

**Hingham Municipal Light Plant
Monday, January 30, 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 (December 2005)
3. Manager's Report
 - a. Monthly Depreciation transfer
 - b. Rate Structure 2006
 - c. 2006 Goals Discussion
 - d. PILOT Program
4. Other Business
 - a. Communication Project
 - B. Property Lease discussion
5. 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
6. Motion to Adjourn

Note: Agenda revised to reflect Item 3 addition of 2005 Power Cost Expense as follows:

3. Manager's Report
 - a. Monthly Depreciation Transfer
 - b. 2005 Power Cost Expense
 - c. Rate Structure
 - d. 2006 Goals
 - e. PILOT Program

1. Call to Order

Chairman Stoddard called the meeting to order at 6:30 p.m.

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 December, 2005, with the minor changes noted.

3. Manager's Report

GM advised there was a change in agenda (addition of 2005 Power Cost Expense)

- a. Monthly Depreciation Transfer

A meeting with Jean Montgomery regarding the transfer was held and a suggestion was made that the transfer could take place quarterly. The 2006 Capital plan could be used as projection of the transfers needed for the approved capital projects.

b. 2005 Power Cost Expense

The December power cost charges increased by \$299,472, due to the market cost of power and the Stony Brook prepay expense. The GM recommends moving funds from Rate Stabilization Fund to Power Cost Line item, to be reflected in the December 2005 budget(see attached memo)

-Upon a motion duly made and seconded, the Board unanimously agreed to move \$299,472.00 from Rate Stabilization fund to Power Cost Line Item.

c. Rate Structure

The GM distributed a memo and rate forms and analysis to restructure the 2006 HMLP rates. The GM stated that HMLP was able to acquire a ten megawatt fixed cost contract. This acquisition will decrease electric bills by an average of 2.6 %.

The system experienced a 10.62 % increase in energy sales, while the peak load increased by 27%. HMLP sold over 181 Million kwh for 2005.

Upon a motion duly made and seconded, the Board unanimously agreed to accept 2006 Rate Structure Revision.

d. 2006 Goals

The GM requested input regarding the draft, and will readdress at February's meeting. Chairman Stoddard stated that he is interested in the General Manager's Advisory Board item. The General Manager stated that he will write a memo stating board requirements, formalize it, and solicit residents to get involved.

e. PILOT Program

The March 14, 2004 memo outlines how the PILOT is being determined and includes a 5 year projection for budgeting purposes. The GM suggests rewriting the memo for 2006 to see if the criteria used still holds today.

The GM quoted a study by Westfield Municipal (with 27 responding companies), that has HMLP ranked 17th in revenue, and 8th in PILOT payments. If these numbers reflected total percentage of revenue, HMLP would rank 5th in PILOT payment. Secretary Foskett inquired whether there have been requests to increase this years PILOT. The General Manager stated not at this time, that he knew of. An audience participant inquired whether it is appropriate for the Board to appropriate monies for specific needs for the town. The General Manager responded that the town allocates use of funds, and the Board only approves the allocation of funds through the Town Meeting warrant.

An audience participant inquired how often extra "in lieu of taxes" payments occur, and that as a resident he feels he is paying twice. The General Manager responded that since he has been in office, it has occurred three times.

Upon a motion duly made and seconded, the Board unanimously agreed to transfer \$451,474 for payment in lieu of taxes.

4. Other Business

a. Distributed Antennae System

The GM is meeting on 1/31/06 with vendor to discuss the technology of mini fiber optic system. The GM suggests that implementation could mean revenue for the town. The GM stated that Sprint-Nextel is meeting with Zoning Board of Appeals on Thursday, February 2, 2006 regarding building a cell tower. Perhaps we can present an alternative. An audience participant stated that he has seen this system up close and described it as "impressive and unobtrusive" and highly recommends further study and consideration. The GM stated that he will have further information after the February 2nd meeting.

The GM stated that the vendor of Antennae System has expressed interest in leasing Kilby Street site for a system. The General Manager stated that inquiries will be made, and ZBA will be asked for requirements to lease the site. The GM suggests that even if not utilized for antennae system, the area could be a source of future revenue.

b. Property Lease

The land adjacent to AJ's Garage had a lease agreement that was essentially broken by lessee, due to the fact they did not receive ZBA approval. The GM suggests the possibility that area be cordoned off to prevent unauthorized use. The GM stated that Hingham Federal Credit Union may be a viable lessee in the future.

c. 2005 Outage Numbers

The 2005 outage numbers have been provided by the HMLP Engineering group and will be evaluated and made public. The reliability numbers have decreased from previous years due to the severe storms that occurred this past year. The GM did comment that the system is still near first quartile in performance over the past three years, even with the increased activity.

6. Motion to Adjourn

Upon a motion duly made and seconded, the Board unanimously agreed to adjourn the Board Meeting at 7:45.

Respectfully submitted,

Walter A. Foskett, Secretary