



HINGHAM MUNICIPAL LIGHTING PLANT

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John P. Ryan, Chairman
John A. Stoddard Jr., Vice Chairman
Roger M. Freeman, Secretary

REGULAR MEETING
HINGHAM MUNICIPAL LIGHT BOARD
March 14, 2019
7:30 A.M. – HMLP offices
MEETING NOTES

Meeting Called to Order:

A regular meeting of the Board of Commissioners of the Hingham Municipal Light Plant (HMLP) was called to order at 0733 on Thursday, March 14, 2019 at the Hingham Municipal Light Offices at 31 Bare Cove Park Drive, Hingham, Massachusetts.

Present:

John P. Ryan, Chairman; John A. Stoddard Jr., Vice-Chairman; Roger M. Freeman, Secretary; Paul Heanue, General Manager (GM); Tom Morahan, Assistant General Manager (Assistant GM); David Talbot and Tom Asp of CTC Technology & Energy.

Approval of Previous Meeting Minutes:

The GM presented the meeting minutes for the February 8, 2019 meeting to the Board for their consideration.

MOTION

A motion was duly made by the Vice Chairman to accept the minutes of the February 8, 2019 meeting. The Chairman seconded and they unanimously voted to approve the minutes of the February 8, 2019 meeting.

Massachusetts Municipal Utility Self-Insurance Trust Fund Vote:

The GM described the vote needing to take place that would, if the Board desires, appoint the Assistant GM as the alternative voting representative of the HMLP to the Massachusetts Municipal Utility Self-Insurance Trust Fund.

MOTION

A motion was duly made by the Chairman to appoint the Assistant GM as the alternative voting representative of the HMLP to the Massachusetts Municipal Utility Self-Insurance Trust Fund. The Vice Chairman seconded and they unanimously voted to appoint the Assistant GM as the alternative voting representative of the HMLP to the Massachusetts Municipal Utility Self-Insurance Trust Fund.

Review CTC study:

Roger M. Freeman, Secretary joined the meeting.

HMLP hired CTC Technology & Energy to develop a detailed analysis, make recommendations, and a business case related to the feasibility of HMLP installing a fiber network throughout the Town of Hingham. David Talbot and Tom Asp of CTC attended the Meeting to report their findings.

Tom Asp explained to the Board that HMLP and CTC developed a list of 112 sites to connect. Of these 112 sites, 64 are “HMLP” sites, or sites owned and operated by HMLP, and the remaining 48 are “Town” sites, or sites owned and operated by the Town of Hingham. CTC further split the sites into “facility” sites, or large sites that have increased data uses (e.g. Town Hall, fire stations, schools, etc.), compared to “utility” sites (e.g. reclosers, etc.). The two types of sites require different electronics which differ in costs.

The cost to install approximately 40.8 route miles of fiber connecting a total of 112 sites is estimated to be between \$2.5M to \$3.3M, depending on the mix of contract and internal labor. The expected life of the fiber is approximately 20-30 years. In addition, the cost of the electronics is estimated to be approximately \$736k, which consists of \$440k for core/distribution electronics (10-year life) and \$300k for edge site electronics (5-year life). Additional costs to consider include operating and maintenance costs, DigSafe requests, vendor license fees, and financing. For a total of 112 sites, this will cost a total of approximately \$53,750 per month. If these per-site costs are multiplied by the number of HMLP and Town sites, this would total \$16,640 per month for HMLP sites, and \$37,120 per month for Town sites.

The GM explained fiber installation will improve HMLP’s operations and performance, including but not limited to, outage management, assistance in design time of use rates and operationally for loading and connectivity and should be viewed through that lens vs a money making operation.

The GM suggested the Board consider what they heard today and they should discuss it at a next meeting. Part of that discussion should be around how to finance this: with bond financing, reserves or a combination of both. Additionally there should be a discussion on whether to connect only to HMLP sites or to include Town sites as well. The GM said CTC had broken out the incremental costs to include Town sites.

Financials:

The GM presented the Board with financial statistics for January 2019.

kWh sold in January 2019 were lower than both January 2018 and January 2017. Revenue for January 2019 was \$2.4M, January 2018 was \$2.3M and January 2017 was \$2.7M. Net income for January 2019 was (\$153k), January 2018 was (\$220k) and January 2017 was \$609k. The 2019 Operating Budget projected the net income for January 2019 to be (\$157k) so for a very limited time period, just 1 month, it appears the assumptions made while building the budget were accurate.

Inspector General Report:

The GM reported that the Office of the Inspector General (IG) of the Commonwealth of Massachusetts issued a report to all municipal light plants regarding sick-leave policies and calculation of sick-leave payouts. The Report provides recommendations on how to reduce the cost of future sick-leave payouts as a way of protecting ratepayers. The Assistant GM examined HMLP’s sick-time records to calculate what HMLP’s current payout amount would be under the suggestion of the IG vs HMLP’s current protocol if every employee were to cash out all their sick time as of December 31, 2018. Under HMLP’s current operating scenario the payout would be \$18k vs \$124k if the IG’s suggestion were used. The GM

described that he and the Assistant GM unsuccessfully worked to introduce incentives to reduce sick-leave, increase productivity and save money at the last union negotiations. The expiring contract was extended for a year and they are intending to try again.

Updates:

additional transmission supply line/s: The GM recently met with both National Grid and Eversource and was informed there is no anticipated work on their transmission lines that HMLP could piggyback on to so as to avoid HMLP having to 100% pay for bringing another transmission supply line into Hingham. LIG, HMLP's consultants, are looking at options to tap into existing Eversource lines which could create a new supply, underground, from Weymouth into Hingham. The cost of which is currently estimated to be approximately \$20m.

battery storage: The GM recently met with ENGIE regarding a battery storage system for HMLP. ENGIE has partnered with Genbright, a Hingham company, which has been authorized to use their Massachusetts Department of Energy Resources (DOER) grant money for this project. To date, ENGIE has come down 11% from their initial price to HMLP and is currently working on coming down further on its proposal

landfill: For many years there has been/ is a PCB collection at the landfill. While it is not close to our proposed solar array or its supporting infrastructure it is on the landfill's footprint. The Town never got their final closure permit because of that issue. The GM has been told that the DEP has assured Omni-Navitas that the Town's failing to address this will not hold up HMLP's project but they continue to talk about it and have not yet issued a permit to Omni-Navitas.

solar canopies. Dig Safe has been called in to set the pole, which should be hooked up and brought online by the end of March or mid-April.

Seabrook: The license has been extended to year 2050. HMLP derives 25% of its power from Seabrook and that bond is paid off.

Motion to Adjourn

On a motion duly made by the Secretary and seconded by the Vice-Chairman it was unanimously approved to adjourn the meeting at 0925.

