

Hingham Municipal Light Plant
Wednesday, May 13, 2009
Town Hall

Attendees:

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

Agenda

1. Call meeting to order
2. Approve Previous Meeting Minutes
3. General Manager's Report
4. Election of Officers 2009-2010
5. Other Business
 - a. Warrant Signatures
6. Executive Session
 - a. A motion to go into executive session for the purpose of discussing trade secrets, personnel and strategy with respect to litigation.
 - b. A motion to end executive session and adjourn Regular Meeting
7. Motion to Adjourn

1. Call to Order

Chairman Stoddard called meeting to order at 7:10 p.m.

2. Approval of Previous Meeting

Upon a motion duly made and seconded, the Board unanimously agreed to approve minutes of HMLP Board Meeting of March 3, 2009

3. General Managers Report

New building discussion

Property formerly discussed is now essentially under agreement to another buyer, therefore alternative locations should be investigated.

General Manager distributed hand-out of new special legislation which would enable HMLP to pay for property directly and at the end would be owned by the Light Plant and the ratepayers.

Property Title would be held by HMLP

Presently, town owns land and HMLP has rights to the use of the land.

If there were no financing, town meeting vote would not be necessary.

General Manager suggested that one possibility would be to lease a property for a given amount of time, and then lease with option to buy, at which time HMLP would hold title for the property.

Secretary Bulman suggested that if a lease-with option is pursued, HMLP can begin funding now, in anticipation of payment at end of lease.

Secretary Bulman stated that at a minimum, legislation would take 18 months, and possibly two years or more; therefore, would suggest laying preliminaries, i.e., architect.

Vice-Chairman Foskett inquired whether HMLP has ever leased property from another surrounding town.

-General Manager replied not to his knowledge, and although that is an option, at this time property in Hingham should be pursued.

Vice-Chairman Foskett inquired whether there would be legal fees involved in special legislation.

-Secretary Bulman replied no, there is only a properly formatted document necessary at this time. Secretary Bulman will proceed with preparation of documents necessary for special legislation

General Manager suggested that HMLP contact a real estate professional to seek alternate locations for an Operations Center.

Alternative Energy

Hydro-electric plant Maine

A 19 megawatt hydro-electric plant has been built in Maine.

ENE has been approached and bid for a 3-year commitment has been submitted. We would acquire 1.5 megawatts.

Vice-Chairman Foskett inquired how many other municipals are included.

-General Manger stated in all there would be 15 other entities, included under ENE.

Vice-Chairman Foskett inquired whether the bid price is the delivered price?

-General Manager stated yes.

General Manager stated that we will know by Friday if we have been successful.

Secretary Bulman reiterated that we need to continue to add alternative energy to our portfolio.

Springfield Power Plant

General Manager stated that other possibilities are a 20-25 megawatt plant in Springfield that burns construction debris. ENE is still working on this deal.

Billerica

An 80 megawatt plant has been repowered with new equipment

- Heat rate 8,500
- 30-year plant
- ENE has placed bid, HMLP may take 4-5 megawatts.
- ENE has exclusive right now to negotiate
- Co-op would own the power, with light plants taking PPA's.

General Manager stated that the more alternative energy we can acquire at desirable rates, the better off we will be in the future.

MMWEC Audit Report

71% of A & G costs are being allocated to projects, therefore MMWEC members are paying for less than 30%

PSA said anything having to do with projects gets charged to projects, not other allocated expenses.

MMWEC has new president, Peter Dion of Wakefield, who is also a participant in the audit.

General Manager is waiting for response from MMWEC to letter/report.

Co-op Study

General Manager has begun discussions with regard to forming a co-op with another municipal light plant entity.

Under Massachusetts Law, only two entities are required to form a co-op.

- Co-op would have authority to allow HMLP to provide consulting and services to other communities.
- Co-op would have one general manager representing each party, and one outside person
- Co-op would require approximately a \$5,000.00 investment.
- If one party ceases to operate in co-op, the co-op is dissolved automatically.

Vice-Chairman Foskett inquired if this violated 164?

- General Manager stated that no, that is the point of a co-op.

Vice-Chairman Foskett inquired why form a co-op rather than going through ENE?

- General Manager stated that a vote through ENE must be unanimous among all nine members.

Vice-Chairman Foskett inquired if there was any language in ENE agreement to prevent such a co-op arrangement.

-General Manager stated that this would not violate any agreement, as long as all work was within parameters of "light company" work.

General Manager stated he will be attending a meeting next week to examine agreements and address issue at next Board meeting, at which time issue could be brought up for a vote.

Power Supply Update

Braintree

The new Power Plant has been commissioning for three weeks, during which time Hingham has been receiving energy credit in the market.

Plant is expected to be commercially operational in three weeks.

HMLP Power Portfolio

We are locked in for 2009 and most of 2010, and we know what costs would be

HMLP Financial Reports

General Manager distributed HMLP financial report to the Board, and asked how often they would like to receive a full report. It was agreed that a full report every quarter would be satisfactory.

General Manager will meet with Joan Griffin each quarter and make recommendations for the following quarter to the Board.

General Manager stated that the Balance Sheet portion of report may be misleading because there are no retired assets included. At the present time, we do not have asset data base including costs. The new system will provide this criteria, but information is still too recent.

Wind Project

Assistant General Manager Heanue stated that the anemometer has been deconstructed and lent to Braintree.

HMLP hired a company for feasibility study, and there will be a meeting Monday, May 18, 2009. This study will include images of intended project.

Assistant General Manager Heanue presented a summation of a meeting with the Energy Committee, and stated that the committee is eager to hear back from HMLP, and that the committee indicated a need for funding for a consultant for energy efficiency projects in the Town.

-There was a general discussion, the consensus being that the Board is not, at this time, inclined to fund further committee projects.

Secretary Bulman inquired how much has been spent on the wind project to date:

-General Manager gave the following costs:

\$15,000	anemometer
10,000	installations and monitoring
12,000	proposal

Total: \$37,000.00.

General Manager stated while other communities would have to pay for this themselves, HMLP has supported this study without town financing.

4. Election of Officers 2009-2010

The following election of officers took place: John A. Stoddard, Jr., Secretary; Walter A. Foskett, Chairman; Kevin J. Bulman, Vice-Chairman.

5. Other Business

- No warrant signatures were required
- No correspondence issues addressed

6. Executive Session

- No executive session held

7. Motion to Adjourn

Upon a motion duly made and seconded, the Board unanimously voted to adjourn the regular meeting 8:30 p.m.

Respectfully submitted,

Kevin J. Bulman, Secretary