

April 10, 2019

Dear Neighbor in Hingham,

As you may or may not know, most of the residents in the Town of Hull are also customers of Aquarion, just like most of the residents in Hingham are. So, if Hingham were to buy the water company, **we would ALL become customers of the Town of Hingham**. However, unlike Hingham residents, those of us who live in Hull have no say in the matter. Only Hingham voters will be making that final decision. So, in preparation for your vote at Town Meeting on Monday, April 22nd, we would like to draw your attention to some of the concerns that Hull residents have with this proposal and point out ways in which **we would ALL be impacted**.

**OUR INFRASTRUCTURE IN HULL IS SOME OF THE OLDEST IN THE SYSTEM
AND IS IN NEED OF REPLACEMENT.**

Owning a water company that provides safe, clean drinking water is a capital-intensive endeavor. **The total financial commitment that would be taken on by all of us amounts to well over \$250 million.** Hull requires an extraordinary investment of capital to upgrade its deteriorated infrastructure. Understandably, Hingham residents might not want to pay for Hull's expensive capital improvements since they would directly compete with Hingham's many important water infrastructure needs and severely deplete the limited financial resources available under Hingham town ownership. Aquarion has already committed to investing in Hull through the replacement of the Strawberry Hill water tank and by replacing water pipes located under the dunes. Both projects are critical to the reliability of our water, yet we have heard nothing about either of them from Hingham town officials. With no voice and no vote, Hull residents would have no say in how our ratepayer fees would be spent. While Hingham town officials have pledged to spend \$13 million dollars on capital improvements in Hingham, Hull, and north Cohasset within the first 5 years, Aquarion has already embarked on its 5-year plan to spend \$22 million dollars on capital improvements in all three towns – almost twice as much.

**WE HAVE AWARD-WINNING WATER RUN BY EXPERTS IN THE INDUSTRY.
WHY WOULD WE WANT TO EXCHANGE THAT FOR UNCERTAINTY AND RISK?**

Buying a water company comes with substantial financial risk. **Aquarion assumes 100% of the responsibility and total liability for all risk** including the prevention of water contamination and operational negligence. The Selectmen acting as Water Commissioners would have to cover all cost increases by either raising water rates or passing the increased cost on to taxpayers. There is nowhere else for them to get the money. For example, they cannot just decide to pay less interest to the bondholders who provide the money to invest in the system to cover higher chemical costs. Under Aquarion ownership, we do not pay for typical cost increases in the years between their rate cases. In between rate cases, they cover increases in expenses by reducing the amount they pay to the people who provide the money to invest in the water system.

Ratepayers currently have further protections in place under the Department of Public Utilities (DPU) whose mission is to ensure that utility customers are provided the most reliable service at the lowest possible cost and protect ratepayers' rights. Also, the Massachusetts Attorney General helps advocate and protect Aquarion customers. **All third-party oversight, guaranteed rate protections and water rate decision-making would disappear under town ownership** if Hingham were to undertake a commitment of this magnitude. There are no ratepayer protections in place to prevent Hingham officials from passing along all expenses to all water customers. Independent research on municipal acquisitions of privately-owned water companies has consistently shown that water rates increase when there is no regulatory oversight in place. Don't take our word for it. Ask Scituate residents. **Scituate water rates will increase by 20 percent.**

THERE ARE TOO MANY MISSING PIECES.

Operating a water company is extremely complex, even for established industry experts. The Hingham Selectmen – who would serve as the Water Commissioners - have failed to deliver details on several critical components of their plan to own and operate the new water company:

1) **Hingham officials will not draft an inter-municipal agreement that outlines the detailed terms, responsibilities, and liabilities of each town (Hingham, Hull and north Cohasset).**

This should concern everyone! Aquarion has a written agreement with its customers that outlines every imaginable detail. The lack of any written agreement between the towns means that you, as a Hingham resident, don't know exactly what you're being asked to vote on. To quote a concerned Hull resident, "How are Hingham voters expected to vote at Town Meeting when they don't even know what would be in the inter-municipal agreement?"

2) **Hingham officials, serving as Water Commissioners, will choose the contract operator hired to run the town-owned water company AFTER Hingham's April 22nd Town Meeting vote.**

Despite Hull being 36% of the total ratepayers, neither Hingham nor Hull ratepayers will have any say in the town's decision to hire a new water service provider. The Hingham Selectmen plan to make a 50% cut to the water company operating and maintenance budget. A 10% differential error in this cost estimate will erode Hingham Selectmen's projected savings by more than \$20 million dollars. With a more realistic budget, the results show that customers would pay millions more in their water bills under Hingham Town ownership than under Aquarion ownership. Most importantly, it should gravely concern all towns' ratepayers that the Board of Selectmen sought estimates from two contract operators, and one of those operators has been linked to two different water crises and has been fined by the Massachusetts' Attorney General Maura Healey for issues in Plymouth.

3) **Hingham officials, despite having access since 2012 to taxpayer funds allocated for such need, have failed to conduct an engineering study in advance of purchasing the water distribution system.**

To them, the future is completely unknown because they have yet to determine the actual scope and the cost of what lies ahead. Homeowners would never consider signing a P&S agreement without first having had the property properly evaluated to make a determination on the scope and expenses of what they may be purchasing. Yet Hingham town

officials are asking all towns' ratepayers to act as investors in a large utility without having any factual idea of what we are getting ourselves into.

4) **Hingham officials have not developed a transition plan.** They have not chosen a private company to run the Aquarion water system; they have not completed the Business Plan for the state; and they have not taken many other important steps required for a complex hostile takeover. Therefore, the transition could drag on indefinitely. We believe this is troublesome for all customers because Hingham officials have publicly stated that Aquarion would be limited in the amount of money they could spend on improving the water distribution system. Water customers in all towns do not - and cannot - afford this risk.

We consider the Hingham Selectmen's proposal to purchase Aquarion Water a dangerously bad deal with serious long-term consequences for water customers in all three towns - but for Hull ratepayers in particular because, in spite of making up more than 36% of the system's ratepayers, we cannot vote on it. We have spoken at every public meeting in Hingham, but we will have no vote in this monumental decision whose final outcome will severely impact us economically and health-wise for many years to come. **We have no vote** in who will run the new water company and how it will be run.

We will all suffer due to the lack of legal protections afforded water customers under Hingham town ownership, but Hull ratepayers will be even further burdened by the plan's gross inequity. Voters like you - along with Hingham officials - would make ALL decisions, so Hull ratepayers really need you to represent both Hingham and Hull at Town Meeting. Thanks to the activism of many Hingham residents concerned about this issue, there will be a secret ballot. In the spirit of protecting our best mutual interests as neighbors, we humbly ask you to **vote NO** on the proposed purchase of the water company at Hingham Town Meeting on Monday, April 22nd.

Sincerely,
Hull residents representing Save Hull Water

P.S. Thanks to the activism of concerned Hingham residents, **there will be a secret ballot** at Town Meeting on Monday, April 22nd – democracy in action! Mark your calendars, and plan to attend and vote NO!

Polly Rowe	Edmund Chaput	Ben Bastianelli	John Moon
Maxine Nash	Peggy Chaput	Diane Bastianelli	Karen Peters
Priscilla Beadle	Louis Gainor	Theodora Kimball	C. Anne Murray
Jeanne Baravella	Ellen Gainor	Roger Atherton	Betty Moore
Michael Fish	John P. McInerney	Eleanor Atherton	Thomas W. Foye
Sandra H. Smith	Kate Lally	Elise Nagy	Patricia Abbate
Bree Brasil	Catherine R. Caloia	Judeth Van Hamm	Rhonda Lipsky
Christine Smith	Marylou White	Bruce McWhorter	Ronald Sullivan
Joseph Luongo	Harvey Doran	Katherine McWhorter	Lloyd Emery
Patricia Downing	Sandy Doran	Barbara A. Lawlor	Kate Emery
Gregory White	William McClory	Deborah Viscomi	Kelly Sullivan
Christine White	Margie McClory	Bill Viscomi	Tricia Tuggle