

Advisory Committee – Water Company Acquisition Subcommittee

Minutes of Meeting held on 3/10/19 at Town Hall

Subcommittee Members present: Victor Baltera, Bob Curley, Dave Anderson, Eryn Kelley, Libby Claypoole

Subcommittee Chair Victor Baltera called the meeting to order at 11:05 A.M.

Members of the Board Of Selectmen and the Water Company Acquisition Subcommittee attended as well as representatives of Aquarion Water Company. The meeting was recorded by Harbor Media(HCAM).

Mr. Baltera noted an email received from Polly Rowe of Hull correcting and apologizing for two inadvertent misstatements in her remarks at the subcommittee's prior meeting.

Libby Claypoole raised a question about the SCADA data which is part of the Aquarion system. Jon Asher of the Water Company Acquisition Study Committee responded that the Aquarion software is part of the acquisition. Richard Norman expressed concern about whether the estimate for the operational cost was low. Selectman Mary Power referred to the Hyannis water company acquisition which resulted in substantial savings and to the practice of the Board of Selectmen to obtain competitive quotes. John Walsh of Aquarion raised a question about the Request for Proposal to be used by the Town and whether it covered all cost items. Dave Anderson observed that even if questions of cost of operation are resolved against the Town that , under reasonable assumptions, savings are still expected under town ownership compared to Aquarion ownership. In addition, Mr. Anderson summarized an analysis he undertook to explore whether Aquarion might be expected to have a material operating cost advantage over the Town due to its scale of operations. Using Aquarion's actual operating cost information filed in a recent DPU case, Mr. Anderson concluded that a material cost advantage vis a vis the Town's operating costs was unlikely given the data reviewed.

Mary Power explained that the Water Superintendent would be a Town employee reporting directly to the Town Administrator. The contract operation and

maintenance entity would be in daily contact with the Water Superintendent and would manage capital vendors as necessary. Kirk Shilts of the Water Supply Committee and Sewer Commission spoke favorably about the present organization and management by the Town's Sewer Commission. Laura Burns addressed the learning process involved in the South Shore Country Club and the ability of the Town to address and correct inefficiencies in contract operation by the introduction of Town operation.

The Subcommittee adjourned at 12:55 P.M.

Respectfully submitted

Bob Curley

Documents Used – Agenda

Preliminary Drafts of Comments on Articles NN,OO

Draft Sensitivity Analysis of Aquarion Models to Certain Disputed Assumptions

Graphic – Aquarion Debt Cost Spread vs. Town

Approved by the Subcommittee on April 9,2019 by a vote of 4-0.