



Peabody Municipal Light Plant

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PEABODY MUNICIPAL LIGHTING COMMISSION MINUTES OF REGULAR MEETING June 25, 2015

A regular meeting of the Peabody Municipal Lighting Commission was called to order on Thursday, June 25, 2015 at the Peabody Municipal Light Plant, 201 Warren Street Ext., Peabody, Massachusetts at 6:30 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.

Chairman Paras asked if there were any additions to the agenda, and Manager Trueira stated the introduction of a new employee.

1. Agenda Item A: Approval of Agenda

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

MOVE TO APPROVE THE AGENDA AS AMENDED.

Manager Trueira introduced the newly hired Temporary Meter Reader, Daniel Dunajski. He begins work on Tuesday, July 7, 2015.

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):

15-42 MOVE TO APPROVE AND RELEASE THE REGULAR MEETING MINUTES OF MAY 28, 2015.

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

15-43 MOVE TO APPROVE AND NOT RELEASE THE EXECUTIVE SESSION MINUTES OF MAY 28, 2015.



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

15-44 MOVE TO APPROVE AND RELEASE THE EXECUTIVE SESSION MINUTES OF FEBRUARY 23, 2012.

4. Agenda Item D: Appointments:

• **REMARKS OF THE GENERAL PUBLIC:**

There being none, the meeting continued.

5. Agenda Item E: Correspondence

Chairman Paras stated that there is an email from Len Roland regarding the PVMHS Auditorium Renovation Project. It shall be noted that PMLC accepts this correspondence.

6. Agenda Item F: Manager's Reports:

- **SEDC/UPN**—Manager Trueira deferred to Kevin Moran, Business Manager, for an update. Kevin explained the acceptance testing to the Commission and its importance. An issue on the testing was discovered and Business hopes to have it resolved with SEDC by July 15. Therefore, we have pushed off implementation until we get this back and fully test it. Anticipated implementation is likely in the fall, tentatively November 1 with testing and customer notifications to occur prior to that date.
- **IPSWICH RIVER SUBSTATION** – Manager Trueira deferred to Associate Electrical Engineer, Roy Simoes, who restated that the project priorities have flipped and that we will start with the Johnson Street Substation. Roy did inform the Commission that PMLP has notified the Peabody Conservation Commission liaison, Lucia DelNegro, who has been invited to visit the site. Engineering has met with the consultant along with National Grid and went through Johnson Street details. The panels are all laid out and there is a full size mock up on the engineering wall for Ipswich River. Kathryn Cox is our National Grid liaison, and Patrick Quigley, is the Project Manager, who is the same person who ran the project in the same place when NGrid reconductored all the lines a few years ago. He is very familiar with the geography and it is very wet.
- **GT1 AND GT-2 REPAIRS** –Manager Trueira deferred to Principal Engineer, Charles Orphanos, who gave an overview of both turbines. GT2 has been out of service since last fall with issues with the midframe and stator case. The reinstallation occurred last week. The turbine ran well on Friday and was back in service on Friday at 7:30 p.m. The entire process



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lasted approximately eight months. The costs for the repairs were approximately \$1.2 to \$1.3 million. PMLP is waiting for the final bill from Air New Zealand. So far, the unit seems to be running well.

- **GT1** also had a major overall last fall. A few weeks ago it had some metal chips in the alarm. It appears that it was the clutch. PMLP put it back together with the assistance of Wood Group and it was back in service Friday evening. Since then, It has five runs and 18 hours with no metal. Cost of the refurbished clutch is approximately \$15,000. However, if they cannot refurbish PMLP's old one, it will be approximately \$28,000 with the service costs of \$5,500.
- **AUTOMATED METER READING/INFRASTRUCTURE (AMI)** –Manager Trueira deferred to Manole Agouridis, Junior Electrical Engineer, to update the Commission on the AMR/AMI project. Manole stated that PMLP has made a lot of progress with the assistance of Woodard & Curran to achieve this goal. PMLP has visited several utilities with AMI such as Marblehead, Danvers, Braintree and Belmont. PMLP will have the ability to read meters remotely with this system and keep costs low and reliability high. PMLP will need to create and integrate a new network with our 26,000 meters. The RFP is forthcoming this summer. Installation of this is expected to begin in 2016. Manager Trueira stated that one of the things that we are looking at is hiring an outside company to change out all the meters. Discussions ensued about timing of this change out, possibility of having an electrician on standby to go to any service issues or old equipment that will need to be addressed immediately. Commissioner Bonfanti asked if meter installers would be working with the outside company. Manager Trueira stated that we would have our meter installers working with the outside company. The intent is not to take any work away from our employees. The reason for hiring the outside company is simply to comply with the PMLC's wishes and to get the project completed in a reasonable amount of time.
- **CENTENNIAL DRIVE (PARK) INCIDENT** – Manager Trueira deferred to Phil Rohn, Superintendent of Electric Distribution, to discuss the Centennial Drive (Park) incident. The incident occurred on June 4, 2015 with one employee going by ambulance and the other two going to hospital for observation. Distribution is seeking a proposal to assist with investigating the incident. The proposal also will ask for analysis on the overall system at Centennial Drive (Park). Commissioner Bonfanti asked if we still look at the area with the infrared camera. Manager Trueira stated yes. Phil Rohn stated that we have already made changes to the switching procedures. Commissioner Wheatley asked if someone took notes and that the investigator will have notes to make sure that he/she gets the complete and accurate account of what transpired. Distribution will be working with Engineering and Administration to evaluate the proposals and seek guidance from all.



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- **PERSONNEL:**
- **TEMPORARY METER READER** --Manager Trueira reintroduced the new temporary meter reader, Dan Dunajski, who will begin working on Tuesday, July 7, 2015.

Commissioner D'Amato arrived at 7:10 p.m.

- **ASSISTANT SUPERINTENDENT OF ELECTRIC DISTRIBUTION – METERING** – Manager Trueira stated that we have been filling this position on a temporary basis. Manager Trueira stated that this position requires someone to do specific tasks that come up a lot during each day as well as specific things with billing. This has taken a toll on Dennis and his time to pay attention to all the other aspects of his job. One consideration would be to possibly fill that position on a temporary basis. Discussions ensued regarding if we fill that position inside or outside. Manager Trueira stated that the position would best be filled on a temporary basis with someone from outside the company and explained the complication of filling this position on a temporary basis with an in-house employee. Each position would be temporary, and if Marty Bongette does return, everyone is bumped back to their prior position. Most importantly, with AMI project moving along so quickly, we are discovering this position will have a different set of skills in the short-term future. It will entail much more technical components or computer work. Commissioners Bonfanti and Wheatley both expressed their interest that an internal employee fill this position.
7. Agenda Item G: Committee Assignment / Report
- **POLICY COMMITTEE** - Chairman Paras deferred to Commissioners Wheatley and Bonfanti. Commissioner Wheatley stated that the Policy Committee reviewed the following policies/procedures in the Orientation Information & Personnel Policies as follows:
 - Orientation Information & Personnel Policies Table of Contents;
 - Work Readiness Policy;
 - Computer & Communications Equipment Policy;
 - Operational Policies & Procedures Guide Table of Contents;
 - Customer Identification & Theft Prevention Procedure; and
 - Reimbursement of Relocation Expenses – Newly Hired Employees.



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MOTION BY COMMISSIONER WHEATLEY, SECONDED BY COMMISSIONER BONFANTI AND VOTED UNANIMOUSLY (5-0):

- 15-45-** MOVE TO ACCEPT THE RECOMMENDATION FROM THE POLICY COMMITTEE TO REVISE THE WORK READINESS POLICY AS PRESENTED.

MOTION BY COMMISSIONER AYLWARD, SECONDED BY COMMISSIONER BONFANTI AND VOTED UNANIMOUSLY (5-0):

- 15-46** MOVE TO ACCEPT THE RECOMMENDATION FROM THE POLICY COMMITTEE TO REVISE THE COMPUTER & COMMUNICATION EQUIPMENT POLICY AS PRESENTED.

MOTION BY COMMISSIONER AYLWARD, SECONDED BY COMMISSIONER BONFANTI AND VOTED UNANIMOUSLY (5-0):

- 15-47-** MOVE TO ACCEPT THE RECOMMENDATION FROM THE POLICY COMMITTEE TO REVISE THE CUSTOMER IDENTIFICATION & THEFTS PREVENTION PROCEDURES AS PRESENTED.

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

- 15-48** MOVE TO ACCEPT THE RECOMMENDATION FROM THE POLICY COMMITTEE TO REVISE THE REIMBURSEMENT OF RELOCATION EXPENSES – NEW HIRED EMPLOYEES PROCEDURE AS PRESENTED.

8. Agenda Item H: Award of Bids: There were no bids this month.

9. Agenda Item I: General Business

- **APPROVAL OF 2014 FINANCIALS** –Manager Trueira stated that he is looking for approval of the 2014 financial statements. Commissioner Wheatley stated that he would like PMLP to deal with the only comment on the Management Letter regarding a one-time reconciliation item. That being said, he would make the motion:

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



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15-49 MOVE TO ACCEPT AND APPROVE THE FINANCIALS FOR THE YEAR ENDED DECEMBER 31, 2014 SUBMITTED BY MELANSON & HEATH

Manager Trueira thanked staff for their help in getting everything prepared for the approval of the financials.

- **CITY OF PEABODY PROJECT – GROUND MOUNTED SOLAR PROJECTS** -- Manager Trueira deferred to Bryan Howcroft, Senior Electrical Engineer/Power Supply Analyst, to discuss the Peabody Solar Project. Bryan explained the background of the project including partnering with a developer to install solar facilities on municipally-owned land. Numerous sites were identified that fit our criteria. The sites were toured back in 2013. In 2014, an RFP was issued for a developer who would design, permit, construct, maintain and own the Peabody solar facilities while selling 100% of the output of the sites to PMLP. The proposed solar project would be beneficial to both PMLP and the City. The City would benefit through a PILOT which has been now been negotiated with the Mayor. Now that all of the financial components of the project have been determined, Staff is recommending that PMLC allow the Manager to enter into necessary agreement with Onyx Renewables and the City of Peabody to construct solar facilities within the City.

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

15-50 MOVE TO ACCEPT THE RECOMMENDATION OF STAFF TO ALLOW THE MANAGER TO ENTER INTO THE NECESSARY AGREEMENTS WITH ONYX RENEWABLES AND THE CITY OF PEABODY TO CONSTRUCT SOLAR FACILITIES WITHIN THE CITY AND FOR THE PMLP TO PURCHASE THE ENTIRE OUTPUT OF THESE FACILITIES AT THE NEGOTIATED PRICE.

- **IT DIVISION EVALUATION** – Manager Trueira introduced Joe Anastasi to discuss the future of the Information Technology Division. Commissioner Wheatley objected to this presentation stated that this is not being properly presented before the Commission. Commissioner Wheatley wanted it removed from the agenda and brought back at the next meeting.
- **OTHER POST-EMPLOYMENT BENEFITS (OPEB)** – Manager Trueira deferred to Kevin Moran, Business Manager, to present an overview of OPEB. OPEB refers to certain benefits received by an employee when he or she begins retirement including health and life insurance



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premiums as well as deferred compensation, but not including pension benefits. PMLP currently covers current obligation to provide retiree health care on a pay-as-you-go model funded from our annual operating budget. PMLP recognizes that we must develop a strategic plan to intelligently control and manage our future OPEB liability so we can protect our retirees continued health care as well as PMLP's fiscal health. Kevin stated that pension benefits are required to be prefunded for future payments by contributions from the City and their eligible employees. A discussion ensued about the GASB ruling and that prefunding the OPEB liability is not a requirement for PMLP. However, the OPEB liability must be recognized for financial reporting. PMLP recognized this and wanted to begin the process to establish a funding schedule. PMLP, along with the City of Peabody, engaged Sherman Actuarial Services to perform a city-wide actuarial valuation of their OPEB program. Dan Sherman created the Other Post-Employment Benefits Plan Actuarial Valuation Report. PMLC accepted the provisions and voted to establish the OPEB Liability Trust Fund back in November, which will provide for future payments. MMWEC was appointed to act as the custodian of the Trust. PMLP then engaged Sherman Actuarial Services to perform a specific actuarial valuation of our OPEB. The main purpose was to gain a current understanding of our position and to determine a 20 year payment schedule for OPEB for PMLP employees only.

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

- 15-51** MOVE TO ACCEPT THE RECOMMENDATION OF STAFF TO ALLOW THE MANAGER TO TRANSFER \$1,500,000 FROM THE UNRESTRICTED CASH ACCOUNT INTO THE PMLP OPEB LIABILITY TRUST FUND AND TO ADOPT THE 20-YEAR LEVEL OPEB FUNDING SCHEDULE AS PREPARED BY SHERMAN ACTUARIAL SERVICES.



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- **MID-YEAR BUDGET REPORT** – Manager Trueira is asking the PMLC if they would like a mid-year budget report as presented in previous years. Specifically, if the PMLC would like a report or a special meeting. It was decided that a report would be sufficient. Manager Trueira stated that he will have the report ready in the September timeframe.
- **TOWN OF LYNNFIELD – IN LIEU OF TAX PAYMENT** – Manager Trueira stated that last year we increased the In Lieu of Tax Payment to the Town of Lynnfield from \$15,000 to \$30,000. This payment still requires an annual vote from the PMLC.

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

15-52 TO AUTHORIZE THE MANAGER TO MAKE AN IN LIEU OF TAX PAYMENT TO THE TOWN OF LYNNFIELD IN THE AMOUNT OF \$30,000.

- **PP&FCA** – Manager Trueira deferred to Bryan Howcroft, Senior Electrical Engineer, who stated that it looks like the third quarter should be pretty flat.
- **NATIONAL GRID** – A check in the amount of \$51,627.47 was received from National Grid regarding April 2015 transmission network services.
- **REMARKS OF COMMISSIONERS**
- Commissioner D'Amato wants everyone to have a safe summer.
- Commission Wheatley thanked the Policy Committee for their work on the policies.
- Commissioner Aylward wanted to make sure that City Council has been notified that PMLP has coordinated their 4th of July festivities with each ward.

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

MOVE TO ENTER INTO EXECUTIVE SESSION IN ACCORDANCE WITH CHAPTER 30A, SECTION 21(a) 2 FOR THE PURPOSE OF DISCUSSING AND CONDUCTING STRATEGY SESSIONS IN PREPARATION FOR COLLECTIVE BARGAINING SESSIONS AND RETURN TO OPEN SESSION.

Chairman Paras declared the Regular portion of the Meeting of June 25, 2015 recessed at 7:55 p.m.



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Chairman Paras called the resumed regular portion of the meeting to order at 8:25 p.m.

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

15-54 MOVE TO RATIFY MOTION 15-53 WHICH WAS APPROVED IN EXECUTIVE SESSION

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

MOVE TO ADJOURN.

Chairman Paras declared the Regular portion of the Meeting of June 25, 2015 adjourned at 8:30 p.m.

A TRUE RECORD

Attest: _____

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