

Hingham Municipal Light Plant
Tuesday, November 28, 2006
Town Hall

Attendees:

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

Agenda

1. Call meeting to order
2. Approve Previous Meeting Minutes (September 28)
3. Manager's Report
 - a. General Business
 - b. Depreciation Transfer
 - c. 2007-2008 Capital Plan
4. REACH Wind Committee Report
5. Other Business
 - a. Warrant Signatures
 - b. 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 regular meeting
7. Motion to Adjourn

1. Call to Order

Chairman Foskett called the meeting to order at 7:05 p.m.

Chairman Foskett noted that although one Board member was not yet present, there was in fact a quorum present.

2. Approval of Previous Meeting

Chairman Foskett inquired as to a reference to monies to be billed to customers on the October bill. General Manager responded that the money has been expended, and collection will be spread over time. As yet, it has not been reflected in billing.

Upon a motion duly made and seconded, the Board unanimously agreed to approve the minutes of the meeting for September 28, 2006 with minor corrections.

3. Managers Report

Note: Topics discussed in order B, A, C

B. September, October and November 2006 Depreciation Transfer

It was noted by General Manager that \$400,000 had been transferred at a previous meeting in September.

Chairman Foskett inquired whether consultant fees for Enterprise project are a capital expense. General Manager responded that yes, it is labor directly associated with the installation of the project.

Upon a motion duly made and seconded, the Board unanimously agreed to transfer \$1,058,534.70 from depreciation fund to operating account.

A. General Business

Secretary Bulman entered meeting at 7:15

NEPPA Meeting

The General Manager announced that the Board was invited to attend a NEPPA meeting held at TPC of Norton at 10:00 a.m. on December 8, 2006, and requested notification from those planning to attend.

MMWEC

Concord Municipal Utilities has announced termination of its relationship with MMWEC as of November 30, 2006 and Belmont's Board has voted to send twelve-month termination letter to MMWEC. The General Manager noted that due to these events, there will be fewer paying entities within the MMWEC system.

Holiday Brunch

The General Manager announced that a holiday brunch will be held at 9:00 a.m. on December 22, 2006 at Black Rock. Invitations will be forthcoming.

NESCO

The General Manager testified today, November 28, 2006 at the State House at a hearing regarding NESCO, a six-state cooperative research entity that would include state governors' staff, lawyers and others. The entity is proposed to be funded through a tariff on electrical rates. Given certain issues now pending, the costs could grow considerably. The General Manager deems this as an unnecessary burden on customers and feels it should be paid for through taxes.

The General Manager noted that there are three other such entities in the United States, and their budgets are only one-quarter to one-third the proposed cost of the New England project, which would have fewer participating states than those in other parts of the country.

Chairman Foskett noted that this appears to be a potentially illegal funding process.

Prime Directions Review

An HMLP organizational review kickoff meeting is scheduled for Wednesday, November 29, 2006 by Prime Directions, who will speak with employees, gather data and make recommendations. The General Manager noted that this is an effort to have the 'right people in the right places' within the organization. The General Manager anticipates a report in or around sixty days from now.

Credit Rating

On November 14, 2006 HMLP received a credit rating of AA1, indicating that HMLP is financially strong and has good liquidity. The General Manager noted that this credit rating will be beneficial in power contract negotiation, which the town's bond rating does not cover. This rating will stand for three years, at which time a review will take place

4. REACH Wind Committee Report

Several members of the REACH Wind Committee were present. Pat Granahan gave a brief overview of the committee and stated that they have had four meetings. Members of the committee were introduced to the Board and other guests.

Pam Harty gave a presentation featuring a University of Massachusetts Renewable Energy Lab study.

Highlights:

Potentially no access to MTC funds because HMLP is a municipal entity.
First step in project would be the erection of meteorological towers (METS) in possibly viable areas.

Economics

Vestus 80 Model operating in Hull is a good model

Capital costs-turbine (2-3 million), foundation (\$850,000.00)

A 6% interest rate was considered

Capacity Factor-Given that wind speed is a factor, it is reasonable that 22% capacity factor could be realized. However, this number will fluctuate during the year due to seasonal weather patterns, and other natural conditions

Annual Cost based on:

Maintenance

Insurance

Interest and principle

The General Manager restated that a wind turbine option is only part of a diverse portfolio.

Secretary Bulman inquired about abutters of potential sites. Pat Granahan responded that that issue has not been addressed, because they were approved for the initial tower, and did not yet have a specific site.

The General Manager stated that there will also be zoning issues to be considered. Pam Harty suggested that funding begin as soon as possible for MET towers because we are not, as of now, in queue for U-Mass project. The General Manager inquired as to cost of MET towers. Pam Harty responded that the U-Mass quote was \$25,000.00 per tower. There was a general discussion as to how many towers would be necessary.

Secretary Bulman inquired about permits. General Manager said yes, permits would be necessary. MET towers would need to be in place for at least one year to gather accurate data. The General Manager stated that the Board needs more information such as cost of units, parameters, how would they be installed before reaching a recommendation. Secretary Bulman suggested that the REACH Committee contact the building department to discuss details. Pam Harty stated further details will be gathered and she will meet again with the Board.

Pat Granahan stated that she had written to owners of an area at Pine Hills and indicated that they were very interested in utilizing the area as a site. She suggested that the Board speak with them directly.

Secretary Bulman suggested that, given the cost of the MET towers, the Committee should narrow search to possibly two areas of interest.

REACH Committee member Cindy Thaxter gave a presentation and a hand-out detailing on-site visits to the Town landfill area and Brewer Reservation.

Pam Harty stated that she will confirm the costs of anemometers and will research a sonar monitoring device as an alternative to METS.

Pam Harty requested a date be set for the next meeting with the Board. The General Manager stated the next Board meeting is scheduled for December 14, 2006.

REACH Committee members were thanked by the Board for their presentation.

C. Manager's Report- 2007-2010 Capital Plan

The General Manager distributed a handout to the Board. The plan calls for \$7 million of capital projects over the next five years. The Board needs to further investigate power supply options.

The Cushing Street building is in general disrepair, including heating and cooling issues. The General Manager stressed that this issue should be a priority. Commissioner Stoddard suggested investigating a piece of land behind Plymouth River School. There was a general discussion regarding various possible areas. Chairman Foskett inquired when the next substation needs to be completed. The General Manager said in approximately five years.

The General Manager stated that the digger trucks now in use have very high hours, and suggests replacing the 1986 truck presently in use, designing it like the 2001 truck presently in use, at a cost of \$125,000.00 - \$150,000.00.

East Weymouth Switches-The General Manager had hoped to have switches moved, however, bids received were higher than anticipated, making the project cost prohibitive. Other options are being considered.

The permanent Blue Cross Blue Shield system is to be running by Friday, December 1, 2006. The General Manager stated that the Halpin Company has done a good job and was a necessary expenditure, given the deadline demands.

The General Manager requested that Board members review the capital plan, and get back to him with any questions or comments. Plan will be up for approval at next Board meeting.

5. Other Business

A. Warrant Signatures

Warrant Signatures were provided by the Board members

6. Executive Session

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

Upon a motion duly made and seconded, the Board, by roll call, voted unanimously 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.