



# Peabody Municipal Light Plant

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## PEABODY MUNICIPAL LIGHTING COMMISSION MINUTES OF REGULAR MEETING May 28, 2015

A regular meeting of the Peabody Municipal Lighting Commission was called to order on Thursday, May 28, 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 D'Amato, 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 no; however Commissioner Wheatley asked to remove the Release of Executive Sessions Minutes of January 27, 2011; April 28, 2011; and December 15, 2011.

1. Agenda Item A: Approval of Agenda

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

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 (5-0):

15-37 MOVE TO APPROVE AND RELEASE THE REGULAR MEETING MINUTES OF APRIL 23, 2015.

4. Agenda Item D: Appointments:

• **REMARKS OF THE GENERAL PUBLIC:**

**2014 FINANCIALS / MELANSON HEATH** – Chairman Paras deferred to Karen Snow, Melanson Heath, to present the financials for the year ended December 31, 2014. Commissioner Wheatley suggested that the Management Letter for year ended



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December 31, 2014 be presented first. Karen Snow deferred to Zackary Fentross, senior auditor, to discuss the Management Letter. Zackary spoke about last year's recommendation of a one-time write off of old reconciling items that are being carried forward on cash reconciliation with the City. Zachary stated that PMLP and the City have been working on developing a write off strategy. This should be complete by calendar year 2015. Zachary spoke about this year's recommendation to formally communicate ongoing financial risk assessment processes and controls to the Peabody Municipal Lighting Commission. Zachary stated that the Business Office intends to formally communicate its ongoing financial risk assessment process and controls to the PMLC. This will help to ensure that Commission members understand the overall risk assess, mitigate and monitor financial and other risks. Management agrees and will take appropriate action to improve this. Zachary asked if there were any comments and then deferred to Karen Snow, Audit Manager, Melanson Heath.

Karen Snow stated that the field work went very well and fairly quickly. Karen Snow then gave a background of internal controls over reporting for the basis of the financial statements. Karen Snow discussed the auditor's report on pages 1 through 3 which was a clean audit. She moved on to Management's Discussion and Analysis which includes an overview of the financial statements. Karen then briefly spoke about the statement of net position which is comprised of Assets, Liabilities, and Net Position. She explained the Statement of Revenue, Expenses and Changes in Net Position page. This summarizes PMLP operating results and how much, if any, profit was earned. There were discussions specific to Restricted Cash as well as the Other-Post Employment Benefits. Specifically this funding should be reported on an accrual basis rather a pay-as-you-go benefit. Karen apprised the Commission of GASB # 68 which will require us, in 2015, to show the total amount of our pension obligations as a liability. This will have the effect of showing a large decrease in our net worth and earnings for the 2015 fiscal year. Our financial situation will not have changed, but it will be expressed differently, starting in 2015. We wanted to make the Commission aware of this effect ahead of time. Further discussions ensued regarding operating revenue and increasing our depreciation because of our expected future capital outlays. The DPU accepted our request so it is 4% in 2014; 5% in 2015. Discussions ensued about the cost of the Ipswich River substation project and PMLP developing options so as to not borrow money to fund this project. Karen Snow thanked the PMLP staff specifically Kevin Moran and Sharon Glavin, who both did a great job.



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## 5. Agenda Item E: Correspondence

There being none, the meeting continued.

## 6. Agenda Item F: Manager's Reports:

- **SEDC/UPN**—Manager Trueira deferred to Kevin Moran, Business Manager, for an update. Kevin stated that Business and Administration have been working diligently with SEDC. Kevin stated that the implementation date is not going to be June 1. Kevin stated that acceptance testing is being done. Kevin explained the importance of acceptance testing—verifying bottom line number; data every month. A discussion ensued about how it is transmitted and Kevin stated via computer to computer. The database is fully backed up in Atlanta. Kevin informed the Commission that we are moving forward. Discussions regarding a disaster plan and Kevin stated again that everything will be backed up here as well as with SEDC.
- **IPSWICH RIVER SUBSTATION** – Manager Trueira informed the Commission on the project. The project is going to flip and start with Johnson Street Substation. The flip in the project allows us to keep working on the project while National Grid works on the permitting issues at the new Ipswich River Substation site. It allows PMLP to get equipment specifications. Johnson Street work can be done over the summer with soil borings.
- **GT-2 REPAIRS** –Manager Trueira spoke about the repairs for the high pressure turbine and low pressure turbine. The repair work was sent to Air New Zealand. The high pressure turbine and low pressure turbines were returned. Engineering is reassembling the high and low pressure turbines and discovered two more major pieces of equipment in need of repair. The turbine midframe liner and LPT stator case. Those parts have been out for repair to Ohip and New Zealand respectively. Manager Trueira spoke about MMWEC being able to replace our obligation in the Locational Forward Reserve Market so PMLP is not incurring any penalties.
- **AUTOMATED METER READING/INFRASTRUCTURE (AMI)** –Manager Trueira stated that the AMI team has visited Danvers, Marblehead, Belmont, Braintree and Central Maine & Power to see the systems each of those municipals has in place. Engineering is working with Woodward & Curran to finalize the business case and work on RFP. Engineering expects to have a draft of the RFP shortly.
- **LED STREET LIGHT PILOT PROGRAM** – Manager Trueira deferred to Roy Simoes, Principal Engineer, to discuss the LED street light program. Roy informed the Commission about the two different sizes--100 watt and 250 watt. Roy explained that the LED lighting has a long life at approximately 19 to 20 years. Discussions ensued about how many fixtures, the savings both from the longer-life of the bulb as well as less replacements of the bulbs.



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Discussion about putting a survey on our website explaining to customer where the LED lights are located as well as soliciting feedback from ratepayers.

## 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 Operational Policies and Procedures Guide as follows:
  - Procedural Rules and Regulations was reviewed as of May 28, 2015;
  - Notification Procedure Relative to Tenant Request for Disconnection During Winter Months (wording Policy to Procedure);
  - Deposit Policy changing to Deposit Procedure;
  - Commercial and Industrial Service Connection Policy changing to Procedure;
  - Underground Construction Procedure
  - McCarthy Auditorium / Meeting Policy and Application changing to Procedure;
  - Open Meeting Law & Guide (last updated 3/18/15); and
  - Net Metering Policy & Application changing to Net Metering Procedure & Application.

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

- 15-38** MOVE TO ACCEPT THE COMMUNICATION FROM THE POLICY COMMITTEE TO REVISE THE POLICIES INCLUDING THE ADDITION OF THE WORD PROCEDURE IN THE OPERATIONAL POLICIES AND PROCEDURES GUIDE AS REFLECTED ON THE TABLE OF CONTENTS AS OF MAY 28, 2015.

Commissioner Wheatley thanked Kristina Frizzell, Assistant Manager, and Jennifer Santoro, Community Relations Manager, on a great job in moving the policies along. It will be two books and instructions to the two books will occur shortly. It was noted that the Commission would like an email with both books.

## 8. Agenda Item H: Award of Bids

- **POWER LINE CLEARANCE (TREE TRIMMING) SERVICE** – Manager Trueira deferred to Dennis Ahlin, Assistant Superintendent of Electric Distribution Safety, to review the line clearance (tree trimming service). The existing line clearance contract with Mayer Tree expired on March 31, 2015. Requests for bids for a two year contract were sent to thirteen





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line clearance contractors as well as being advertised in the Dodge Report and Salem News. Three bids and one no bid were received. Three bids were received from Asplundh, Mayer and Northern Tree with prices from \$742, \$840 and \$1,160 per day respectively. The two lowest bidders were incomplete compliance with the specifications and terms and conditions. Distribution stated that the vendors are experienced tree contractors with good reputation although PMLP has no experience with Northern Tree. It was noted that Northern Tree did not include the required Certificate of Non-Collusion so their bid was deemed not to be in complete compliance.

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

15-39 MOVE TO ACCEPT THE RECOMMENDATION OF STAFF TO AUTHORIZE THE MANAGER TO ENTER A TWO YEAR CONTRACT WITH ASPLUNDH TREE EXPERT COMPANY FOR THE PERFORMANCE OF LINE CLEARANCE SERVICES FOR A PERIOD OF TWO YEARS AT A COST OF \$742 PER DAY IN YEAR ONE AND \$753.12 A DAY FOR YEAR TWO.

- **ONE NEW VENTILATION SYSTEM** – Manager Trueira deferred to Dennis Ahlin, Assistant Superintendent of Distribution – Safety, to discuss the ventilation system. Distribution solicited assistance with the City of Peabody, Building Inspectors' office, and jointly determined that a set of engineering plans would be required for this installation. Distribution contracted VAV International to assist with the development of these plans. Dennis informed the Commission that Distribution solicited the help of the City of Peabody Purchasing Agent for compliance with Massachusetts General Laws. Distribution created Action Plan D13 with a budget amount of \$45,000 to install a ventilation system in the mechanic's garage to remove harmful exhaust fumes. The bid packages were sent to five vendors as well as published in the Salem News, Dodge Reports, Central Register and the PMLP website. Three bids were received. Two complete bids and one bid that was incomplete and did not fulfill the requirements. The bidders were Air Cleaning Specialists of New England for a cost of \$63,528 and Ambient Temperature Corporation for a cost of \$80,000. The Attorney General's office received a bid protest by Murphy Specialty Inc., a ventilation system vendor, who did not bid the project. The bases of the protest were uses an exceptions type YES/NO bid method and does not include 10 hour OSHA language as required by MGL 149, Section 44. In addition to the protest, the lowest bidder neglected to submit a bid bond with their bid



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and their bid would have been rejected on that basis. The second bidder was considerably higher than budgeted. So after speaking with the Attorney General's office, it is in our best interest to reject all bids and go back out to bid when we have resolved the issues brought forward. Therefore, staff recommends that PMLC reject all bids.

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

15-40 MOVE TO REJECT ALL BIDS FOR THE INSTALLATION OF A VENTILATION SYSTEM FOR THE MECHANICS AREA IN THE GARAGE.

## 9. Agenda Item I: General Business

- **DOWNTOWN PEABODY PROJECT** – Manager Trueira deferred to Roy Simoes, Associate Electrical Engineer, to discuss the installation of power pedestals along Main Street. PMLP would provide the cable and labor required to interconnect and power the city-furnished power pedestals. Roy gave an overview stating that the International Festival was moved to the Main Street corridor. The City intends to keep hosting the festival at this location. The actual annual cost of labor and materials to set up and breakdown the temporary panels for this event is roughly \$14,000. The City had to rent four generators to provide the necessary power in 2014. The proposed solution which is mutually agreeable to both the City and PMLP is to install permanent power pedestals, similar to those that exist at Leather City Common and along Lowell Street nearing downtown. The proposed pedestals would be installed along Main Street using a conduit system that is already in place. The City would provide the proposed pedestals and interconnect them to the existing conduit system. PMLP would then provide and install the electrical cable to power up the pedestals and make connections as required. PMLP anticipates its share of the cost to be approximately \$28,000 which would in turn have a two-year payback. The City's cost to purchase and install the pedestals for this project is expected to exceed \$30,000.



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MOTION BY COMMISSIONER D'AMATO, SECONDED BY COMMISSIONER WHEATLEY AND VOTED WITH COMMISSIONERS D'AMATO, WHEATLEY, BONFANTI AND PARAS VOTING AFFIRMATIVELY AND COMMISSIONER AWYLARD VOTING NEGATIVELY BY ROLL CALL (4-1):

**15-41** MOVE TO CONTRIBUTE LABOR AND MATERIALS TO THE CITY OF PEABODY AS A GIFT WITH AN APPROXIMATE VALUE OF \$28,000 TO SATISFY THE INSTALLATION OF THE PEDESTALS IN THE CONDUIT SYSTEM FOR THE DOWNTOWN PROJECT.

• **REMARKS OF COMMISSIONERS**

- Commissioner D'Amato suggested that the Peabody Municipal Light Plant have a booth at the International Festival.

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.

Chairman Paras declared the Regular portion of the Meeting of May 28, 2015 adjourned at 8:55 p.m.

A TRUE RECORD

Attest: \_\_\_\_\_

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