

**Hingham Municipal Light Plant**  
**Tuesday, February 12, 2008**  
**Town Hall**

**Attendees:**

Kevin Bulman, Chairman  
Walter Foskett, Commissioner  
John Stoddard, Secretary  
John Tzimirangas, General Manager  
Paul Heanue, Assistant General Manager

**Agenda**

1. Call meeting to order
2. Approve Previous Meeting Minutes
3. Manager's Report
4. Motion to Adjourn

**1. Call to Order**

Chairman Bulman called meeting to order at 3:30 PM.

**2. Approval of Previous Meeting**

**Upon a motion duly made and seconded, the Board unanimously approved the Board minutes for October 2, 2007 and November 20, 2007.**

**3. Managers Report**

**2007 Year end Performance**

**Reliability Studies**

General Manager presented results of studies of customer experiences with regard to outages and interruptions of service

Types and causes of outages include: trees, human (car accidents, etc) and animals. A significant amount of tree trimming was done this year, including a second tree crew for the last quarter of the year to combat the significant growing that took place last year.

Over a five-year period of time, Hingham averaged 28 months between interruptions, which was above the electric industry average.

**Growth**

There has been significant growth in kilowatt hour sales, with 196 million kilowatt hours sold this past year.

Commercial usage has increased 20%

Residential usage has increased 8.1 %

Peak Megawatt Usage has been on the rise since 2004, the most significant demand is driven by weather extremes, especially hot summer months.

Minimum megawatt usage has not dropped below 14 megawatts since last fall and represents the minimum amount of power that must be available at any given time during the day in Hingham.

### **Yearly Overtime**

There has been a 28% decrease in overtime between 2006 and 2007, and this trend should continue now that most of the larger projects, which had stringent customer-driven deadlines, have been completed, or are near completion.

The General Manager stated that although the amount of overtime has been significant, to hire outside crews would cost more in the long run.

Chairman Bulman stated that he has become aware of concerns regarding overtime from the public. Again, General Manager stated that we had deadlines to meet, and now there has been a significant decrease in the number of overtime hours, and that trend should continue for the foreseeable future.

### **2007 Rate Comparison Chart**

General Manager composed a chart comparing Hingham rates to other towns and suppliers. This information will be published in the newspaper at a future date.

Commissioner Foskett inquired about an on-line "early pay" option and discount for customers. General Manager stated that soon customers should be able to pay on line and receive the early pay discount as well as view past billing information.

### **Energy New England Transition**

HMLP's relationship with MMWEC will be terminated as of April 1, 2008. The GM stated that we are still in the process of moving things over to Energy New England. Energy New England has been sending regular weekly reports which are available for review and updated weekly reports as well as month to month reports forecasting through 2011 will also be available.

General Manager, Business Manager and Assistant General Manager will be visiting Energy New England for an informational tour in the near future.

### **Power Supply Update**

General Manager stated that negotiations with Dominion are ongoing to purchase 4.1 megawatts of capacity per month at \$5.85 from 2010 to 2015.

Thirteen other municipals are involved in the transaction.

Chairman Bulman inquired whether there is any other equipment that will help with our supply needs. General Manager replied that we added six 1200 kvar capacitor banks in the past 2 years, as well as several miles of copper wire, which should put us on track for higher power factor at the peak times.

General Manager stated that he has submitted a letter of interest in the Taunton generation project.

Energy New England is considering a 35 megawatt wind project. General Manager has met with the CEO of ENE and Brian Casey, Source One to discuss future energy projects they are involved with.

Commissioner Foskett inquired about Taunton. General Manager replied that the Taunton project should be online between 2011 and 2012. We are losing a ten megawatt contract (WPS) 2010, so energy received from Taunton will replace this loss. The General Manager stated that the Board should consider whether we want to be a project participant or full member in the co-op involved. As of now there are twenty-four interested parties. Any legal costs to review the documents and agreements will be split among these parties.

### **ISO Weekly Billing**

As of now, the average monies paid to Energy New England are between \$80,000.00 and \$125,000.00 weekly and the General Manager is required to gather signatures on a weekly basis for the warrant to pay these invoices.

General Manager inquired whether he may be given the authority to sign the invoice from ENE for the weekly ISO bill.

Chairman Bulman inquired about the possibility of frontloading more money to ENE.

We were keeping \$800,000.00 in working capital to fund MMWEC.

There was a general discussion regarding loading of funds versus giving authority to sign.

Commissioner Foskett stated that if authority to sign was granted there should be a cap placed on amount.

Commissioner Foskett inquired whether it is legal to delegate such authority. General Manager stated yes, it is permissible that the Board can delegate that authority to the General Manger. Jean Montgomery, Town Treasurer can wire the funds the following day.

Chairman Bulman inquired whether \$450,000 to \$500,000 monthly authority is enough. General Manager stated that \$450,000 should be sufficient and that the Board can review monthly and revises the amount if necessary.

Commissioner Foskett moved to grant authority to General Manager to sign for ISO weekly bills up to \$450,000.00 per month for this calendar year.

**Upon a motion duly made and seconded, the Board voted unanimously, to grant authority to the General Manager to sign the warrant for up to \$450,000.00 per month, unless revised by the Board for the Energy New England ISO weekly bills, for this calendar year 2008.**

## **DAS-Mini Antennae System**

Only one vendor, Light Tower, (formally National Grid Wireless) has responded to contract bid.

General Manager met last week with Charlie Cristello, Town Administrator and Mike Cooper, Light Tower to discussed engineering designs and location.

A zoning variance hearing is required for control box and antenna.

They need at least one carrier to sign on, such as a cell phone carrier.

Commissioner Foskett inquired whether it can carry multiple providers. General Manager stated yes, it can.

Vendor would build structure and acquire the carriers. We would take title of cable used and we would also have access to any unused fiber.

No agreement with Verizon necessary for installation of the fiber optic wire.

Foskett inquired how high structure would be. General Manager stated eight feet above the top of the pole.

General Manager stated that there really is no risk involved; there is ultimately no cost to HMLP.

## **Depreciation Fund Transfer**

July - December 2007

\$510,576.00 for work including Shipyard Circuits and computer system.

Chairman Bulman inquired whether this will close up CDM project.

General Manager stated that we have \$27,000.00 with CDM to utilize on the remaining modules.

Chairman Bulman inquired about Cogsdale. General Manager stated we are waiting for Work Order, Purchasing and Inventory modules to be installed.

Commissioner Foskett requested more information about Cogsdale project. General Manager stated that there has been a typical settling of the customers and the Customer Service representatives after a few months as they get used to the new system.

Commissioner Foskett inquired about reports. General Manager showed slides of Balance Sheet and Income Statement. General Manager stated that warrants and payroll will be posted and may be viewed in real time.

Commissioner Foskett inquired whether we will get monthly statements. General Manager stated that yes, that is possible and now we can compare information on a year to year basis, and that there are many ways to evaluate and break down the information.

**Upon a motion duly made and seconded, the Board unanimously agreed to transfer \$510,576.00 from depreciation fund to Operating Account to cover costs associated with computer system and shipyard projects.**

### **Canal Project**

There was \$1,327,000.00 spent on the Second contingency issue in the SEMA region, we budgeted for \$1,020,000 based on the estimated costs. We did not collect the additional funds through the power cost charge and the General Manager is recommending using the Rate Stabilization fund to cover the additional costs. \_\_\_\_\_

A case was filed against ISO and the FERC with other municipalities (Taunton and Braintree) in this case as the permanent fix needs to be pushed instead of spending the type of month listed above.

The legal suit would cost HMLP between \$82,000 and \$119,000. This is same amount we are spending per month now in ISO charges.

General Manager will be attending hearings in Washington DC the week of February 25-27 and hopes to meet with Representative Delahunt and others at that time to discuss this issue.

**Upon a motion duly made and seconded, the Board unanimously agreed to transfer \$307,000.00 from Rate Stabilization Fund to the HMLP Operating account for charges not collected previously.**

### **Operations Center Remodel**

An architectural firm has been hired to draw plans for remodeling the existing facility on Cushing Street, which would include a new building on the property.

General Manager presented several slides showing possible remodeling solutions which included:

- Reception area
- Customer service area
- Indoor warehouse
- Conference Room

Chairman Bulman inquired if there will be enough square footage to accommodate every piece of large equipment as well as stock associated with them. General Manager stated that yes, all equipment was considered.

Chairman Bulman expressed concern whether there was enough room for future expansion.

Secretary Stoddard inquired about the possibility of adding a second floor.

Commissioner Foskett inquired how much square footage of office space will be available. General Manager stated that the dimensions will be 177' by 70', giving 14,390 square feet.

Chairman Bulman suggested to the General Manager to look into the possibility of clearing more land to accommodate a larger building.

There was a discussion regarding surrounding land ownership. General Manager stated that he believes the town cannot lease property for longer than 20 years; we would need to

purchase any additional land. HMLP is not a sovereign entity and therefore any land purchase would need to be done through town meeting.

It was agreed that HMLP does need more space, and that all available land be utilized. General Manager stated that four years ago a study was conducted and the price was \$800,000 to \$1,000,000.00 to fix existing buildings at Cushing Street. Estimated costs for this project would be approximately \$2.5 to 3.0 million.

There was a general discussion regarding the possibility of moving the facility to new location. General Manager stated that any viable locations are already in use, and that those that remain may not be suitable.

Chairman Bulman stated that one benefit is that a relationship exists with surrounding neighbors.

General Manager stated he further investigate:

- who currently owns adjacent land
- whether it is environmentally viable to use adjacent lands
- possibility and cost of adding partial second story over future office space
- under what zoning rules would new facility fall

### **Anemometer**

The anemometer has been successfully installed. General Manager and Assistant General Manager showed pictures of the process of installation.

The Patriot Ledger will be doing a feature article on the project.

### **Commercial Audit Program**

Energy New England, who will conduct the studies, suggested starting with a lighting study only for the audit.

Other municipals are rebating \$1,000.00 to \$5,000.00 per study and work completed.

Chairman Bulman suggests that we cap the amount of total funds available on a yearly basis.

General Manager would suggest a set budget each fiscal year.

### **Demand Response Program**

Assistant General Manager explained the ISO program that will pay customers to lower their load on an "as necessary" basis. There would be payments each month for participation as well as payment when we actually need to cut back, which historically has been very infrequent. Therefore, this would be a money maker with very little inconvenience to the end user.

There was a general discussion regarding educating other town entities about this program.

**Upon a motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 5:40 p.m.**

**Respectfully submitted,**

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**John A. Stoddard, Secretary**