

**Hingham Municipal Light Plant  
Wednesday, August 31, 2005  
Town Hall  
Regular Meeting**

**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 (April, May)
3. Power Supply Cost Discussion
4. Manager's Report
5. Correspondence/New Business
6. Executive Session
7. Motion to Adjourn

**1. Call to Order**

Chairman Stoddard called the meeting to order at 6:15 p.m.

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

Secretary Foskett suggested that a written clarification was needed regarding the Grid Com information in the minutes. Need to include that the proposal is revenue-generating. The General Manager suggested that the E-mail generated regarding Grist Mill Lane needs to be included in the minutes for the record as communication to the Board.

**Upon a motion duly made and seconded, the Board unanimously agreed to accept the minutes of June 14, 2005 and the email, with the above noted changes.**

**3. Power Supply Cost Discussion**

Rate Stabilization Fund

Based on a planned outage at Seabrook in April, 2005, and an unplanned outage at Millstone during the same time, HMLP power costs were \$250,103.00 higher for the month of April. These charges have not yet been applied to the rate base. Given recent fuel cost increases, the General Manager suggests utilizing the Rate Stabilization Fund to cover those excess costs, alleviating customer "rate shock".

Secretary Foskett inquired how the customer would be affected. The General Manager said that PCA is increasing at this time, and rather than have both increases impacting the customer during the same time period, he recommends utilizing the Fund to cover the unexpected costs.

Commissioner Bulman stated that RSF should be used for its intent, and recommended that \$250,103.00 be transferred from the Fund to the Operating account

**Upon a motion made by Commissioner Bulman and seconded by Secretary Foskett, the Board unanimously voted to transfer \$250,103 from the Rate Stabilization Fund to the Operating Account to cover the April power bill increase.**

#### **4. Manager's Report**

##### **Retirement Trust Fund Discussion**

HMLP Legal Council was asked in June to analyze the Trust documents. Boston Mutual is the present manager of the Trust. It was determined that funds cannot be held outside the Town Treasurer, without agreement.

Several questions regarding the sudden interest in the Trust Fund and control of the fund was raised.

Secretary Foskett suggested that one option may be to make the Town Treasurer a Trustee, in addition to the Board members being Trustees.

The General Manager suggested that a third Depreciation Fund may be created to the existing two; this type of fund earns interest and may be added to by consensus of the Board.

The General Manager stated that he will confer with Jim Goulet, HMLP Auditor regarding accounting issues, and until further information is received, no immediate decision can be taken.

##### **b. MMWEC Update**

Management changes have occurred—the General Manager and Power Systems Manager have left. The MMWEC Board is hoping to fill vacancies by January 1, 2006. There is an interim General Manager, formally of Ipswich.

The General Manager stated that he is now Chairman of Risk Oversight Committee, and suggests that changes must be made with regard to the MMWEC way of doing business or HMLP and others may seek alternatives for the functions performed by MMWEC.

##### **c. 2006 Budget**

The General Manager stated that he intends to present the 2006 Budget at the Board meeting on November 15, 2005, which will include:

- A revised 5 year capital plan
- A 1 year construction plan
- 2006 Operating budget review

##### **d. Generation Options**

The General Manager stated that owning generation assets makes sound business sense, HMLP gains flexibility over its power supply portfolio.

Braintree Electric is planning to build a 115 megawatt plant by 2009. We could purchase 15-20 megawatts from that plant.

The cost of plant is approximately \$100 million for the entire project. The options for funding the plant are:

- Revenue Bonding
- Form a cooperative and revenue bond
- Have MMWEC, CMEC buy portions of the plant

### **Russell Biomass Generation Project**

If HMLP could get 2.5 megawatts, it would diversify HMLP's current portfolio. The project asked for a non-binding letter of interest, and is looking for commitment to the project by July 2006.

Issues still to be discussed with the project owners:

- Environmental
- Wood Burning
- Availability of wood fuel source for the next 20 years

### **e. Short Project Summary**

#### **Substation**

- The Transformer and switches on order and on schedule for delivery.
- Bids for electrical and civil work have been received and are being reviewed.
- The Station project is presently \$160,000.00 under budget up to this milestone date.
- All Major pieces of equipment have been ordered.
- PLM and a company representative will go to the transformer manufacturing plant in Mississippi to view the tests on the unit.
- Engineering, to this point, has been exemplary.
- HMLP's next step is to find project manager for an 8-10 month period.

#### **East Weymouth Switch project**

- The 5-year plan included moving the switches from the Greenbush right of way.
- The new structures and switches have been ordered and are due in December.
- A small control house building needs to be purchased for the project.

### **f. Mid-Year Newsletter**

- The General Manager would like to design and send out an 8 ½" by 11" newsletter highlighting rates, reliability, improvements, benefits of a municipal utility.
- A draft copy will be created and distributed to Board for their input
- Commissioner Bulman suggested that perhaps we should hire a marketing person in order to present the information in a 'more digestible' form.

### **g. Public Power Open House**

- National Public Power Week is October 2-8 and Public Safety Week is October 9-15.
- On October 8, 2005 HMLP will join the Hingham fire department and have a community-aimed event including a poster contest, distribution of written information regarding electrical safety, energy savings tips, and home energy audit information for the customer base.

-Former Board Member Pat Granahan made suggestion regarding increasing public awareness of availability of energy audits during the Open House.

#### **h. Downtown Lighting**

-The General Manager committed to the Town to complete a lighting study for the downtown project. A detailed plan has been created which includes 199 lanterns and lights. The completed study saved the Town \$2,500.00. The General Manager suggests deciding where conduits can be installed ahead of time, in order to avoid having to rip up sidewalks/streets in a few years. He will coordinate with the project team from the community.

#### **i. Storm Update**

-The Hingham Journal released very favorable articles regarding the HMLP performance during the August 14<sup>th</sup> event.

-Overall, taking into account amount of damage sustained, the event was handled well.

-Very few complaint calls were received, vs. two dozen or so calls of appreciation for the employee's efforts.

-A Storm Review Meeting was held and no public attended.

Issues addressed included:

-An explanation letting people know how and in what order power is restored during an event

-Critical Customer List including all customers requiring special medical services such as oxygen were contacted and told possible duration of power loss and to make arrangements accordingly.

-Public and Employee Safety must always be First!!!

-Mutual Aid List-Braintree, Reading and Taunton and others provide reliable back-up.

The areas we would like to see improvements in:

-Communication across the board

-Tree contractors-We need more to assist DPW, in order that line crews are not responsible for tree removal.

-The company should create an information sheet with pertinent information form customers explaining the restoration process.

### **5. Correspondence**

a. Table of Contents for the Board Book-The General Manager requested the Board review and return with comments and/or suggestions

-A letter was sent to Braintree thanking them for Mutual Aid Assistance

b. State of Town Forum

-A memo requesting a one-page report on the Light Plant goals, objectives and challenges was sent to the General Manager and the Board, the General Manager will draft and distribute.

A motion to end regular meeting and go into executive session was made by Commissioner Bulman and seconded by Secretary Foskett at 8:25 p.m.

The regular meeting resumed at 8:45 PM.

General Manager stated there would be a meeting with CDM on 9/14/05

-Vendor Evaluations have been completed

-Commissioner Bulman inquired about intellectual property attorney. General Manager stated an interview has been planned with a Marshfield attorney with experience in intellectual property law.

**Upon a motion made by Commissioner Bulman and seconded by Secretary Foskett, the Board unanimously agreed to adjourn the regular meeting 8:50PM.**

Respectfully submitted,

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Walter A. Foskett, Secretary