



Water Company Acquisition Transition

February 2019

Water Company Acquisition Study Committee



- **The Water Company Acquisition Study Committee held several public meetings and has completed its review.**
- **Based upon that review the Committee voted unanimously to recommend that it was both feasible and advisable that the Town of Hingham proceed to exercise its statutory right to purchase the water system under Chapter 139 of the Acts of 1879 (as amended).**



Transition Plan: Financial Elements

Prior to Town Meeting

- ✓ The Town completed the litigation to determine the purchase price to acquire the water system
- ✓ The Town reviewed the purchase and financing of the water system with its Financial Advisors and Bond Counsel
- ✓ Bond Counsel issued a written opinion that the Town has the authority to issue bonds to complete the purchase
- ✓ The Town validated its interest rate assumptions with its Financial Advisors
- ✓ The Town discussed the potential purchase with all three bond rating agencies
- ✓ Town Counsel drafted a warrant article authorizing the purchase and borrowing
- ✓ Town Counsel drafted a warrant article authorizing the Enterprise Fund
- ✓ A Water System Enterprise Fund will be established to collect all revenue and pay all expenses, capital expenditures and debt service
- ✓ The purchase price will be rolled forward

Post Town Meeting

- If Town Meeting approves the purchase, the Town will finance and complete the purchase

Transition Plan: Operations and Engineering



Prior to Town Meeting

- ✓ The Town completed the litigation to confirm that the Water Treatment Plant is part of the purchase
- ✓ The Town has met with DEP to identify statutory requirements.
- ✓ The Town has obtained DEP Technical, Financial and Managerial Capacity Review Summary.
- ✓ The Town has reviewed the existing engineering/capital plans for the water system.
- ✓ The Town has engaged a transition expert
- ✓ The Warrant Article authorizing an appropriation for transition costs has been drafted.

Post Town Meeting

- If Town Meeting approves the purchase:
 - Aquarion will continue to operate the water system during the transition period as legally required under “good husbandry” standard.
 - The Town will issue an RFP and select a vendor to manage and operate the water system.
 - The Town will coordinate with Aquarion and selected vendor to transition the management and operation of the water system.
 - The Town will review, update and implement the Capital Plan for the water system.



Transition Plan: Governance

Prior to Town Meeting

- ✓ The Town has reviewed governance models of other municipal water systems.
- ✓ The Warrant Article authorizing the Board of Selectmen to act as the Board of Water Commissioners has been drafted.
- ✓ The Town will establish the position of Superintendent within the Personnel By-Law.
- ✓ The Town will continue to communicate with neighboring towns regarding the purchase, transition and governance of the water system.

Post Town Meeting

- If Town Meeting approves the purchase:
 - The Town will post and hire for the Superintendent position.
 - The Town will establish a Citizen Advisory Board.