

**Hingham Municipal Light Plant
September 21, 2011**

Board members present: Walter Foskett (WF), John Ryan (JR), and John Stoddard (JS)
General Manager: Paul Heanue (PH)
Attendees: Gus Bregnard, Panos Tokadjian,

JS: I'd like to call the meeting to order at 6:09 pm.

The first order of business is to approve the minutes from last month's meeting.

WF: The notes almost look like a transcript but they are accurate. I'll make a motion to accept.

JR: 2nd

All in favor, nobody opposed.

The next order of business is the Credit Card Payment online status.

PH: This has been under discussion for a couple of months, we have now done due diligence with four different vendors, and have decided to go with the company that the Town uses, Invoice Cloud. Joan managed to get them to drop the price to \$1.60 per transaction, which we will pay. If necessary and desired this can be accounted for at the next rate change. There have been a lot of requests from customers to be able to do this. We will also be able to take credit cards over the phone. Direct Debit currently costs .40 cents per transaction, but Invoice Cloud will be able to do it for .30 cents. There will be a link to our website from the Town's website.

Next is PCA Adjustment

PH: When last years budget was put together it was based on a depreciation contribution of 3% and during the year it was raised to 4%. That 1% difference is going to make us approximately \$400K short against budget. Currently the PCA is 1 cent for Residential and 1.5 cents for Commercial. If we raise the PCA by .0040 it will be a \$12 increase over a four month period for the customer, which will more than likely not be noticeable on their bill. This would stay in effect until the next Rate Increase.

I am putting an RFP together to do a rate study, the last one was finished in late 2008. The last time the PCA was raised it in 2007 and was prior to the last rate increase. The increase was 1.5 cents. It dropped to 1 cent after the rate increase.

JR: Do you see the 4% depreciation being permanent?

PH: It depends on how quickly we can get a building, but if we decide that that is not going ahead, we can easily drop the PCA. I recommend that we increase the PCA by 0.0040.

WF: I would like to propose a motion to increase the PCA by Four One Thousands of a cent.

JR: Seconded.

All in favor, nobody opposed.

Next is North Street Undergrounding

PH: For the record, the town decided some years ago that putting the overhead wires on North Street underground would be a good idea. They decided not to put it to a ballot vote as per MA law. By doing it the way they did, no mechanism put in place for everybody to pay a per KW/H assessment to cover the costs, which is the normal practice. They were going to use Community Preservation Fund to pay and we were going to contribute in the form of labor. They ended up not having enough money. There was also the misconception that we agreed to contribute \$100,000 per year to undergrounding projects. John Tzimorangas explained to me, that per his discussions with various Selectmen, what would happen was that the Light Company would contribute \$100,000 per year per project in the form of labor. We were not going to establish an account to which we would contribute \$100k per year. They seem to feel that we said we would, for example, salt away \$100k/year and that if nothing was done for 3 years there would be \$300k available.

JR: Roger Fernandez told me that there was a soft commitment that the Light Company would contribute \$100,000 per year for various projects. I would like to suggest that with our extra depreciation we will have more than enough money between this year and next. We should contribute more than \$100,000 and that going forward any commitments will have to be in writing. Regarding the project, some of the customers do not want to change to underground wiring because of the high costs involved.

WF: What are we proposing now?

PH: When we design a project, materials and labor gets marked up 35%, labor is calculated at 1.5 times. If there is money left over at the end we refund people. On the spreadsheet that I gave you, I asked Panos to recalculate the labor at regular time instead of 1.5 times.

JR: We need to find out how much the town has allocated to this project to figure out how much we will contribute.

PH: I will call Roger Fernandes, the Engineer, to find out, and will get back to everyone before committing to an amount.

On another undergrounding matter, I got a call from Harry Sylvester who told me that in the past if anybody wanted an underground service and the pole is sitting on public property the customer is responsible for wiring as far as the pole. That policy is changing. There is a customer on High View Drive with whom the town has taken the position that they cannot go underground through the public way and subsequently own their service. They are saying we are responsible to provide wiring from the property line to the top of the pole. I spoke to Ted Alexiades about this and he confirmed that is the Town's new position. They have 2 issues with the present practice: safety and the fact that a private individual owns in a public way. For safety I proposed to have the wiring inspector require the service be concreted over, steel plate if necessary and warning tape. They can grant an easement to a private individual to own their service. They are choosing not to do so. There then followed a discussion regarding this problem and solution.

Next to be discussed were Collection Guidelines.

PH: I am presenting a report showing the number of customers that have not paid 30 days after billing and owe \$150 or over. It also shows how many people (624) owe \$150 or over after 60 days, who have been sent a second notice. 500 of those paid in the next month. We then had 104 people who received a termination notice, most of those people have now paid and we currently have 5 or 6 that have no electricity right now. Between November 15th and March 15th, there is a moratorium for residential only. There then followed a discussion on commercial customers and when and under what circumstances their electricity can be shut off.

PH: One customer on Sharp Street is our customer, the rest are National Grids'. During Irene the National Grid customers on Sharp Street lost power for days. Our customer did not. Now we have a situation where I'm being told the National Grid customers want to change over to us. Everyone worked very hard during the storm and things could not have gone better.

PH: When Blue Cross, Erickson and the Shipyard circuits were added, our SCADA System was so old that it could not handle these new circuits without spending a lot of money on it, which the company decided not to do. When we moved here, we did not bring the equipment for those circuits with us. To check the load we now have to go to the substation, which makes things difficult. Because of these difficulties we need a new SCADA System. I am going to start the process of looking into this. An approximate figure would be \$50k.

PH: I would like to have somebody look at how safely HMLP operates and is the way we're organized ok.

WF: We did this before?

PH: Yes, 4 or 5 years ago, but it is time to do it again. Cam Daly from Prime Directions did it before.

WF moved that the meeting go into Executive Session,

JR seconded it.

Present are John Ryan, Walter Foskett, John Stoddard and Paul Heanue.

WF moved we come out of Executive Session

JS seconded.

All in favor, nobody opposed.

JR moved to adjourn at 7:45pm

WF seconded

All in favor, nobody opposed.

