

**Hingham Municipal Light Plant
Monday, September 14, 2009
Town Hall**

Attendees:

John Stoddard, Jr. Secretary
Walter Foskett, Chairman
Kevin Bulman, Vice-Chairman
John Tzimirangas, General Manager
Paul Heanue, Assistant General Manager

Agenda

1. Call meeting to order
2. Approve Previous Meeting Minutes
3. General Manager's Report
4. Other Business
 - a. Warrant Signatures
 - b. Correspondence
5. Executive Session
 - a. A motion to go into executive session for the purpose of discussing trade secrets, personnel and strategy with respect to litigation.
 - b. A motion to end executive session and adjourn Regular Meeting
6. Motion to Adjourn

1. Call to Order

Chairman Foskett called meeting to order at 7:05 p.m.

2. Approval of Previous Meeting

Upon a motion duly made and seconded, the Board unanimously agreed to approve the previously tabled minutes of HMLP Board Meeting of May 13, 2009.

Upon a motion duly made and seconded, the Board unanimously agreed to approve the minutes of HMLP Board Meeting of June 17, 2009.

3. General Managers Report

HMLP Operational Reports

-As HMLP promised, re-conductoring has been completed at Main and Water Streets and the recloser issue addressed.

-The summer load decreased overall due to weather conditions. The August '09 sales increased over August '08 by 3 million kWh to 20 million kWh for the month, which is the first time sales have been above 3 million in a particular month. This lead HMLP to have \$3.2 million in sales, for the first time.

HMLP Financial Reports

Financial Statement

General Manager provided the Board a handout of June 2009 Financial Statement.

- monthly losses due to:
 - PILOT payment becoming due and paid
 - Quarterly medical payments
 - Decreased load for June

Braintree Power Plant

-The Braintree plant is commercial and providing energy to HMLP as part of the contractual agreement.

-A ribbon-cutting ceremony will be held on Saturday, September 19, 2009.

MBTA Easement Issue

-General Manager will meet with Rubin and Rudman on Tuesday, September 15, 2009 and will update the Board at next meeting.

-General Manager stated he just received correspondence (a revised agreement) regarding transmission line easement, in response to request made in December 2008.

-General Manager stated that HMLP should have a more permanent easement in place; although we have a license from 1986, it has been questioned by the MBTA, and a more suitable arrangement should be negotiated.

-Presently HMLP pays \$750.00 annually, and MBTA is trying to increase the fee to \$100,000.00 annually.

-General Manager suggests we hire our own appraiser and work toward attaining a permanent easement at a reasonable annual fee.

OPEB Trust Fund

HMLP is the first municipal to take advantage of the new law with regard Bill H5148, Section 20, and therefore HMLP now has custodial rights of these funds as adopted and approved at HMLP board meeting of March 4, 2009.

The Trust Fund is 80% funded and the General Manager states we are ahead of the curve for funding, and if properly invested, further funding will be reasonable and provided by the invest income.

-General Manager stated that one criteria is management of funds, therefore he suggests we hire an investment firm, with Jean Montgomery remaining as custodian of the Trust. HMLP will work with Jean on this.

Power Supply

A deal was closed with Miller Hydro (Maine) for renewable energy. The contract is for three years, beginning in March 2010 for 1.5 megawatts at a purchase price at 6.3 cents per kilowatt.

The General Manager stated that this adds to the renewable portion of our portfolio, which includes biomass and other hydro assets.

Chairman Foskett inquired what our percentage is presently. General Manager stated 10-11%, and added that the state standard is only 4%.

WPS

Contract with WPS (10 MW) expires at the end of 2010; HMLP is looking for 2-5 MW contracts to replace the energy or a layered approach to the replacement.

NERC Audit--Reliability Act

HMLP submitted required data in August, though due date was not until September. We've been getting ready since April/May for this audit. Auditors requested further information, which HMLP submitted today, September 14. The auditor is changing rules of game in mid-stream, but HMLP complied as the information was readily available. However, HMLP made clear to the agency that it does not feel this further information was necessary because we have complied with all regulations required by the mandate. General Manager is now waiting for feedback from the auditors.

Statehouse-Utility Hearings

General Manager attended Utility Hearing at Statehouse. Some of the issues presented were:

- Flaggers (we hold no opinion),
- Creation of more municipal companies in the Commonwealth.
- Pension Reform Recommendations-This could have an impact of municipals and municipal employees, if brought into law.

Wind Project-Executive Summary

HMLP has submitted meteorological tower information collected from three sites.

- Transfer Station
- Industrial Park
- Stoddard's Neck

Data was broken down into three parts:

- Actual Wind Velocity
- Projected Wind Velocity
- Financial Analysis

The Stoddard's Neck location indicated the most promise, although there are concerns with regard to airport traffic and location on the water front.

The General Manager stated that the State has not indicated they are agreeable to the Stoddard's Neck location, as HMLP has struggled to contact the State agency, DCR to hold this conversation.

The General Manager commented that HMLP needs to look closely at all three sites, and get answers, so that those not meeting criteria can be taken off the list.

The General Manager commented that the Hull 2-turbine model would not be financially viable, as it cannot generate power as efficiently as the larger 2.5 MW.

Chairman Foskett inquired what the differences were. The General Manager stated blade size and height of tower.

Chairman Foskett inquired about the possibility of having two smaller towers? Pam Hardy stated that that would require too much space separation than any of the possible locations would provide.

Chairman Foskett inquired about height of Hull tower? General Manager stated it was 200 feet to the hub, and indicated that ours would be larger. In addition, with the blade portion it could be from 320 feet to 400 feet.

General Manager expressed concern and frustration due to DCR general council's unreturned phone calls, written correspondence etc.

General Manager stated that the next steps in the process include contacting the state and schedule meeting, as well as meeting with A.W. Perry to gain official answers.

There was a discussion with regarding land cost and issues that were not included in analysis.

Clayton Handleman, an audience participant, inquired whether the project had to be HMLP-owned, or would the Board consider working with an outside entity building the facility and selling power to HMLP?

Chairman Foskett stated that this is among our options, which remain open if they meet the goal of HMLP to bring renewable energy to the town. Possibility of a cooperative ownership also.

The General Manager commented that HMLP has the advantage of being a known and trusted entity, and townspeople may feel more comfortable if HMLP maintained ownership and control.

Pam Hardy stated that there is a Wind Committee Meeting coming up and inquired which issues the Board was comfortable being discussed.

General Manager stated that anything we have addressed at the meeting may be discussed, and added that we are not committed to any one solution at this time, but we need to explore all three options including the Route 3 corridor (AW Perry).

There was a discussion regarding installation of large turbine, and possible bylaws. Large-scale tower would probably fall under the same bylaws as cell towers, and may present other issues.

Pam Hardy remarked that if there were no by-law variance there is a good chance even a single abutter could present a challenge that could stop it happening. She didn't think there was enough time to draft a by-law for this spring's Town Meeting.

General Manager stated that the Cohasset project has been suspended pending certain reviews.

Chairman Foskett inquired if Stoddards Neck is located in Weymouth?

General Manager stated no, that the land is in Hingham, and the water is Weymouth.

Braintree/Hingham Cooperative

Chairman Foskett discussed concerns with the following issues:

Terminology of what constitutes 'division' and 'project'.

HMLP and BELD Boards should be included in all project approvals. If either Board says "No" to a project it isn't a "Go".

Participant withdrawal from co-op -- General Manager stated that if one participant withdraws, the co-op is dissolved

We cannot lose sight of the HMLP mission: to serve its ratepayers.

Vice-Chairman Bulman gave a hypothetical that if a project was presented to the co-op, both companies would vote separately. If both companies did not vote in favor, there would be no project.

Chairman Foskett stated that the co-op would be the contracting entity.

Limited liability means only the assets of the co-op are at stake. We need a full understanding of that issue.

General Manager stated he will speak with Bill Bottiggi on Tuesday, September 15, and address concerns at October's Board meeting.

High School Solar Project

Clayton Handleman presented some information and will forward the full summary to the Board.

6,876 kWh have been generated to date
Vice-Chairman Bulman requested year-to-date data.
Clayton stated he will forward the full summary to the Board

4. Other Business

- a. Warrant Signatures
- b. Correspondence

5. Executive Session

Upon a motion duly made and seconded, the Board unanimously agreed to end regular session and enter executive session at 8:25.

General discussion

Upon a motion duly made and seconded, the Board unanimously voted to end executive session and enter regular meeting at 8:55.

6. Motion to Adjourn

Upon a motion duly made and seconded, the Board unanimously agreed to end regular session and adjourn meeting at 8:55.

Respectfully submitted,

John A. Stoddard, Jr., Secretary