

**Hingham Municipal Light Plant
Thursday, March 16, 2010
HMLP Conference Room
350 Lincoln Street**

Attendees:

Walter Foskett (WF), Chairman
John Stoddard (JS), Jr. Secretary
Kevin Bulman (KB), Vice-Chairman
John Tzimirangas (JT), General Manager
Paul Heanue (PH), Assistant General Manager

Agenda

1. Call meeting to order
2. Approve Previous Meeting Minutes
3. General Manager's Report
4. HMLP Energy Efficiency Program
6. Other Business
 - a. Warrant Signatures
 - b. Correspondence
7. 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
8. Motion to Adjourn

1. Call to Order

Chairman Foskett called meeting to order at 1830

2. Approval of Previous Meeting

Upon a motion duly made by KB and seconded by JS, the Board unanimously agreed to approve the minutes of HMLP Board Meeting of January 28, 2010.

3. General Managers Report

Transfer of School Dept Land

JT passes copies of School Dept mitigation items breakdown costs to Board.

JT- We got "high level" costs of these items. Some numbers came from friends at NSTAR who had experience with these type things so numbers should be pretty solid (canopy and racking). So far- we see \$1.075m with no numbers for any environmental cleanup. Impossible for us to guesstimate that number. The DEP has 10 reported environmental releases that are still open which means they may not have been addressed. School Dept asking for things from us in mitigation that they currently don't have down there- canopy, paved lot for buses, parking for 50 cars while they have 30+/- employees working out of there, truck/bus wash bay, perimeter fencing, racking for stock. They are looking for a study of bldg. 14, which we've talked about giving them, to ensure worthiness. It looks sound and tight except for one spot where the roof might need a little work.

KB- What we're looking at is conservatively spending between \$1.5- \$1.7m before we put a shovel in the ground to start putting up our building. At those numbers we would

pale in comparison to the DPW and Fire Hqts. Buildings. I don't know if we can make it work for us if our total construction budget gets reduced by 20+% in school dept mitigation costs. And that number could go higher depending on environmental costs. I'm also hearing the Board of Selectman are not in favor of the special legislation by a 2-1 margin.

JT- Our \$5m becomes \$3.5m, maybe less, after School Dept wish list. The cost to move the fuel pumps is \$100k. I received a letter from Susan Murphy taking shots at our plan. After spending about 45 minutes on the phone with her she came around but it took that long, 1 on 1, to get her there. It's as though the past 5-6 years of peace and quiet didn't take place because old complaints were being dredged up again.

KB- Think about this: the Board of Selectmen aren't in favor of the special legislation, we have this school Dept wish list that continues to grow, there are others out there are unhappy with the notion of our getting School Dept land and we're going to fight all that so we get the chance to spend \$1.5-\$1.7m on stuff completely unrelated to our building the structure itself! Last year when we talked about spending \$250k to take the hill down at Cushing Street it wasn't appealing. Today, when you consider spending \$1.7m+ in school Dept mitigation money, \$250k doesn't look too bad.

JT- Maybe we take another look at Cushing Street. We are there now. The Building Subcommittee has reached out to the owners of the abutting land.

KB- Wouldn't we be fine with a 99 year lease?

JS- Have we looked at other Town owned land?

JT- We have met w/ The Town (Katy Lacey, Lane Partridge, etc...) and have asked them to tell us what other Town owned land is out there. The fact the School Dept wish list and the price tag continues to grow makes me suggest we pull the warrant article on the land transfer but keep the warrant active for the right of us to purchase land.

(The Board was unanimous in having the GM move in that direction.) The Board reviewed the projected costs in the mitigation items of the School Dept.

WF- Do we have a sense of the Advisory Board's thoughts on the 2nd article giving us the OK to purchase land?

JT- We don't but, if we need to borrow money, the bonding authority still rests with The Town. I'll send you guys a DRAFT of the letter asking to withdraw the warrant before it goes out.

Review of Year End Reliability Stats :

JT reviews stats around availability, # of outages, outage duration, rolling 5 year mbi (months between interruptions) and outage causes from power point slides

PH: At NSTAR these kinds of numbers were beyond their widest dreams. Their goal in mbi would run about 13 months between. If you met that number people would make lots of money. At HMLP our customers see an mbi of 41 months between.

KB: we should get these stats into The Journal. People take this kind of good service for granted.

JT: kwh sales were flat in 2009, the peak dropped because of cooler weather, our minimum load has stayed flat at 11-13mg.

JT: There was a very large drop in OT hours as construction boom of a few years has subsided and we are on a more regular work load and schedule.

JT: The formula method for the PILOT has a floor of \$450k. The audit is currently ongoing. It looks like there will be an additional payment to The Town of \$32k.

JT: The FINAL Town payment of interest to OPEB should be made shortly.

Power Supply Matters :

JT: Spruce Mountain Wind is a very large wind project in Woodstock Maine. We're looking to get in on this project. Jay Cashman is the money behind this project. Some of the things that are making this so attractive is most of the local permitting is in place, the turbines have been ordered and are scheduled for a Jan 2011 delivery and Cashman has folks that can and have done this type work. There are 10 munis that are interested in getting in. The projections are this power will cost .099 per kwh. If we were to build- .13 per.

JT: The Randolph methane will be going away this summer. Methane is running out. The contract end date was 2015. We're hoping to settle for \$5m from mediation.

JT: We're continuing to investigate securing the ability to generate 5-6 mg behind the meter in distributed generation.

4. Motion to Adjourn

Upon a motion duly made and seconded, the Board unanimously agreed to end regular session and adjourn meeting at 2050.