



HINGHAM MUNICIPAL LIGHTING PLANT

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General Manager

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Board Members

John A. Stoddard, Jr., Chairman
John P. Ryan, Vice-Chairman
Walter A. Foskett, Secretary

July 13, 2011

Board Members present: Walter Foskett (WF), John Ryan (JR) & John Stoddard (JS)
General Manager: Paul Heanue (PH)
Attendees: Ken Stone, Gus Bregnard, Panos Tokadjian, Connie Chapman

JS: I'd like to call the meeting to order at 6p. I'd like to congratulate and welcome our newest Board member, Jack Ryan.

The 1st order of business is to approve the minutes from last month's meeting.
(after reading)

JR: I'd like to make a motion to approve the minutes

WF: 2nd

Unanimously approved

JS: The next order of business is to review the financials.

A general discussion on the financials ensues. The general consensus is they look fine.

WF: For the next meeting please have a higher view of them. All the detail provided isn't necessary.

PH reviews several cases in dispute/litigation.

- Going back to about 2004 we have been in discussions with the T and now the TRA (Transit Realty Associates- the private agency which manages realty matters for the T) about an easement for our right of way alongside the now active Greenbush rail line. Way back when we had a license which was signed by Joe Spadea but not by anyone from the T. The agreement called for us to pay \$761/year for that license. We have cancelled checks for that amount which demonstrates the T acknowledged our rights to be there for that amount. At one point they said we were encroaching and literally ordered us to remove our poles and wires. After an appraisal in June of 2010 they said our options are to purchase either non-exclusive surface and air rights for \$170k or exclusive surface and air rights for \$480k. This case has been very frustrating because we'll write or have a meeting with the T then months and sometimes years will go by before they respond to our frequent entreaties. Then their responses will not be consistent with what they or we said earlier. They have appraised the land as though houses could be built on it. We've hired an appraiser who will give us a value for the land as it is being used- a rail line. When we have that appraisal I'll approach the ops guys from the T, who reached out to me, to try and settle.
- The next case involves an arbitration case involving us and several other munis (8) vs. MMWEC. Part of our agreement with MMWEC calls for them to provide backup for their bills to us. The bills, as currently put together, have no back up documentation showing how or why they charge us the A&G

charges they do. Over the years MMWEC have charged munis millions of dollars without the proper backup. The 8 munis have general counsel for the group (Rubin and Rudman) and each has their own as well. The group of 8 pays all the bills, except their own attorney fees, proportionately. We hired an audit firm to examine a couple of randomly selected months bills. The audit firm is unequivocal in their finding that the documentation simply is not there. MMWEC has purchased a new software system which, they believe and are telling us, will allow them to provide the documentation. They also changed how they are charging us which translates into a reduction of over 15%. We believe this purchase and the change in charging practices were made as a result of our having pursued this case. We are at the point of depositions.

- The last case to discuss is the Randolph GRS (gas recovery systems). Back in 1997 we entered into a power supply agreement with Browning Ferris Gas Systems. The landfill never produced as committed in the contract. During deposition we discovered they had very early knowledge that it could not supply as required. This case has become even more complicated as the assets have been sold 2x and one principal with whom we were close to reaching agreement died. The potential damages are great but we are getting to the point where we need to decide if it makes financial sense to continue litigating. A neutral mediator suggested a settlement in our favor of between \$2m to \$3m. GRS offered \$12k which was rejected.

WF- I got a call from the Rubin and Rudman attorney handling this case suggesting we meet to discuss what to do going forward. It has become very expensive and we need to possibly reevaluate.

PH: While not a case in litigation yet I'd like to fill you in on Linden Ponds. They have filed for Ch 11 bankruptcy in Dallas TX. Our attorneys have discussed this matter with theirs and we are being assured that, post reorganization, we will be paid 100 cents on the dollar. After applying their security deposit to the pre-petition filing amount they owe us about \$175k. They owe The Town \$1.3m. I received a call from Ted Alexiades Monday evening. His local bankruptcy law firm was going to secure local Dallas counsel to observe and report back to MA. He asked if I/HMLP were interested in sharing the costs with him/Town. When asked Ted told me it would run about \$1.2k. I thought it was a good idea for several reasons: we'd have someone in TX who could tell us in real time what was said in the courtroom for probably less than I could fly there for and I could demonstrate to he/Town officials that I want to work with them. I told him that if he sent me an email talking about the costs being limited to the \$1200 range he could count me in.

PH: Here's where we are with the selection of a vendor through whom we can give our customers the opportunity to pay online and/or with a credit card. In the 4 years I've been here we've heard from our customers this is something they want. Practically any service or company out there gives you the ability to pay your bills that way. The Town has set themselves up so Hingham residents can pay their real estate, personal property, excise, boat and sewer bills online by using credit or debit cards or electronic checks. They use one of the companies we are considering. We've talked to 4 different companies and we are in the process of comparing them for price and services provided. I'm going away on vacation for two weeks starting Saturday. When I return we'll resume our evaluations and make a decision shortly thereafter.

JS: Let's review where we are with the search for a replacement GM.

WF: At last month's meeting we selected Paul Heanue to fill in as Interim while we first selected a replacement HMLP Board member. We have the new Board member- Jack Ryan. I think Paul has done a good job in the time between then and now so I'd like him to stay on as GM through at least December 31. At that point we'll evaluate his performance and decide whether we need to interview the candidates from whom we received resumes or have him continue.

JR: I think that's an excellent idea. He's been here and knows the issues, people and lay of the land.

WF: I also think it's critical that the Assistant GM position be filled but I feel we should settle this one 1st before filling that one. I suggest a pay raise is in order as well.

JR: Yes, the guy is doing both the GM and Assistant jobs right now so he should definitely see an increase in pay. I think going 1/2 ways between what Tzimirangas was making and what Paul is currently making is fair.

WF: I'd like to make a motion that Paul continue on as GM until 12-31 at which time we'll decide if he remains permanent and that he receive a raise equal to ½ of the difference of what he is and what John was making.

JR: 2nd

Unanimous yes

JS: Other business- Warrants examined and signed

Review of correspondence-

PH: We received a nice note of Thanks from the Farmer's Market organization for including a flyer of theirs in our June bill. They are also very appreciative of our efforts in getting a pole set and service run so they can have a permanent source of electricity at the Bathing Beach parking lot vs. having a noisy and smoky generator. Last night Panos met with the Board of Selectman to discuss getting the ok for the pole (the petition was approved). We should have the pole set by early next week.

We also got a Thank-you note from Fire Chief Mark Duff for allowing a volunteer medical team to utilize our radio frequency during the 4th of July road race.

JS: There is no business for Executive Session.

WF: I'd like to make a motion to adjourn.

JS: 2nd

Motion carries unanimously to adjourn at 655p.