

WATER RESOURCES COMMITTEE
MEMORIAL MIDDLE SCHOOL LIBRARY
Meeting Minutes ~ December 11, 2006

Members in attendance: Rick Mattila, Chair; Dave Irwin, Vice-Chair; Tom Burns; Malcolm Brown; Bob Hunter; John MacLeod; Joan Meschino; Ed Petrilak.

Also in Attendance: Jeff Musich, Wright-Pierce; Paul Weisman, Wright-Pierce; Mark Kalpin, Wilmer Hale; Larry Bingaman, Aquarion Water Company.

Meeting called to order by Chair at 7:15 p.m.

Public Input: None.

Business Model, Legal and Financial Analysis: Wright-Pierce

Chair initiated discussion by emphasizing that the focus of tonight's discussion is on the format. P. Weisman gave a power point presentation which laid out the analysis framework with a focus on making sure that the analysis is in sync with the committee members expectations including an evaluation matrix and next steps. P. Weisman presented five (5) core business models: wholesale 2.5 MGD, retail 2.5 MGD, wholesale 4 MGD, retail 4 MGD and regional model 4 MGD. P. Weisman noted that the retail model-4 MDG is a subset of retail model with wholesale to Aquarion. Also, the regional model-4 MGD is akin to the MWRA model and would be a more complex model than the other four although more interesting in the context of the special legislation where Hingham has the right to acquire the entire system. In response to a question by B. Hunter, Wright-Pierce explained that Prof. Manwell's lode sharing part of the cost sensitivity analysis will fit in with our analysis later on. M. Kalpin presented analysis of the production and distribution issues. He agreed with Diemert analysis. M. Kalpin framed two key questions to keep in mind as we move forward: why is Hull interested in doing this project and what are Aquarion's pressure points. In conclusion, he believes the best way to move forward is with cooperation of Aquarion and involvement by Hingham. J. Musich presented the cost analysis. T. Burns raised the question of whether the presentation should be made in executive session. Based on the nature of the material and type of information being presented, the WRC decided to remain in open session. Based on current assumptions and analysis of information available to date, the cost of desalination water would be \$6.40. J. Musich discussed the cost sensitivity factors which will include interest rate(s), energy cost, demand analysis, and profit and efficiencies from private ownership. He also explained the concept of 'plant use factor' or PUF. The WRC agreed Wright-Pierce is heading in the right direction with its analysis. The WRC agreed with Wright-Pierce's proposed ranking criteria and the evaluation matrix.

MOTION by E. Petrilak, **SECOND** by B. Hunter, to ask Congressman Delahunt to assist the WRC by exploring grant opportunities. **APPROVED**, unanimously.

B. Hunter raised the question of rate impacts and the cost impact of one business model scenario over another.

J. MacLeod raised a conflict of interest question. M. Kalpin stated there is not conflict between his simultaneous representation of Wright Pierce on the desalination feasibility study and of the Massachusetts Technology Collaborative in negotiations with the Hull Municipal Light Plant for a loan to study off-shore wind. J. Meschino will seek Town Counsel's opinion.

W-P November and December Invoices:

MOTION by D. Irwin, **SECOND** by J. MacLeod, to approve Wright Pierce's November 15, 2006 and December 7, 2006 invoices. **APPROVED**, 7-1 (E. Petrilak dissenting).

October 2006 Meeting Minutes: Held over for next meeting.

Old Business: Held over for next meeting.

New Business: None.

Next Meeting: January 22, 2007.

MOTION by E. Petrilak, **SECOND** by R. Mattila, to adjourn meeting. **APPROVED**, 7-1 (E. Petrilak dissenting).

8:45 p.m. meeting adjourned.

Approved: _____