



HINGHAM MUNICIPAL LIGHTING PLANT

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Walter A. Foskett, Chairman
John P. Ryan, Vice-Chairman
John A. Stoddard Jr., Secretary

Hingham Municipal Light Plant Regular Meeting held on June 28, 2012

A regular meeting of the Board of Commissioners of the Hingham Municipal Lighting Plant (HMLP) was called to order at 6:22 p.m. on Thursday evening, June 28, 2012 at the Hingham Municipal Light Offices at 350 Lincoln Street, Hingham, Massachusetts.

Present: Board Members Walter A. Foskett- Chairman, John P. Ryan- Vice-Chairman, John A. Stoddard Jr. - Secretary. Also present were: Paul Heanue- General Manager, Gus Bregnard, Steve Girardi, Panos Tokadjian, Michael Menten and Connie Chapman- Attendees, Irma H. Lauter, Selectmen, and Karen Morgan, recording secretary.

Executive Session:

On a motion duly made and seconded it was unanimously voted to move into Executive Session

On a motion duly made and seconded it was unanimously voted to move out of Executive Session and to return to the regular meeting.

Regular Meeting:

Approve Previous Meeting Minutes:

On a motion duly made and seconded it was unanimously voted to approve the submitted prior meeting minutes as amended.

Vote on GM Contract:

On a motion duly made and seconded it was unanimously voted to approve the GM contract as currently written.

Vote to Change Terms and Conditions Language:

The GM spoke about the need for the language in our Terms and Conditions to be amended to make it more clear that charges for professional services, such as lawyers, engineering, etc... , can be passed on to prospective or existing customers. *Present language:* Outside Contractors – Whenever it becomes necessary for HMLP to use outside contractors or where the need of Special Services (not normally provided for by the HMLP personnel) are required for the convenience of the Customer, the HMLP will bill the Customer actual costs plus a 17% administration charge to cover indirect costs. *Change to:* Outside Contractors – Whenever it becomes necessary for HMLP to use outside contractors *including those providing professional services* or where the need of Special Services (not normally provided for by the HMLP personnel) are required for the convenience of the Customer, the HMLP will bill the Customer actual costs plus a 17% administration charge to cover indirect costs.

On a motion duly made and seconded it was unanimously voted to amend the language as shown above.

PCA Change:

The GM reviewed spreadsheets showing where we are financially through the end of April. Revenue is \$475,000 under budget based on lower sales than budgeted. At the same time though the price of natural gas has been dropping and our purchase power costs have dropped even further than revenue. This positive gap is more a function of our power costs being lower vs. our sales being high. In the “other” section of that part of our financials we are \$220,000 under budget in large part due to a reduction in legal costs. If you look at the net

income, we are \$560,000 ahead of where our budget was projecting us to be. The GM proposed that we lower the PCA. If we go from a cent to half a cent per kWh on the residential side and from a penny and a half to a penny per kWh on the commercial side, we will see \$894,000 less in revenue and that would put closer to what our budget calls for. If this change gets made the impact of it will be closely monitored and, if necessary, adjusted either up or down.

On a motion duly made and seconded it was unanimously voted to lower the PCA for both residential and commercial customers by one half cent per kWh.

PILOT:

Lauter spoke on the PILOT formula. She would like the HMLP Board to review the PILOT formula and see if it could be changed. The GM presented an email that he sent to Lauter. Stoddard said he would like to review the materials further before coming to a vote. Lauter will forward additional spreadsheets to the Board for further discussions in the future.

Street Light Bill:

Lauter asked if there was a way for HMLP to identify who asked for street lights to be put on new streets in the last two years. There is a practice that the town accepts some streets after they are built but there are some streets that will never be accepted because they are too narrow, etc. They remain as private ways. She thinks that some of those private ways have town owned/paid for lights. The GM gave the background on this issue. Lauter said that the Town Administrator does not want to pay the whole bill because the Town did not request that lights be put on some of these streets. Since that conversation with the Town Administrator the GM hasn't heard anything more before this. The GM described how a developer will approach HMLP with their plans and we'll insert our facilities, including streetlights, onto them. From there the plans will go to some Town Board, planning or zoning, where they get approved or sent back for adjustments. Lauter said that she'll check with the building department. Ryan said that we should have a policy that we don't energize without a meter unless someone tells us from the Selectmen's office that they will pay the bill. It was added that you can't get planning board approval without showing the street lighting on the plans.

North Street undergrounding project funding:

The GM spoke about Town Engineer Roger Fernandes' letter of June 13, 2012 on the North Street undergrounding project and the \$189,000 needed from the Hingham Municipal Light (Labor and Materials). Ryan is not sure where that number came from. The GM recounts that his predecessor reported to him that he/HMLP committed to \$100,000 in labor per undergrounding project per year. The \$100k was capped per project. And that if, for example, 3 years went by with no new projects there wasn't \$300k available for the next undergrounding project. It's a fixed annual sum of money and is not cumulative. Lauter said that if you look at the recommended motion for Town Meeting and the comments of the Advisory Committee in the warrant article, it only talks about \$100,000 in labor. There is money in reserve funds and shipyard mitigation money that has been earmarked for the project. The BoS and Advisory Committee did vote to use up to \$85,000 in money out of the reserve fund and shipyard mitigation money. Lauter said that she is asking if we would/could kick in part of the \$85,000 so that they won't have to take all of that money out of the reserve fund. In addition, going forward she suggests any request for funding for underground projects should come before the HMLP Board and be approved by vote. That way the minutes will reflect just what was voted on. It should be made very clear what was agreed to on all these new undergrounding projects. Stoddard said he understands there are problems with some of the work that was done down there. Some of it was not inspected and that before we kick in the \$85,000, we should do an assessment to see what the problems are all about. No action was taken and there will be continued discussions.

Misc.: Invoice Cloud, June 20 and 21 load in heat wave, SCADA, new bucket truck

The GM spoke to the new online bill and credit card pay company, Invoice Cloud. Since June 1st, we have taken in almost \$20K in credit card payments. The places we are seeing credit cards used the most are when new customers who don't own the property come in to sign up for service and during collections.

The GM spoke of the new circuit and system load during last week's heat wave. By building that circuit, we were able to move load from heavily loaded circuits onto others that had additional capacity. It worked out very well during last week's heat wave. He referred to a document titled Circuits 2 & 9 Loads for demonstrating how much having the new circuit helped. Last year we experienced an all time high of 55.6 MW. Last Thursday's load was not that far off as an all time high. It did set consecutive new all time high loads for June.

We put a SCADA system out to bid. Tokadjian is reviewing the submissions. During the heat wave manual hourly load readings were taken so we could watch and see what was happening to loading on each transformer

and circuit. We had observed one circuit was a little bit higher than we wanted it to be so we shifted load to an adjacent and lower loaded circuit. Tokadjian said the bids range from \$38K to \$170K for a new SCADA. The bid came in for a new bucket truck. Three people bid. The bucket component of the truck's price is \$143K. That number does not include the cabin and chassis. Delivery of the bucket portion of it is between 7 and 9 months after they get the order. There is a limited market for these trucks so they aren't mass produced. Thus the reason for the long lead time.

The GM reported having checked with the Town Administrator on conferencing in for a meeting. At this time the BoS had not taken a position on whether to allow it or not. By statute they, the BoS, are the governing authority who decides whether to allow committee or board members to conference in. The GM will make a formal request of the BoS on this matter.

Other business: Warrant Signatures (signed); Correspondence

The GM read from an email dated June 23, 2012 from a Carolyn Craine in which she offers a Thank You to HMLP for its support of the Farmer's Market by distributing their flyer in our bills for the 2nd year in a row.

On a motion duly made and seconded it was unanimously voted to adjourn the meeting.

Meeting adjourned at 7:40 p.m.

**Hingham Municipal Light Plant
Executive Session held on June 28th, 2012**

An employee relations matter was discussed.

Funding for North Street Undergrounding was discussed.

On a motion duly made and seconded at 640p it was voted to end the Executive Session and return to the regular meeting.