



Peabody Municipal Light Plant

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PEABODY MUNICIPAL LIGHTING COMMISSION MINUTES OF REGULAR MEETING August 6, 2015

A special meeting of the Peabody Municipal Lighting Commission was called to order on Thursday, August 6, 2015 at the Peabody Municipal Light Plant, 201 Warren Street Ext., Peabody, Massachusetts at 6:34 p.m.

Present for the meeting were Commissioners William Aylward, Charles Bonfanti, Thomas Paras and Robert Wheatley; Manager Glenn Trueira, Assistant Manager Kristina Frizzell, Attorney Philip Durkin and Recording Secretary, Barbara Previte. Commissioner D'Amato arrived at 6:55 p.m.

Chairman Paras asked if there were any additions to the agenda. Since the Executive Session presenters were not available at the time, it was decided to revise the agenda and begin with the AMI Business Case presentation.

1. Agenda Item A: Approval of Agenda

MOTION BY COMMISSIONER AYLWARD, SECONDED BY COMMISSIONER BONFANTI AND UNANIMOUSLY VOTED (4-0):

MOVE TO APPROVE THE AGENDA AS AMENDED.

2. Agenda Item B: Announcement:

Chairman Paras acknowledged that this is an open meeting and informed the public that the meeting is being recorded by hand and voice recorder.

3. Agenda Item C: Approval of Minutes:

MOTION BY COMMISSIONER WHEATLEY, SECONDED BY COMMISSIONER AYLWARD AND VOTED UNANIMOUSLY (4-0):

15-55 MOVE TO APPROVE AND RELEASE THE REGULAR MEETING MINUTES OF JUNE 25, 2015.

MOTION BY COMMISSIONER WHEATLEY, SECONDED BY COMMISSIONER AYLWARD AND VOTED UNANIMOUSLY (4-0):

15-56 MOVE TO APPROVE AND NOT RELEASE THE EXECUTIVE SESSION MINUTES OF JUNE 25, 2015.

4. Agenda Item D: Appointments:



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- **REMARKS OF THE GENERAL PUBLIC:**
There being none, the meeting continued.

- **GREAT BLUE – EMPLOYEE SURVEY RESULTS** – Instead of Great Blue presentation, Manager Trueira deferred to Emmanuel Agouridis to present the AMI Project – Business Case.

- 5. Agenda Item E: Correspondence
There being none, the meeting continued.

- 6. Agenda Item F: Manager's Reports:
AMI PROJECT – BUSINESS CASE - Chairman Paras deferred to Emmanuel Agouridis, Junior Electrical Engineer, who introduced Gary Fauth, Woodard & Curran. Gary Fauth gave a presentation of the AMI business case summary. Gary spoke about the breakdown of costs and internal savings anticipated with this project. He briefly touched upon the recovery of the upfront investments. The AMI system will put in a place a web portal so a customer can watch usage on a slightly delayed basis so they can think about the steps needed to conserve and manage their bills. The presentation went on to discuss the breakdown of expected meter costs for the project. A discussion ensued about the unquantifiable benefits of AMI regarding reduced customer outage time; improved system planning; improved asset management; improved customer service; and reduced customer bills through conservation voltage reduction. The cost of the project is approximately \$6 million, which will occur through a few RFPs over the next couple of years. Overall, Gary was able to show that the benefits outweigh the costs, and that there is a positive Net Present Value (NPV) both on a utility and customer basis. Much of the actual savings would come from the eventual elimination of five existing employee positions, four meter readers and one meter installer. Commissioner Wheatley asked Manager Trueira what he is looking for from the Commission. Manager Trueira stated that he wanted to show the Commission what a viable project it is and present to the Commission a draft business case that justifies this expenditure. The AMI project will bring about a lot of changes to PMLP. Commissioner Paras asked how reallocating a person would count as savings. Gary answered that if a position opened up and instead of filling it on the outside, we could fill it internally instead. The savings would eventually be realized by having five less employees eventually.



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MOTION BY COMMISSIONER WHEATLEY, SECONDED BY COMMISSIONER AYLWARD AND VOTED UNANIMOUSLY (4-0):

- 15-57** MOVE TO ENTER INTO EXECUTIVE SESSION IN ACCORDANCE WITH CHAPTER 30A, SECTION 21(A) FOR THE PURPOSE OF CONDUCTING STRATEGY SESSIONS IN PREPARATION FOR COLLECTIVE BARGAINING (EXEMPTION #2) AND TO DISCUSS TRADE SECRETS OR CONFIDENTIAL, COMPETITIVELY-SENSITIVE OR OTHER PROPRIETARY INFORMATION (EXEMPTION #10).

The PMLC moved into Executive Session at approximately 6:50 p.m.

MOTION BY COMMISSIONER D'AMATO, SECONDED BY COMMISSIONER AYLWARD AND VOTED UNANIMOUSLY (5-0):

- 15-58** MOVE TO RETURN TO SPECIAL MEETING OF AUGUST 6, 2015 AT 7:30 P.M.

7. Agenda Item D: Appointments:

REMARKS OF THE GENERAL PUBLIC:

- **GREAT BLUE – EMPLOYEE SURVEY RESULTS** – Manager Trueira introduced Michael Vigeant, President of Great Blue. He gave the history of Great Blue. He stated that approximately 45 employees participated in the employee survey which consisted of 85 questions. Michael gave a brief overview of the areas of investigation such as awareness of various aspects of PMLP; job attitudes and opinions of PMLP as a place to work; overall job satisfaction; effectiveness and communication within divisions; perceived customer orientation and understanding proper protocol; rating the Manager and Commission leadership; company atmosphere and environment; and demographic profiles of respondents. Michael then spoke about the study findings such as overall employee satisfaction index was 60.6% which is a little low, and cited a lack of recognition for jobs well-done and a lack of mutual trust and respect as the main reasons. Employees are mostly aware of policies and procedures that are directly related to their position but not necessarily aware of the policies and procedures that do not affect their division; contributions to and pride in working for PMLP were reported by most employees; however, the ability to develop professionally and take on more responsibilities in order to advance may not be as prevalent; job expectations are clear for the majority yet many reported there is a need for increased feedback or constructive criticism, recognition for a



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job well done and training; relationship with employees within divisions and in other divisions were viewed positively by the majority of positions as well as cooperation between divisions; employees believe they provide excellent service to customers and are responsible for maintaining high customer satisfaction; too little communication from PMLP leadership to employees; lack of confidence in the Commission's ability to lead; their trustworthiness and the belief that the Commission values the well-being of its employees. This may be a result of employees feeling micromanaged by an entity that is not familiar with their roles and responsibilities. Michael concluded by saying that perception that few opportunities for advancement and a lack of manager recognition at PMLP; interdepartmental collaboration and cooperation is low; while meeting cadence is appropriate, the message being communicated is not on par with employee expectations or needs; PMLP would be well served by an internal public relations campaign ensuring employees know and trust the Commission. Michael will be back to implement training and assist PMLP employees.

8. Agenda Item F: Manager's Reports:

- **CENTENNIAL PARK INCIDENT** – Manager Trueira deferred to Phil Rohn, Superintendent of Electric Distribution, to discuss the incident at Centennial Drive. A brief overview of the incident that occurred on June 4, 2015 while performing routine underground switching. A small explosion occurred and three employees were taken to the hospital for evaluation. All were released with no issues or serious injuries. The cause of the explosion was not obvious and due to safety concerns, PMLP has stopped all energized underground switching. PMLP is going to hire an external, independent firm to perform an in-depth investigation of the incident to include not only the analysis of the damaged equipment but also review PMLP underground switching and operating procedures; Centennial Park's underground electrical system and a review of the training and work practices of the workers that operate, maintain and repair the system. Distribution developed a Request for Quotation with input from Engineering outlining PMLP's objectives for this investigation. The RFQ was sent out to eight firms that have experience in this area. PMLP collectively determined that RTI Group LLC would provide PMLP with the best product, and detailed analysis, in approximately 12-16 weeks.



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MOTION BY COMMISSIONER AYLWARD, SECONDED BY COMMISSIONER D'AMATO AND VOTED UNANIMOUSLY BY ROLL CALL (5-0):

- 15-59** MOVE TO ACCEPT THE RECOMMENDATION FROM STAFF TO ENGAGE THE SERVICES OF RTI GROUP FOR THE INVESTIGATION OF THE JUNE 4 INCIDENT THAT OCCURRED FOR A COST OF \$99,749 WITH A CONTINGENCY OF 20%.

9. Agenda Item H: Award of Bids:

- **VENTILATION SYSTEM FOR MECHANICS GARAGE** – Manager Trueira deferred to Dennis Ahlin, Assistant Superintendent of Electric Distribution / Safety, to discuss the ventilation system in the mechanics garage. Dennis reiterated that he had come before the Commission on May 28, 2015 where all bids were rejected because of the call received from the Attorney General's (AG) office stating a bid protest. The reasons for the rejection and the ensuing bid protest were PMLP's use of an exception type of bid; and the fact that it did not include the 10 hour OSHA language as required by MGL 149, Section 44. While we disagreed that the exception bidding violated the statute and that the OSHA language was embedded in another statement, we decided to rebid the project rather than oppose the AG's office. Dennis presented the results of the rebid and recommended hiring Murphy Specialty, Inc. for the award.

MOTION BY COMMISSIONER D'AMATO, SECONDED BY COMMISSIONER AYLWARD AND VOTED UNANIMOUSLY BY ROLL CALL (5-0):

- 15-60** MOVE TO ACCEPT THE RECOMMENDATION FROM STAFF TO AUTHORIZE THE MANAGER TO ENTER A CONTRACT WITH MURPHY SPECIALTY, INC. FOR THE INSTALLATION OF A VENTILATION SYSTEM FOR THE MECHANICS GARAGE IN THE AMOUNT OF \$58,999.

- **FINANCIAL AUDITING SERVICES (THREE YEARS)** - Manager Trueira deferred to Kevin Moran, Business Manager, to discuss the financial auditing RFP. Kevin Moran discussed the background of prior year's audits. Each of the bids were evaluated by the PMLP Evaluation Committee with a maximum total allowable score of 200 points; 50 points were allotted to the following categories: quality of proposal and audit approach; audit experience with entities similar in size and scope as PMLP; qualifications of key personnel and references; and cost. The technical evaluation resulted in Melanson Health & Company receiving the highest score in three categories.



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MOTION BY COMMISSIONER D'AMATO, SECONDED BY COMMISSIONER AYLWARD AND VOTED WITH COMMISSIONERS D'AMATO, BONFANTI, AYLWARD AND PARAS VOTING AFFIRMATIVELY AND COMMISSIONER WHEATLEY VOTING PRESENT (4-0):

- 15-61** MOVE TO ACCEPT THE RECOMMENDATION FROM STAFF TO AUTHORIZE THE MANAGER TO ENTER INTO A CONTRACT WITH MELANSON HEALTH TO CONDUCT THE AUDIT OF THE FINANCIAL ACCOUNTS AND RECORDS FOR THE YEARS ENDING DECEMBER 31, 2015, 2016 AND 2017 AND ONE ADDITIONAL YEAR OF 2018. THE TOTAL AMOUNT FOR THE THREE YEAR CONTRACT IS \$57,000.

There was discussion about the optional one year. Commissioner Wheatley made a motion to amend the motion to remove the one year optional contingency but there was no second.

- **ARCHITECTURAL / ENGINEERING SERVICES**—Manager Trueira deferred to Kevin Moran, Business Manager, to discuss the architectural/engineering design services. Kevin stated that PMLP recognized the need to renovate the customer service area with the intention to increase the operational efficiencies as well as provide additional security features. The design of a new customer area will maximize use of the area for customer reception, payments, and collection activities services. The preliminary design was to include: redesign the lobby area by adding additional secured customer service windows, along with the telephone operator area to a secure design and redesign the two existing internal customer services offices. PMLP posted the bid package via Salem News, Dodge Report as well as notifying potential Bidders. A single bid was received by Allen Lieb Architects. The bid proposal was evaluated by the PMLP Evaluation Committee. After initial review, it was determined that the cost included in the bid proposal was considerably higher than estimated.

MOTION BY COMMISSIONER WHEATLEY, SECONDED BY COMMISSIONER AYLWARD AND VOTED UNANIMOUSLY BY ROLL CALL (5-0):

- 15-62** MOVE TO ACCEPT THE RECOMMENDATION FROM STAFF TO REJECT THE SOLE BID RECEIVED BY ALLEN LIEB ARCHITECTS & ASSOCIATES FOR THE ARCHITECTURAL/ENGINEERING DESIGN SERVICES SINCE THE COST FOR THESE SERVICES ALONE WOULD FAR EXCEED THE ESTIMATED COST FOR THE ENTIRE PROJECT.



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10. Agenda Item I: General Business

- **BERKSHIRE WIND CHECK** – Manager Trueira stated that we received a check from Berkshire Wind in the amount of \$71,925.41.
- **IT DIVISION EVALUATION** – Manager Trueira gave a background of the IT Division. Manager Trueira stated that there has been more and more need for IT support, design and maintenance. PMLP is implementing SEDC, a new telephone system, SCADA security system and AMI. With only two employees in the Division, it is time to expand the division. Manager Trueira deferred to Joe Anastasi who stated that he would like to come back before the Commission with a job description so we can start advertising. The Commission is all onboard for it and would like to see the Division expand.
- **REMARKS OF COMMISSIONERS**
- Commissioner D'Amato asks the Manager who answers the telephones. Dispatch answers 24/7 days a week. Commissioner D'Amato asked if we could get him as well as his fellow Commissioners new laminated cards with necessary contact information for staff and Commission.
- Commission Wheatley complimented the employees who participated in the kickball game.
- Commissioner Aylward wanted to thank staff for a great job on the storm this week. Commissioner Paras agreed with Commissioner Aylward on storm restoration.

MOTION BY COMMISSIONER D'AMATO, SECONDED BY COMMISSIONER BONFANTI AND UNANIMOUSLY VOTED BY ROLL CALL (5-0):

MOVE TO ADJOURN.

Chairman Paras declared the Regular portion of the Meeting of August 6, 2015 adjourned at 9:05 p.m.

A TRUE RECORD

Attest:

Thomas M. D'Amato, Secretary
Peabody Municipal Lighting Commission