



HINGHAM MUNICIPAL LIGHTING PLANT

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General Manager

Thomas Morahan
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Board Members

Laura Burns, Chair
Michael Reive, Vice-Chair
Tyler Herrald, Secretary

MEETING HINGHAM MUNICIPAL LIGHT BOARD

June 10, 2025
Zoom Meeting
<https://us02web.zoom.us/j/87876684605>

Meeting Called to Order

A meeting of the Board of Commissioners of the Hingham Municipal Light Plant (HMLP) was called to order by the Board's Chair, Laura Burns, at approximately 4:00 pm on Tuesday, June 10, 2025.

Present:

Board Members: Laura Burns -Chair
Michael Reive -Vice-Chair
Tyler Herrald -Secretary

HMLP: Thomas Morahan -General Manager
Mark Fahey -Asst. General Manager
Joan Griffin - Business Manager
Brianna Bennett - Sustainability Coordinator

Guests: Goulet, Salvidio & Associates

Ms. Burns read the following disclaimer into the record:

This meeting is being held remotely as an alternative means of public access pursuant to Chapter 2 of the Act of 2023 and all other applicable laws temporarily amending certain provisions of the Open Meeting Law. You're hereby advised that this meeting and all communications during this meeting may be recorded by the Town of Hingham in accordance with the Open Meeting Law. If any participant wishes to record this meeting, please notify the chair at the start of the meeting in accordance with M.G.L. c. 30A, § 20(f) so that the chair may inform all other participants of said recording.

Audited Financials - Goulet, Salvidio & Associates

Ms. Vaughen and Mr. Schremser from Goulet, Salvidio & Associates came to present the audited financials for December 31, 2024 and 2023. Ms. Vaughen stated that it is a clean opinion which means that the financial statements “present fairly in all material respects” which is the best possible outcome.

The financial position of HMLP as shown on the balance sheet for year end 2024 reflects total assets which have increased from \$81 million to \$85 million. The growth in assets is primarily attributed to an increase of \$5 million in the Depreciation Fund in preparation for the transmission line project. Current assets are stable with a strong cash collection reflected in the reduction of accounts receivable. Non-current assets have increased due to the accumulation of funds in depreciation, green initiative, and rate stabilization accounts. The Deferred Outflows reflect pension and OPEB (Other Post-employment Benefits) actuarial adjustments. Liabilities are stable with small reductions in pension and OPEB liabilities. Deferred Inflows have adjustments from prior-year rate revenue recognition and pension/OPEB factors. The Net Position shows \$25 million Restricted for Capital Infrastructure, \$32 million in the Depreciation Fund and \$6 million in the Unrestricted Net Position which is healthy.

The Income Statement shows that Electricity Sales showed a slight dip from the previous year although the kilowatt hours sold increased slightly. Other Operating Revenue has increased due to the revenue from the sale of solar RECs (renewable energy credits). Operation and Maintenance Expenses are flat year-over-year. Power expenses have risen and pension/OPEB expenses have declined. Depreciation has been approved by the DPU and calculated at 5% of the plant costs. Investment income has increased significantly due to the strong investment performance. Net income is approximately \$6.7 million which is an increase from \$5.56 million last year.

Net Cash from Operations is positive at \$6.9 million which is down slightly from \$7.6 million last year. This cash flow indicates strong operational liquidity.

OPEB Trust Fund assets have grown from \$2.3 million to \$2.5 million with a return on investment of \$149,000. The Liability (Unfunded) is \$1.2 million of which 65% is funded which is considered strong for a utility of HMLP’s size.

There are several audit footnotes and notable disclosures that were mentioned. HMLP remains just under the DPU’s 8% net income threshold; exceeding it without justification could risk sanctions. The Depreciation Policy of 5% (standard rate is 3%) continues to be approved and is justified by the upcoming infrastructure project. Solar RECs comprise a large portion of the receivables and HMLP has a \$50,000 allowance for uncollectible accounts. It was stated that for Investment Risks there is a disclosure of uninsured cash balances in certain accounts. Lastly, there is an Insurance Reserve that is a separate account earning no yield with a potential to reassess its utility. Mr. Herrald questioned why the Insurance Reserve does not yield interest. Ms. Vaughen explained that the account could be moved to an interest-bearing account as long as the Town has access to it. Mrs. Griffin interjected that the Insurance Reserve is probably in an interest-bearing account; however, HMLP is not entitled to the interest. This is also true for the Operating Account for which we do not receive interest. Mrs. Griffin also stated that the Town does give HMLP interest on the Security Deposits and Depreciation accounts but they do not have to do that.

There are four Supplementary Schedules that were discussed. The 10-Year Pension History shows the fluctuations with current liability at \$3.4 million. The 8-Year OPEB History is a liability that has grown from \$632,000 to \$1.27 million net over time. Sales by Classification provides a detailed sales breakdown by customer type. Expense Breakdown shows that power costs have increased and pension/OPEB have decreased with a net effect that is neutral on total expenses.

The Internal Control Report has one routine finding being that the auditors assist in drafting financials, posting minimal theoretical risk of bias or error. In addition, the Governance Communication Letter required disclosure of estimates, audit adjustments, and auditor-management interactions; however, no concerns have been reported.

In conclusion, the audit indicates a strong financial health, effective internal controls, and solid planning for the upcoming infrastructure investments. HMLP maintains good liquidity, minimal liabilities, and prudent reserve funds, with positive feedback from auditors and no major risks or concerns.

General Manager Contract

The General Manager's contract expires at the end of the month so the Board has been meeting in executive session to plan a strategy for negotiating the contract. A prepared statement from the Board was read and a copy will be given to all HMLP employees tomorrow. The Board discussed the findings of an investigation conducted by attorney Kevin Feeley of Feeley & Brown Law and HR consultant, Lisa O'Donnell, into employee morale concerns at HMLP. The investigation revealed mixed opinions but identified specific issues around safety training, overtime allocation, and conflict management. In response to the investigation, the General Manager implemented several changes including regular Code Blue training, monthly Safety Committee meetings, and a revised overtime system managed by supervisors. The Board approved a two-year contract renewal for the General Manager with most existing terms remaining unchanged and an annual salary of \$220,000.

Motion to approve a contract renewal for the General Manager.

Mr. Herrald: "Aye"

Mr. Reive: "Aye"

Ms. Burns: "Aye"

YouTube Meeting Recordings

Brianna Bennett stated that Harbor Media posts the meeting recordings on their YouTube page so she has requested that the videos be moved to unlisted. In addition, the videos have been removed from the HMLP website. Customers can request access to the video recordings by completing a form. Harbor Media does publish the videos live on their local channel and then they are available "on demand." An additional layer of security which disables the video for guest participants has been added to the meetings which prevents "Zoom bombing".

Approve Meeting Minutes

- 1. Meeting Minutes 5/13/25**
- 2. Meeting Executive Session 1/29/25**
- 3. Meeting Executive Session 2/11/25**
- 4. Meeting Executive Session 4/25/25**
- 5. Meeting Executive Session 5/14/25**
- 6. Meeting Executive Session 6/2/25**

The May 13, 2025 minutes had one minor change. Motion to approve the May 13, 2025 minutes.

Mr. Reive: "Aye"

Mr. Herrald: "Aye"

Ms. Burns: "Aye"

Motion to approve all five (5) of the Executive Session minutes.

Mr. Herrald: "Aye"

Mr. Reive: "Aye"

Ms. Burns: "Aye"

Financials

Mr. Morahan presented the financials for April 2025. The kilowatt hour sales were up based on the weather; however, there was no load growth. Revenue was in line with kilowatt hour sales and expenses were in line with net income of \$1.7 million. The net income was the result of having to bring the solar project and the EV chargers in because HMLP used money from the Green Fund. HMLP recognizes that \$1.3 million of the \$1.7 million in net income is actually from the Green Fund. Ms. Griffin confirmed that there is \$856,000 more in the Green Fund and it is not recognized as income until it is spent on something.

Updates: Transmission Line Project, Capital Projects

- Transmission Line Project

HMLP has received some discovery from the Siting Board so we are working with Eversource to answer the 55 questions submitted to us within the next three weeks. It is a wide variety of questions and Mr. Morahan agreed to share them with the Board. Out of the 55 questions, approximately 15 are directly for Eversource.

- Capital Projects

- Transmission insulator change outs have gone out to bid and the bid opening is tomorrow, June 11, 2025. Four large contractors participated in the mandatory walkthrough for this project that should begin in the Fall 2025
- Reconductoring continues on Pleasant Street and Union Street to tie circuit 6 and 9.
- Installation of spacers on Elm Street
- HMLP is discussing using a construction manager to assist in the review of bids and evaluation of contractors

Motion to adjourn the meeting.

Mr. Reive: “Aye”

Mr. Herrald: “Aye”

Ms. Burns: “Aye”

Meeting adjourned at 5:12 pm