

**Hingham Municipal Light Plant
Tuesday, November 30, 2010
HMLP Conference Room
350 Lincoln Street**

Attendees:

Kevin Bulman, Chairman
John Stoddard, Jr., Vice-Chairman
John Tzimirangas, General Manager
Paul Heanue, Assistant General Manager

Agenda

1. Call meeting to order
2. Approval of Previous Minutes
3. First Draft 2011 Budget considerations
4. OPEB Trust Fund Investment Discussion
5. HMLP Building Update
6. Executive Session
 - A motion to go into executive session for the purpose of discussing trade secrets, personnel and strategy with respect to litigation.
7. Executive Session
 - A motion to end executive session
8. Motion to Adjourn

1. Call to Order

Chairman Bulman called meeting to order at 7:00 p.m.

2. Approval of Previous Minutes

It was agreed that the September 29, 2010 minutes be tabled.

3. First Draft 2011 Budget Considerations

General Manager distributed copies of the 1st draft of 2011 budget considerations.

-Revenues and expenses are similar to those of 2010. It was noted that lower fuel prices in the market have offset other expenses that have increased.

-We had a 5% increase in kilowatt hour sales in 2010

-81% of expenses are attributable to power, while only 5-6% will be spent on administrative costs.

-The only increase in operations is due to pension funding, which increased due to losses sustained in the past two years. This increased funding is expected to be necessary for the next three years.

Rates

-Consumer rates will remain the same as 2010.

General Manager stated that he has received phone calls from schools and commercial entities inquiring about new rates, and is pleased that our rates will remain where they are for 2011.

Power Supply

-WPS contract is terminating, where we were purchasing power at \$.08. This has been replaced for the years 2011 thru 2014 at an average cost of \$.056. The WPS contract supplied 40% of kwh total. This 40% will now be broken down into smaller parts, and new options will become available. (i.e. the wind farm expected to be running in 2012)

OPEB

-OPEB will be funded on a year to year "pay -as-you-go" basis. We need \$500,000.00 to be fully funded, payable over an estimated thirty years.

Construction

Chairman Bulman inquired about the construction budget.

-General Manager stated it will be included. At present, there is \$750,000.00 budgeted for a group of projects. General Manager anticipates several smaller projects in the coming year, including a mini substation located in the industrial park.

Chairman Bulman inquired about budget for the new building.

-General Manager stated that some funding can come from the depreciation account for some of the initial work.

A general discussion took place regarding investment and funding Building Fund.

-General Manager suggested a special fund be set up for Building Fund, and if so, when would the money become available? Could extra funds be put into Rate Stabilization Fund?

-General Manager indicated he will speak to HMLP attorneys about setting up a separate Building Fund.

4. OPEB Trust Fund Investment Discussion

General Manager has been looking into hiring a financial custodian to oversee OPEB Trust Fund. He, Jean Montgomery and Joan Griffin interviewed with three firms:

1. Bartholomew
2. Abbey Capital
3. Rockland Trust Wealth Management

-General Manager stated that he would like to have an annual meeting, with the Board, to review and change investment strategy as necessary.

-Chairman Bulman stated that documentation is important, and suggests revisiting the issue at the next meeting.

-General Manager states that thus far, Rockland Trust Wealth Management is the most attractive choice for the following reasons:

- They provide good insurance
- It is a local company
- Lower fees
- Fund can be set up on a year-to-year basis.

-General Manager wanted to go on record stating that Joan Griffin's husband Brian Griffin works for Rockland Trust Bank, which is a separate entity from Rockland Trust Wealth Management. Ms. Griffin has no decision-making authority for HMLP, and there is no conflict-of-interest concerns.

-General Manager stated that this matter should be voted on at the next Board meeting in December, and could come into effect in January 2011.

5. HMLP Building Update

-General Manager talked with Boston Golf, who said they wanted to build a small building on the property.

-There are some wetland issues, but General Manager feels they can be worked out with the Conservation Agent.

-There was a discussion regarding the possibility of a combined facility with the Hingham Police Department.

-General Manager suggests going ahead with the combined facility in mind, because we need to do site work whether or not the Police Department relocates to the building.

-General Manager stated that we will have more information in time for the next Board meeting; however, he does not expect to have a full report from Boston Golf at that time.

-Chairman Bulman suggests speaking with the police department to see if there is an indication one way or the other as to their status.

Antennae Discussion

Chairman Bulman led a discussion regarding a distribution antennae system.

-There is federal funding to outfit the town with fiber optic technology, which may be used for a variety of projects, including internet provision, wireless networks and others.

Chairman Bulman feels that this technology could be valuable to HMLP as well as the town in general, and that we should be looking at possibilities with an eye toward the future.

6. Executive Session

Upon a motion duly made and seconded, the Board unanimously agreed to end regular session and enter executive session at 8:05 p.m. .

General discussion

7. Regular Meeting

Next Meeting

General Manager stated that the next meeting of the Board is scheduled for December 13, 2010, 6:00 p.m. .

Upon a motion duly made and seconded, the Board unanimously voted to end executive session and enter regular meeting at 8:20.

8. Motion to Adjourn

Upon a motion duly made and seconded, the Board unanimously agreed to end the regular session and adjourn meeting at 8:35