

**Hingham Mutual Light Plant
Wednesday, December 17, 2008
Town Hall**

Attendees:

Paul Heanue, Assistant General Manager
Kevin J. Bulman, Secretary
John A. Stoddard, Jr., Chairman
Walter Foskett, Vice Chairman
John G. Tzimirangas, General Manager

Agenda

1. Call meeting to order

Chairman Stoddard called the meeting to order at 7:03 PM

2, Revised the agenda.

Removed the discussion of OPEB.

3. Approve previous meeting minutes (11/18)

Upon a motion duly made, the Board unanimously agreed to approve the minutes of the meeting for November 18, 2008 as presented.

4. Pilot Discussion

The Board discussed the move to a formula approach for the calculation of the PILOT payment to the Town. The General Manager presented a graph showing the historical numbers associated with the formula options and the actual payments made to the Town. A memo presented to the Board talks about where the industry is at (2.50 percent of kilowatt-hour sales). The recommendation in the memo is for 2.50 percent for the PILOT formula. The town used baseline figure of \$450,000 for pilot in their budget projections. The estimated PILOT based on formula would be \$487,000.

The proposal for this year would be to use the difference between the actual figure and the budgeted amount on energy conservation in the Town buildings. The Town spends \$1.3 million in electricity charges per year. If a ten percent reduction in usage is achieved that represents \$130,000 in operating expenditures.

Walter Foskett questioned, "What if kilowatt-hour sales go down, and do we give them \$450,000?" A review of the kilowatt sales history shows the decrease in sales would have to be dramatic to drop below the \$450,000 baseline. A discussion of implementing this for one year and then re-evaluate next year. Commit to \$450,000 until next year by setting the 2009 pilot at 2.50 percent. The \$450,000 would go into town's general fund. The difference will go to fund energy conservation program determined by Light Board as they see fit for the Town owned buildings. General Manager Tzimirangas projecting flat sales year over year.

A Motion to approve for one year, the PILOT payment based on 2.50 percent of kilowatt-hour sales with \$450,000 going to town general fund and the difference between the formula and the \$450,000 being spent in 2009 on energy conservations measures.

Motion was passed unanimously.

5. Operating Budget

The cost codes and cost centers are different than in years past. There are eleven digit numbers in the new computer system to be able to track expenses at a lower level.

A Growth chart was discussed and showed flat sales.

A 3 percent rate increase was included in the revenue projections.

SEMA Canal charges set at \$1.6 million for 2009, which is slightly lower than 2008.

6. OPEB

This item was tabled to the next meeting waiting for the potential bill passed by the House to allow Trust Funds to be set up for this liability.

7. Capital Expenditure Budget

The Board reviewed the proposed Capital budget for 2009 and reviewed pages 9, 10, 11 & 12. A significant amount of money was spent (\$7 million without borrowing) to rebuild station, circuits, and infrastructure in the past 4 years. The rolling five year plan starts to limit capital expenses. There is a need to build back up the depreciation account and stretch out projects (\$1 million – \$1.1 million a year of spending).

AMI is \$800,000, if we decide to do it. Walter Foskett had several questions regarding the new metering system.

8. Technology

SCADA system is old and dates back to 1991. It needs to be upgraded at approximately \$35,000. Secretary Bulman questioned looking for underground programs. This is not a carry over plan.

The committee spoke of bringing back a comprehensive energy plan including residential and commercial accounts.

9. To be discussed at next meeting

- Energy audits
- Lighting
- Items rebated and proposing new ideas
- Insulation

Commercial programs to be discussed:

Lighting rebates

Energy audits

The August 2007 letter to Charlie Costello regarding sign up for a demand response program was discussed and concluded there was never any response from anyone. ENE has estimated the Town could receive \$83,000 over a 24 month period for participation.

Secretary Bulman suggested taking savings and put toward energy saving programs. Walter Foskett suggested this be presented at selectmen's meeting. General Manager Tziorangas responded with the fact it is not the Light Plant's responsibility because the plant doesn't control it.

10. Executive Session: 8:40 PM

11. Motion to Adjourn was made to adjourn the regular meeting at 9:00 PM

Respectfully submitted,

Kevin J. Bulman, Secretary