

TOWN OF HINGHAM

MASSACHUSETTS

Water Supply Committee

JANUARY 29, 2018

A posted meeting of the Hingham Water Supply Committee (the Committee) was held on Monday, January 29, 2018 in the north hearing room, 210 Central St., Hingham, MA.

The meeting was called to order by Mr. Mullen at 7:36p.m.

MEMBERS PRESENT

Sam Mullen, Chairman
Kirk Shilts, Secretary
Maureen Doran, Member
Melissa Smith, Member
Adam White, Member

Member Ron Kirven was absent from the meeting.

OFFICIALS PRESENT

John Walsh, Aquarion Water Co. (Aquarion)
Stephen Olson, Aquarion
Ronit Goldstein, Aquarion
Greg Lane, Aquarion

Bob Curley, Hingham Advisory Committee

AGENDA

Mr. Mullen reviewed the posted agenda with the Committee. Mr. Walsh asked if he could present timely information relative to Aquarion's current rate case. Mr. Mullen agreed to include this matter under new business.

Thereafter, the agenda was established with additions.

MINUTES

The Committee reviewed draft minutes of its October 16, 2017 meeting.

Thereafter, a motion was made by Dr. Shilts, seconded by Mr. White and VOTED (unanimous);

to approve the meeting minutes of 10/16/17 as amended.

NEW BUSINESS:

▪ ADVISORY COMMITTEE LIAISON

Mr. Curley introduced himself as the Hingham Advisory Committee's liaison to the Committee. He added that Victor Baltera is also a liaison to the Committee.

▪ AQUARION RATE CASE UPDATE

Mr. Walsh discussed Aquarion's April 2017 rate case. He said the abeyance Aquarion self-imposed on the case has been removed. He said Aquarion is presently seeking two amendments to the rate case.

(1): Rate reduction from 14.7% to 13.3%.

Mr. Wash said recent changes to the federal corporate tax rate, corrections to the DPU filing, and Aquarion's recent purchase by Eversource contributed to the rate recalculation.

(2): Introduction of an Accelerated Infrastructure Program.

Mr. Walsh said a new Water Investment Reliability Surcharge (WIRS) law in Massachusetts can benefit both Aquarion and the town. The WIRS program would allow Aquarion to add an annual surcharge to its customer bills that corresponds to the cost of a particular capital project that has been selected into the program. This is a change from the current process where Aquarion (retrospectively) recoups its capital costs years later in rate cases as a permanent higher rate. The WIRS program allows the company to charge customers upfront (prospectively) for selected capital improvements via an annual surcharge. Mr. Walsh said the new process could free up an additional \$1 million beyond what Aquarion can customarily assign to its capital budget. He said in addition to getting improvements completed more rapidly, the town (Hingham, Hull & Cohasset) would be directly involved in selecting which capital projects are assigned to WIRS program. Mr. Walsh said New Hampshire has a similar investment/ surcharge program. He said the NH program also includes an annual cap where customer rates cannot exceed the previous year's amount by more than (he believed) 7.5%.

AQUARION UPDATE:
▪ 2017 STATISTICS

Mr. Olson said Aquarion withdrew 90.0% of its WMA registered limit in 2017. He said this included an aggressive hydrant flushing program where 100% of the distribution system was flushed over the spring, summer and fall. Mr. Olson said he does not know what the 2017 Unaccounted-for-Water figure is yet. He said last year's (2016) value was 18%.

Mr. Olson said water main breaks were at their lowest number in years with only 19 water main breaks recorded in 2017 down from 34 the year prior. He reported that Hull had more breaks than Hingham from 2012 thru 2014 but reversed with Hingham having more breaks from 2015 thru 2017.

▪ ACCORD TANK REHABILITATION

Mr. Olson said the Accord tank repainting project will begin this spring and conclude by April. Both the inside and outside of the tank will be repainted. The capital cost is estimated at \$850,000. He said water pressure within the So. Hingham zone normally provided by the Accord tank will be produced by the variable speed service pumps at the treatment plant. He said the fire protection reserve volume will come from an arrangement with the town of Norwell water system.

▪ 2018 CAPITAL INVESTMENTS

Mr. Olson said this year's main replacements will occur along Sherwood Rd. and Butler Rd. in Hingham as well as a redesigned main along Beach Ave in Hull. He said Aquarion

will spend \$4.2 million in capital improvements across all of its Massachusetts water systems.

▪ SUPPLEMENTAL SUPPLY OPTIONS UPDATE

Mr. Olson said the MWRA would be an expensive alternative for just an additional 200,000 gal/day.

Mr. Olson said Cohasset's water system could potentially provide supplemental water to Aquarion through the current Interbasin Transfer agreement between the two municipal water suppliers relative to unused demand from the Linden Ponds housing development. Mr. Olson speculated that more than 100,000 gal/day could be potentially available.

Mr. Olson discussed the Fulling Mill Yield Study concept that would simply manage stream flows within the Weir River Watershed sub-basin. He said this could reduce the stress on the watershed in exchange for a permit to withdraw additional water from the watershed. Mr. Olson said the process would be to skim high spring flows from Accord Brook and store this excess water in existing man-made kettle ponds at the Fulling Mill site. During low stream flow conditions this stored water would be released in controlled intervals to augment and improve stream flow along the (stressed) Weir River system. Mr. Olson said the amount of stored water could approximate fifteen (15) days worth of 7Q10 stream flow during periods when natural flows are below this threshold amount.

▪ OWNERSHIP TRANSITION UPDATE

Mr. Walsh said the purchase of Aquarion by Eversource was finalized on December 4th for \$1.6 billion. He said Mr. Jim Hunt is the head of Eversource's water division. Mr. Walsh said Eversource is the first company to operate a combination gas, electric and water business.

▪ WATER QUALITY ISSUES

Mr. Olson said the 'softness' of the water supply changes with the use of more raw water from Accord Pond. He said dissolved minerals that contribute to the water's 'hardness' are more prevalent in groundwater (wells) rather than surface water reservoirs. He said Aquarion is presently not drawing water from Accord Pond while it recharges over the winter.

Mr. White asked about radon and whether Aquarion tests for it. Mr. Olson said they are required to test for radium but not radon. Mr. White said according to the EWG.org website, Hingham's water supply has a modest number of dangerous contaminants including 0.7 picoliters of radium where the federal standard is for no more than 0.5 picoliters of radium. Mr. Olson said he would look into this matter and report back to the Committee.

OTHER MATTERS:

▪ AQUARION'S TARIFF

Dr. Shilts reviewed suggested changes to Aquarion's tariff which the Committee discussed and amended in October. Mr. Walsh said Aquarion would support a 'community relationships' mandate that Dr. Shilts is advocating but only within the DPU's rate case final order. He said Aquarion was not inclined to include it within its submitted tariff. Dr. Shilts asked Aquarion to reconsider its position and be more proactive on cooperating with its host communities.

SCHEDULE

The Committee discussed holding its next meeting in early April.

ADJOURNMENT

The January 29, 2018 meeting of the Hingham Water Supply Committee meeting adjourned at 9:08p.m.

Respectfully submitted,

Kirk Shilts, Secretary
Hingham Water Supply Committee

Documents reviewed during the public meeting:

- *Meeting agenda 1/29/18*
- *Draft meeting minutes of 10/16/17*
- *Suggested changes to Aquarion's Tariff, updated 10/16/17*
- *Aquarion PPT handout presentation, 1/29/18*