

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