



# Peabody Municipal Light Plant

Community Owned. Not for profit. It's Ours.

## PEABODY MUNICIPAL LIGHTING COMMISSION MINUTES OF REGULAR MEETING May 26, 2016

A regular meeting of the Peabody Municipal Lighting Commission was called to order on Thursday, May 26, at the Peabody Municipal Light Plant, 201 Warren Street Ext., Peabody, Massachusetts at 6:30 p.m.

Present for the meeting were Chairman Wheatley and Commissioners William Aylward, Charles Bonfanti, and Manager Glenn Trueira, Attorney Philip Durkin and Recording Secretary, Barbara Previte.

The Chairman stated that he had 1 amendment to the agenda, under "Correspondence", to have the PMLC receive a letter sent to him regarding a bill dispute.

1. Agenda Item A: Approval of Amended Agenda:

MOTION BY COMMISSIONER AYLWARD, SECONDED BY COMMISSIONER BONFANTI AND UNANIMOUSLY VOTED (3-0):

MOVE TO APPROVE THE AGENDA AS AMENDED.

2. Agenda Item B: Announcement:

Chairman Wheatley 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 AYLWARD, SECONDED BY COMMISSIONER BONFANTI AND VOTED UNANIMOUSLY (3-0):

**16-41** MOVE TO APPROVE THE REGULAR MEETING MINUTES OF APRIL 28, 2016.

MOTION BY COMMISSIONER AYLWARD, SECONDED BY COMMISSIONER BONFANTI AND VOTED UNANIMOUSLY (3-0):

**16-42** MOVE TO APPROVE AND NOT RELEASE THE EXECUTIVE SESSION MINUTES OF APRIL 28, 2016.

4. Agenda Item D: Appointments:

**REMARKS OF THE GENERAL PUBLIC:** Chairman Wheatley stated that this commission meeting will be dedicated to Kevin Moran so it will be called the Kevin Moran Commission Meeting.

- **2015 FINANCIALS / MELANSON HEATH** – Chairman Wheatley introduced Zachary Fentross, Melanson Heath to present the financials for the year ended December 31,



# Peabody Municipal Light Plant

Community Owned. Not for profit. It's Ours.

Minutes of PMLC

May 26, 2016

Page 2

2015. Zachary Fentross discussed the Management Letter. He discussed the status of last year's recommendation to consider a one-time write off to address a discrepancy regarding the cash reconciliation with the City of Peabody. Management and the City of Peabody have worked together to identify and resolve this issue. Management expects a one-time write-off transaction will occur in 2016. The second issue is formally communicating ongoing financial risk assessment process and controls to the Peabody Municipal Lighting Commission. Management stated that because the implementation of the new customer information and billing system occurred so late into the year, there was not adequate time to finalize the financial risk assessment documentation in 2015. Lastly, the auditors recommend a formal procedure requiring the monthly cash reconciliation to the City. Business and Administration will develop a defined two-way approval process.

Tom D'Amato arrived at 6:40 p.m.

- Zachary Fentross mentioned that in previous years the reporting of the financial statements were on a comparative basis; however this year it is presented on a single year basis due to a major accounting revision. Next year PMLP intends to report them on a comparative basis. This change in reporting for this year only was a recommendation of American Institute of Certified Public Accountants. This is because of the new reporting of the company's "Net Pension Liability" on the balance sheet of the financial statements. A short discussion ensued concerning net income and the PPF&CA adjustment of (\$440,664) where Zachery explained that PMLP under billed customers and the higher than usual funds being allocated to the Capital Depreciation Fund.. Chairman Wheatley asked specifically about the remaining \$300,000 loss after these anomalies are taken into account. Zachery Fentross and Manager Trueira will report back. Zachery Fentross thanked the PMLP staff and especially Kevin Moran and Sharon Glavin, who both do a great job.

**MOTION BY COMMISSIONER D'AMATO, SECONDED BY AYLWARD AND VOTED UNANIMOUSLY BY ROLL CALL (4-0):**

**16-43 MOVE TO ACCEPT AND APPROVE THE FINANCIALS FOR THE YEAR ENDED DECEMBER 31, 2015 SUBMITTED BY MELANSON HEATH**

## 5. Agenda Item E: Correspondence

Chairman Wheatley stated that he received correspondence from the owner at of a condominium at # 7 Park Street regarding a dispute of their bill. Chairman Wheatley stated that he would give a copy of the correspondence to the Commission for further discussion at a later time.



# Peabody Municipal Light Plant

Community Owned. Not for profit. It's Ours.

Minutes of PMLC  
May 26, 2016  
Page 3

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

- **AMI UPDATE** – Phil Rohn, Superintendent of Electric Distribution, gave an update on behalf of Emmanuel Agouridis, Assistant Superintendent of Electric Distribution / Metering, on AMI. Manole and his wife recently had a baby girl, and Manole would not be available to attend this meeting. Phil stated that the Landis & Gyr contract, AMI vendor, should be complete within the next couple of week. The AMI team is still working on the Wellington contract changes or the meter exchange services. Phil also mentioned that the AMI team will be working to extend our relationship with our consultants, Modern Grid Partners. And lastly, Jennifer Santoro, Community Relations, will be working with the AMI team on the outreach program and Manole will be finalizing the Opt-Policy for the PMLC's review.
- **IPSWICH RIVER/JOHNSON STREET SUBSTATION** – Manager Trueira deferred to Roy Simoes, Associate Electrical Engineer, who stated that we are well underway at the Johnson Street Substation and there is no turning back. Demolition has started. The circuit breakers will be moving on to the pads next week. Ryan, our General Contractor, has been performing well for us. The substation should be on line during the second week of July. The control panels have also arrived. With regards to the Ipswich River Project, we are working on the environmental permitting process. Brian Abcunas, Senior Electrical Engineer, is meeting with an archeologist because they believe that there could be indian artifacts to check the site. National Grid has order the steel towers which are 80 to 100 feet tall. Commissioner D'Amato asked about taking a tour at Johnson Street and Roy would welcome any and all Commissioners.
- **GT-2 REPAIRS**– Manager Trueira deferred to Tim Hennessy, Principal Electrical Engineer – Operations, to discuss the status of GT-2. Tim stated that the switchgear has arrived. Engineering is working on the specifications to install the switchgear and should be coming before the PMLC shortly for a general contractor. The contractor and bid specifications will be advertised next week. Engineering is anticipating the work to be performed in August. The testing and Commissioning will be late September or early October. The new fire alarm system as well as the new air conditions system replacements are going well and should be in place in June.

## 7. Agenda Item G: Committee Reports

- **POLICY COMMITTEE** -- Chairman Wheatley stated that he is looking for a motion from the Commission for the two policy books. This will be discussed under General Business.

Chairman Wheatley stated that the Leave Policy still needs to be revised but at this point all of the remaining policies have been reviewed and approved.

Chairman Wheatley also stated that the Policy Committee can be removed from the agenda going forward.



# Peabody Municipal Light Plant

Community Owned. Not for profit. It's Ours.

Minutes of PMLC  
May 26, 2016  
Page 4

- **125 ANNIVERSARY** – Manager Trueira deferred to Jennifer Santoro, Community Relations, to update the Commission. Jennifer distributed a schedule of 125 Anniversary/PMLP events. Jennifer spoke about PMLP's participation in Lynnfield Town Day, May 21, 2016, and felt it went well. Jenn reminded the Commission about the Senior Citizen Concert on Friday at 10:00 a.m. at the High School. She also reminded the Commission about the Science Fair Awards Ceremony on Wednesday, June 1, 2016. Lastly, Jenn announced that the banner is going up at City Hall. Jenn reviewed the upcoming events that PMLP will be participating in such as International Festival, Bulb Sale, the City Parade and Christmas Party.

## 8. Agenda Item H: Award of Bids

- **AIR BREAK SWITCHES** -- Manager Trueira deferred to Kevin Moran, Business Manager, to present the Air Break Switches bid. Kevin explained that PMLP has identified the need to purchase these to ensure that there is adequate inventory to support ongoing projects as well as unscheduled emergencies. The bids were sent to potential bidders, posted on the PMLP website, and advertised in the Salem News as well as the Dodge Report. The PMLP Engineering Division reviewed all of the submitted bids for compliance to the technical specifications. The Business Division reviewed the bids for terms and conditions and concluded that the bids submitted are in compliant with all specifications. It is recommended that PMLP purchase up to twelves air break switches.

MOTION BY COMMISSIONER AYLWARD, SECONDED BY COMMISSIONER D'AMATO AND VOTED UNANIMOUSLY BY ROLL CALL (4-0):

- **16-44** MOVE TO ACCEPT THE RECOMMENDATION OF STAFF AND HAVE THE MANAGER ENTER INTO A CONTRACT WITH GRAYBAR ELECTRIC FOR THE PURCHASE OF UP TO TWELVES (12) AIR BREAK SWITCHES FOR A TOTAL AMOUNT OF \$37,068.

## 9. Agenda Item I: General Business

- **REAFFIRMATION OF PMLP POLICIES** – Manager Trueira deferred to Chairman Wheatley. Chairman Wheatley stated that the Policy Committee has completed their review and is seeking affirmation of the policies.

MOTION BY COMMISSIONER D'AMATO, SECONDED BY AYLWARD AND VOTED UNANIMOUSLY BY ROLL CALL (4-0):

- **16-45** MOVE TO REAFFIRM, ACCEPT AND APPROVE, THE OPERATIONAL POLICIES AND PROCEDURES GUIDE AND ORIENTATION INFORMATION AND PERSONNEL POLICIES BOOKS AS AMENDED.



# Peabody Municipal Light Plant

Community Owned. Not for profit. It's Ours.

Minutes of PMLC  
May 26, 2016  
Page 5

- **ANNUAL OPEB (OTHER POST-EMPLOYMENT BENEFITS) CONTRIBUTION** – Manager Trueira deferred to Business Manager, Kevin Moran, to present the information brief to request the authorization for a transfer of funds from the Unrestricted Cash account into the PMLP OPEB Liability Trust Fund. OPEB refers to benefits received by an employee when he or she begins retirement, including health care and life insurance premiums, and deferred compensation. Kevin Moran reminded the Commission that a vote was taken in November 2014 to establish the PMLP OPEB Liability Trust Fund. Kevin Moran stated that two payments were already made in the amount of \$1,500,000 each for a total of \$3,000,000 from the Unrestricted Cash account into the PMLP OPEB Liability Trust Fund which is managed by MMWEC, the fund's trustee. Kevin stated that now is the time for the PMLP to make our first annual payment into the fund according to the 20 Year OPEB Funding Schedule that was previously adopted by the PMLC.

MOTION BY COMMISSIONER D'AMATO, SECONDED BY COMMISSIONER AYLWARD AND VOTED UNANIMOUSLY BY ROLL CALL (4-0):

- **16-46** MOVE TO ACCEPT THE RECOMMENDATION OF STAFF AND HAVE THE MANAGER TRANSFER AN AMOUNT OF \$507,066 FROM THE UNRESTRICTED CASH ACCOUNT INTO THE PMLP OPEB LIABILITY TRUST FUND.
- **MMWEC – DESIGNATION OF NYPA RECIPIENT VOTING REPRESENTATIVE AND ALTERNATE** – Manager Trueira stated that at last month's meeting the Commission voted to appoint Chairman Wheatley as the voting alternate for NYPA. MMWEC informed PMLP that the voting representative has to be an employee, therefore, PMLC needs to rescind the motion and take another vote.

MOTION BY COMMISSIONER D'AMATO, SECONDED BY COMMISSIONER AYLWARD AND VOTED UNANIMOUSLY BY ROLL CALL (4-0):

- **16-47** MOVE TO RESCIND MOTION #16-40 TAKEN AS THE APRIL 28, 2016 MEETING AS FOLLOWS:

That the NYPA Recipient of Peabody, pursuant to Section 5.1.4 of the Agency Agreement between the Massachusetts Department of Telecommunications and Energy (MDTE) and the Massachusetts Municipal Wholesale Electric Company (MMWEC), hereby designates Glenn Trueira, an employee of the Peabody Municipal Light Plant as its Designated Voting Representative on the NYPA Recipients' Committee, to vote and execute written instruments or proxy vote, on its behalf relative to the reviewing of administrative reports, and



# Peabody Municipal Light Plant

**Community Owned. Not for profit. It's Ours.**

Minutes of PMLC  
May 26, 2016  
Page 6

reports of current issues and/or proposed litigation, to elect the Executive Committee, stand for election as a member of the Executive Committee and to serve, if elected, and to discuss and take any other actions on behalf of the NYPA Project Power Recipient cities and towns as may be described in the Agency Agreement and to make appropriate recommendations on issues affecting the delivery of Project Power to the MDTE and/or MMWEC; and

That Robert Wheatley, Chairman of the Peabody Municipal Lighting Commission, hereby designated as an Alternate Designated Voting Representative for Peabody, who shall, in the absence of the Designated Voting Representative, have all the power conferred upon the Designated Voting Representative except those additional powers conferred (if any) related to serving as a member of the Executive Committee.

The Manager recommended that Bryan Howcroft be the designated voting representative.

**MOTION BY COMMISSIONER D'AMATO, SECONDED BY COMMISSIONER AYLWARD AND VOTED UNANIMOUSLY BY ROLL CALL (4-0):**

**16-48**

That the NYPA Recipient of Peabody, pursuant to Section 5.1.4 of the Agency Agreement between the Massachusetts Department of Telecommunications and Energy (MDTE) and the Massachusetts Municipal Wholesale Electric Company (MMWEC), hereby designates Glenn Trueira, an employee of the Peabody Municipal Light Plant as its Designated Voting Representative on the NYPA Recipients' Committee, to vote and execute written instruments or proxy vote, on its behalf relative to the reviewing of administrative reports, and reports of current issues and/or proposed litigation, to elect the Executive Committee, stand for election as a member of the Executive Committee and to serve, if elected, and to discuss and take any other actions on behalf of the NYPA Project Power Recipient cities and towns as may be described in the Agency Agreement and to make appropriate recommendations on issues affecting the delivery of Project Power to the MDTE and/or MMWEC; and

That Bryan Howcroft, Principal Electrical Engineer, Energy Services of the Peabody Municipal Light Plant, hereby designated as an Alternate



# Peabody Municipal Light Plant

Community Owned. Not for profit. It's Ours.

Minutes of PMLC  
May 26, 2016  
Page 7

Designated Voting Representative for Peabody, who shall, in the absence of the Designated Voting Representative, have all the power conferred upon the Designated Voting Representative except those additional powers conferred (if any) related to serving as a member of the Executive Committee.

- **REMARKS OF COMMISSION**

- Commissioner Bonfanti, Aylward, D'Amato and Wheatley expressed their sincere thanks to Business Manager, Kevin Moran, and appreciate his dedication and service to PMLP. The Commission agreed that it would be hard to replace him.

MOTION BY COMMISSIONER D'AMATO, SECONDED BY COMMISSIONER AYLWARD AND UNANIMOUSLY VOTED BY ROLL CALL (4-0):

MOVE TO ENTER INTO EXECUTIVE SESSION IN ACCORDANCE WITH CHAPTER 30A, SECTION 21(a) TO DISCUSS COMPETITIVELY SENSITIVE INFORMATION.

Chairman Wheatley declared the Regular portion of the Meeting of May 26, 2016 adjourned at 7:30 p.m.

A TRUE RECORD

Attest:

  
William Aylward, Secretary  
Peabody Municipal Lighting Commission