

**Hingham Municipal Light Plant  
Thursday, May 4, 2006  
Town Hall**

**Attendees:**

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

**Agenda**

1. Call meeting to order
2. Review and Approval of previous Board Meeting minutes (March 7, 2006)
3. 2005 Draft Financial Report-Jim Goulet (Goulet, Salvidio & Associates, P.C.)
4. Manager's Report
  - a. April Depreciation Transfer
  - b. Project Status Update
  - c. BELD Power Plant
5. Other Business
  - a. Warrant Signatures
  - b. Previously approved minutes signatures
  - c. Correspondence
6. Executive Session
  - a. A motion to go into executive session for the purpose of discussing trade secrets and strategy with respect to litigation.
  - b. A motion to end executive session and adjourn Special Meeting
7. Motion to Adjourn

**1. Call to Order**

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

General Manager noted that there were two additional items in the Manager's Report:

- d. In Lieu of Payment of Taxes
- e. NEPPA Customer Service award

**2. Review and Approval of previous Board Meeting Minutes**

**Upon a motion duly made and seconded, the Board unanimously agreed to accept the minutes of March 29, 2006, with certain noted changes.**

**3. 2005 Draft Financial Report-Jim Goulet**

Mr. Goulet gave a presentation regarding the 2005 financial audit

Overall, things are looking good with a 15.2 % increase in revenue as sales rose from \$18.0 million to \$21.0 million. There was a decrease from \$6.0 million to \$4.6 million in depreciation fund as large construction projects were funded. Mr. Goulet commented that there were only minor differences between the draft report the Board had seen and the final report.

Further findings

Coding issues-construction work in progress should not be put in plant account until the asset is in service. This change was made in the 2005 information.

#### Accounts Receivable

- balance general ledger
- some timing issues
- processing of billing corrections

(It was noted that with the new computer system in place these issues will be resolved)

#### -Bonding

Any person who works with monies should be bonded

Commissioner Bulman inquired how Hingham compares to other municipal utilities. Mr. Goulet stated that Hingham Light is in better shape than most and is financially strong with good growth.

General Manager requested and recommended that audit financial report for 2005 be approved.

**Upon a motion duly made and seconded, the Board unanimously agreed to accept the financial report of 2005 as presented.**

### **3. Manager's Report**

#### A. April Depreciation Transfer

**Upon a motion duly made and seconded, the Board unanimously agreed to transfer \$267,710.30 from depreciation fund to operating account based on a memo from the General Manager to the Board.**

#### B. Project Status Update

##### 1. Hobart Street Substation

Project is on schedule; sound walls are up around the transformers; switchgear work completed; exit cables installed to the first manhole. The circuit switcher retrofits and wiring work needs to be completed.

##### 2. French Street

All duct installed from Erickson to Ridgewood Crossing. There is approximately 1,200 feet of conduit remaining to be installed. A bid has been put out to install and splice wire from the Erickson switchgear to the substation. Bids are due back next week. The goal is to energize one circuit to Erickson by September 15, 2006.

##### 3. New Computer System

The network servers are up and running with the software installed. When all the modules are set up, we will be able to track various data on a regular basis. The office staff has had positive feedback on the first phase of the system. Both the old and new system will be used for 2006 billing, and will switch over to just the new system for 2007.

#### 4. New electric rates

The rates decreased 3-6% starting with the April bills. We have received DTE approval and the new rates were published in the *Patriot Ledger* and *Hingham Journal* over a two week period.

#### C. BELD Update

There was a presentation at Monday's Braintree Town meeting to borrow \$95 million to construct a new power plant. The General Manager stated that he will request John Coyle (Duncan and Allen) go over the proposed purchase power contract. Laurie Heffron is also review the contract from a power supply and HMLP portfolio. The cost of the review will be split with other towns participating.

#### D. PILOT

General Manager addressed again the issue of In Lieu of Tax Payment. There has been a review of how other towns calculate their payment. Gross revenue is not a practical means since much of the revenue is driven by the cost of power. Kilowatt hour sales may be a more accurate means; easier to understand, but the numbers are not available until December each year.

#### E. NEPPA

The 2006 NEPPA Customer Service Award was won by Connie Chapman, Supervisor of Customer Service of HMLP.

### **5. Other Business**

- a. Warrant Signatures were done
- b. Previously approved minutes signatures were completed
- c. No correspondence

Audience participant inquired about Retirement Trust Fund and its management. The General Manager explained the custody issue and that the Board has ultimate control of how the fund is expended. The Town Treasurer is responsible for investing the funds.

OPEB-Estimated \$7.0 million projected for retirement medical costs. This has to show on 2008 financials. General Manager wants to set up separate account for this and track the liability.

Commissioner Bulman inquired as to where we stand on High School solar project. The General Manager stated that he is still retrieving information from the school department and should have more details forthcoming.

Commissioner Bulman made motion to elect new a new Board Chairman and Secretary for 2006-2007.

**Upon a motion duly made and seconded, the Board unanimously agreed to approve Walter A. Foskett as new Chairman of HMLP Board.**

**Upon a motion duly made and seconded, the Board unanimously agreed to approve Kevin J. Bulman as new Secretary of HMLP Board.**

**Upon a motion duly made and seconded, the Board unanimously voted to enter into executive session at 8:35 p.m.**

**Upon a motion duly made and seconded, the Board unanimously voted to adjourn executive session at 9:15 p.m.**

**Upon a motion duly made by and seconded, the Board unanimously voted to adjourn the regular meeting 9:16 p.m.**

Respectfully submitted,

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Walter A. Foskett, Secretary