

Advisory Committee Water Company Acquisition Subcommittee

Meeting Minutes: January 10, 2019

Location: Town Hall

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

Absent: Bob Curley

Others in attendance: Selectmen Healey, Power, and Johnson; Water Company Acquisition Study Committee members Asher, Siegfried, Krumholz, and Higgins; Town Administrator Mayo and Assistant Town Administrator Monsegur; and consultants Julie Keim (Berry Dunn) and Jim Dondero (Anderson Tax)

Subcommittee Chairman Baltera called the meeting to order at 7:04 PM

Water Company Acquisition Update – Financial Update with Financial Consultants

Advisory Committee Water Company Acquisition Subcommittee members attended a joint meeting with the Selectmen and Water Company Acquisition Study Committee to hear consultants' reports on their analyses of the Town's modeling of acquisition and operating costs should the Town acquire the water company.

Tom Mayo, the Town Administrator, introduced the consultants who were retained in response to the Selectmen's request for a third-party review of the Town's financial analysis of a potential acquisition. Julie Keim summarized Berry Dunn's analysis of assumptions in the Town's model. Anderson Tax consultant Jim Dondero presented his firm's review of the Town's and Aquarion's assumptions relating to Aquarion rates, along with the Town's assumptions concerning its own rates. He then reviewed Anderson's approach to aligning assumptions in order to ensure an "apples-to-apples" comparison of the Town and Aquarion analyses. Mr. Dondero concluded that savings with Town ownership over the 30-year life of the bond for the acquisition costs would be approximately \$50 million and would increase dramatically once the bond was paid off. The subcommittee did not engage in discussion at the meeting other than two questions from Ms. Claypoole regarding additional costs due to prevailing wage requirements and revenue versus general obligation bond acquisition financing.

The meeting adjourned at 9:10 pm.

Respectfully submitted,

Victor Baltera
Subcommittee Chairman

List of Documents Distributed at this Meeting:

Perspective Gained: Report of Consulting Services for the Town of Hingham (Berry Dunn) (slides)
Review of Hingham's Financial Analysis of the Acquisition of the Water Company, January 10, 2019
(Anderson Tax) (slides)