

**Hingham Municipal Light Plant
Tuesday, January 18, 2005
Town Hall**

Attendees:

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

Agenda

1. Call meeting to order
2. Review and Approval of previous Board Meeting minutes (December 20, 2004)
3. Substation Expansion RFP Update
4. 2004 Year in Review
5. Manager's Report
6. Correspondence/New Business
7. Motion to Adjourn

Call to Order

Chairman Bulman called the meeting to order at 7:10

Review and Approval of previous Board Meeting Minutes

Commissioner Foskett noted that no bids had an engineering completion date.

Upon a motion duly made and seconded, the Board unanimously agreed to approve the minutes of December 20, 2004.

Substation RFP

The General Manager updated the board on the status of Substation RFP. After extensive evaluation of bids, PLM has been awarded the project.

-Cost \$136,000.00

-A kickoff meeting was held Friday, January 14, 2005

-All information that has been submitted to PLM will be scanned and transferred to disk format for use by HMLP's AutoCad system.

-PLM is expected to give preliminary schedule for the project.

-RFP for construction and equipment purchases will be completed in addition to the engineering.

The General Manager again noted that PLM does not foresee a problem with a fifteen month deadline.

Billing System RFP update

The General Manager stated that RFP's are in
-Two 3rd party consultants have been contacted.

Parsons Group, Boston
Camp Dresser and McKee

-Proposals are submitted for evaluation on January 19, 2005.

The General Manager noted that these consultants are experienced in Utility Billing Systems and municipal office system upgrades.

Some issues to be discussed are:

Integrated software package or separate systems.

Does the project require a full time project manager with IT experience?

Billing System RFPs are still being reviewed

Year in Review-2004

The General Manager noted that there were twenty items highlighted on the handout and reviewed several:

- a. Successful Completion of Union contract negotiations
- b. Cost of Service study
- c. Five-year capital plan
- d. Energy Rebate Program-64 customers have been refunded a total of \$2,200.00.
- e. Substation recommendation
- f. HMLP website updated
- g. Outstanding Verizon billing issues have been brought up to date.
- h. Community Relations
 - Downtown Christmas Lights
 - School Safety and Educational Program
 - Veterans Memorial Lighting
- i. Outstanding safety record for the year.

The General Manager requested any comments or suggestions the Board may have regarding the Goals and Objectives of the 2005 draft. He also noted that by the end of January, the General Manager would like to establish employees' goals and evaluations.

Manager's Report

Growth

The General Manager submitted a bar graph illustrating Hingham's growth in 2004.

-There was 10% growth in December compared to December in 2003.

-There was 3.24% growth compared to all of New England (1.5%)

-The last six months of 2004 were above 2003, even taking into account a cooler summer.

Seabrook

- Florida Power and Light currently owns 89% of Seabrook and is attempting to gain the remaining 11%. They have submitted offer by way of letter, which the General Manager stated was not realistic.
- The General Manager will be attending a meeting on January 19, 2005 to further evaluate this situation.

Year End Audit

- Inventory audit review was completed on January 3, 2005.
- Minor discrepancies are being worked on.
- The draft financials are due at end of March, 2005 for April 2005 review.

Retirement Trust

The General Manager had meeting regarding retirement trust with actuary Dan Sherman of Mellon Bank.

- The Town Pension liability is presently 70% funded and HMLP's portion stands at \$7-8 million.
- OPEB-\$80 million

The General Manager stated that he would like to have these numbers refined. Commissioner Foskett inquired regarding the establishment of the trust, i.e. who invests? Does town treasurer have to invest it?

The General Manager responded that at present it is in a Boston Mutual Trust Fund program, a low-risk type account. He also noted that perhaps the money could be split to fund pension and OPEB.

- The General Manager stated that by year 2028 every municipal has to be 100% pension funded, and that this is an issue that should be addressed accordingly. Boston Mutual has been requested to submit records dating back to 1981, regarding the account.
- The General Manager noted that at present nothing is being put into separate funds for the OPEB obligation, and this needs to be done by 2008.
- The General Manager would like to devise a strategy to address the issue, which can put Hingham Municipal three years ahead. He would like to have a future meeting with the actuary to discuss options, timelines and numbers.

Correspondence/New Business

Outage information has been reported in the Hingham Journal. The General Manager noted that it is good for public relations to keep customers informed.

Education-The General Manager stated that he had participated in an educational program by visiting local schools and speaking to students about energy issues and safety, and that there has been a positive response to these sessions.

The General Manager informed the Board that MMWEC had extended an invitation to the Board to a meeting regarding Generation Facility Study, with presentation and dinner

to be held at the Sterling Country Club on January 26, 2005 at 6:00 p.m.. The General Manager requested RSVPs as soon as possible (January 19, 2005).

On Tuesday, January 18, 2005 there was a newspaper article regarding the impact of March 1, 2005 rate increase by other companies. The General Manager stated he will issue a statement the HMLP customers will not be impacted by this increase, and may submit a promotion comparing HMLP rates to others.

Commissioner Foskett stated that there is to be a HMLP Long Range Strategic Planning Committee meeting on Thursday, January 20, 2005 at 7:00 p.m., and all Board members are invited to attend.

Chairman Bulman announced that according to the General Manager's contract, the Board must perform an evaluation by anniversary date of February 23, 2005. Chairman Bulman will be out of the country at that time, and will send a notice to the General Manager requesting an extension for evaluation.

Chairman Bulman suggested that the Board, with the General Manager's consent have an executive session to discuss goals and accomplishments. Chairman Bulman noted that the current contract is a two year contract with two year extension, with six months notice.

It was decided that the February Board meeting will be bypassed, due to time constraints. If there are issues that need immediate attention, the General Manager will contact Board members.

The General Manager stated that he had nothing further.

Upon a motion duly made and seconded, the Board unanimously agreed to adjourn the Board Meeting at 8:10 p.m..

Respectfully Submitted,

John A. Stoddard, Jr.