



Peabody Municipal Light Plant

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PEABODY MUNICIPAL LIGHTING COMMISSION MINUTES OF REGULAR MEETING October 27, 2016

A regular meeting of the Peabody Municipal Lighting Commission was called to order on Thursday, October 27, 2016 at the Peabody Municipal Light Plant, 201 Warren Street Ext., Peabody, Massachusetts at 6:30 p.m.

Present for the meeting were Chairman Wheatley, Commissioners William Aylward, Charles Bonfanti, Thomas D'Amato and Thomas Paras along with Manager Glenn Trueira, Attorney Philip Durkin and Recording Secretary, Barbara Previte.

Chairman Wheatley asked if there were any additions to the agenda, and Manager Trueira recommended adding, under General Business, "Fund Transfer to MMWEC Working Capital Account".

1. Agenda Item A: Approval of Agenda:

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

MOVE TO APPROVE THE AGENDA AS AMENDED

Manager Trueira introduced the new employees. Karen Republic, Business Manager, and Rosa Rescigno, telephone operator have joined the PMLP team. The Commission wishes them the best of luck. Manager Trueira also mentioned that our newest Lineman/Troubleman, Tim Fallon, was here for the meeting, but was called away on a trouble call. He will stop in if he returns to the building before the meeting is over.

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

16-69 MOVE TO APPROVE THE REGULAR MEETING MINUTES OF SEPTEMBER 22, 2016.

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

16-70 MOVE TO APPROVE AND NOT RELEASE THE EXECUTIVE SESSION MINUTES OF SEPTEMBER 22, 2016.



Peabody Municipal Light Plant

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

Minutes of Regular PMLC

October 27, 2016

Page 2

4. Agenda Item D: Appointments:

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

5. Agenda Item E: Correspondence

- **PEABODY VETERANS' COUNCIL** – Chairman Wheatley stated that he is in receipt of an invitation for the Commission to participate in the Veterans' Day ceremony on Friday, November 11, 2016 at 11:00 a.m. to honor all those who served. There will be a collation held inside the City Hall Wiggin Auditorium between 8:30 and 10:30 a.m. prior to the ceremony in front of the WWI, WWII, Korean and Vietnam monuments on the City Hall lawn.

6. Agenda Item F: Manager's Reports:

- **AMI UPDATE** – Manole Agouridis, Assistant Superintendent of Electric Distribution, Metering, reviewed the project schedule. Manole stated that Will Cardello, Junior Electrical Engineer, will be assisting him with the AMI project as the Assistant Project Manager. Manole then spoke about the project schedule. The pre-kickoff meeting with Landis & Gyr (L&G) took place on October 19, 2016. The Command Center Activated (AMI software) is scheduled for the week of October 24, 2016. The 60 day notification letter to our customers is expected to be sent out October 31, 2016. Arrival of the first article meters is expected the week of November 7, 2016. The arrival of the network equipment should also be the week of November 7, 2016. The arrival of the meter maintenance tools should be the week of November 7, 2016. The First Article Meters is the process in which the meters are evaluated and once PMLP is satisfied, PMLP will direct L&G to start production of the meters. Once all of the above is in place the meter exchange will start. Tesco testing should occur during the weeks of November 14 and 21, 2016. The kickoff meeting (all vendors) will be the week of November 14, 2016. Network training will be November 15-17, 2016. This training will be with IT staff, Will Cardello and Manole. First Article Meters are anticipated to be approved by November 21, 2016. Command Center Training will be the week of November 29-December 1, 2016. The Opt-Out Policy DPU approval will be December 1, 2016. We intend to send out first batch of 30 day letters the week of December 5, 2016. Arrival of first shipment of meters will be the week of December 19, 2016. Acceptance testing of the meters begins the week of December 19, 2016 and meter acceptance approval by January 2, 2017. The Meter Exchange starts January 9, 2017. Manole then spoke about hiring a temporary clerk of the works who will be responsible for the day-to-day operations of the project. Manole also mentioned that an electrical contractor would also be on site with the deployment. Commissioner D'Amato requested a copy of the letters to customers be sent to the Commission.
- **IPSWICH RIVER/JOHNSON STREET SUBSTATION** – Manager Trueira deferred to Roy Simoes, Associate Electrical Engineer, who stated that we are waiting for the environmental permitting process to be completed. He will be working with our environmental consultant, Epsilon to address any concerns with the DEP regarding water quality, and the Peabody Conservation



Peabody Municipal Light Plant

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

Minutes of Regular PMLC

October 27, 2016

Page 3

Commission as well as the Army Corp of Engineers. This process is moving along, but slowly. Chairman Wheatley asked about the signage at Johnson Street. Chairman Wheatley recalls that the Commission had approved certain signage standards in the past, which included the sign language in both English and Spanish. Roy stated the signage is the same as before the Johnson St. Switching Project, but he would have Chuck Orphanos look into it to make sure that all of the necessary signs are in place and that the standards are being up held.

- **GT #2 REPAIRS** –Manager Trueira deferred to Bryan Howcroft, Principal Engineer, to update the Commission on the repairs at GT #2. Bryan stated that McDonald Electric has completed 95% of their work which is the replacement of equipment. They have installed replacement cubicles, relays and circuit breakers. Engineering is hiring a testing company prior to putting the turbine back online and will also bring in various experts over the next month or so to check every aspect of the unit in order to get back to normal operation again some time in December.
- **GT #3** – Manager Trueira deferred to Bryan Howcroft, Principal Engineer, to discuss the status of the potential new Waters River generator, GT#3. MMWEC and PMLP have been informed by the City Solicitor that a special permit will not be required and the City has accepted the PILOT proposed by MMWEC and PMLP. MMWEC submitted an Interconnection and System Impact Study several months ago and it is being reviewed by National Grid and ISO-NE. National Grid is on board with our plan. The final review by ISO-NE should be November 15th. MMWEC is now in the process of trying to secure a gas contract to service the new generator. National Grid, who supplies gas to the existing turbines, had said that they won't be supplying gas to the new turbine under the same terms. Therefore, MMWEC is working on seeking out the best alternate deal and drafting a Memorandum of Understanding regarding the terms. Environmental permitting is well underway. As part of that process we had to submit documentation to MEPA. They are a group that reviews projects and their potential impact to the environment and the community and then dictates whether further review and permitting restrictions are necessary. MEPA decided that the project didn't have a significant impact to the environment or community. DEP talks are underway regarding the air permit process. A wetlands scientist was on site to determine if the project has any wetlands impacts. MMWEC and PMLP will soon be working on an Operating Agreement. Two pre-bid meetings with possible turbine suppliers were very well attended with approximately 30-35 people. The bid documents have been advertised and the bid opening is next Friday. The next deadline is February 6, 2017 with the Forward Capacity Auction. At that time we will need a firm decision on whether or not to move forward. If the offer clears, we will have a



Peabody Municipal Light Plant

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

Minutes of Regular PMLC
October 27, 2016
Page 4

commitment to be online by June 1, 2020. PMLP and MMWEC are working on project costs in order to develop a bid price. MMWEC is working on drafting a Power Sales Agreement which will have to be approved by the Commission in either December or January.

7. Agenda Item G: Committee Reports

There being none, the meeting continued.

8. Agenda Item H: Award of Bids

There being none, the meeting continued.

9. Agenda Item I: General Business

- **CHRISTMAS PARTY / HOLIDAY – DECEMBER 2, 2016** - Manager Trueira deferred to Jennifer Santoro, Community Relations, to discuss the budget for the Christmas / Holiday party to be held at Spinelli's on Friday, December 2, 2016. Jenn stated that the 125 Committee wanted this to be a special event and part of our 125 year celebration. Discussions ensued regarding money in the budget from the 125 event as well as the usual budget. Manager Trueira explained that while these types of events are not always a budget item, we do budget money for this in PMLP's annu. budget. There were discussions about the menu, bartender fee, entertainment, and the down payment that was paid back in ther spring.

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

16-71 MOVE TO ACCEPT THE RECOMMENDATION OF STAFF AND RECOMMEND THAT THE MANAGER APPROPRIATE \$3,100 FOR THE 2016 CHRISTMAS/HOLIDAY PARTY TO BE HELD AT SPINELLIS ON DECEMBER 2, 2016.

- **NATIONAL GRID** – PMLP received a check in the amount of \$101,103.42 as a settlement of local transmission charges for the month of August of 2016. The money is deposited in the cash account but subtracted off of the power supply bills.
- **MMWEC TRANSFER FUNDS** – Manager Trueira explained the process of how PMLP pays our power supply bills through MMWEC. PMLP pays approximately \$4 million a month. PMLP gives MMWEC the money upfront to deposit in a working capital account. This account is like an escrow account to take care of our upcoming power supply bills. Due to changes in the ISO billing process and the recent increases in transmission and capacity charges, there is not always enough money in the account to pay all of our bills. In order for MMWEC to pay the bills on time, they have to borrow money on a line of credit to cover the deficiency, and PMLP has been paying interest charges on those loans. MMWEC called us and suggested that we put extra money in the escrow



Peabody Municipal Light Plant

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

Minutes of Regular PMLC

October 27, 2016

Page 5

and/or working capital account. MMWEC informed us that they needed an extra \$1.5 million in the account and this would eliminate any future interest charges. PMLP instructed MMWEC to send us a bill and PMLP would deposit \$1.5 million in the working capital / escrow account. The Manager said that he has already approved payment on the transfer because he didn't want the PMLP to incur any more interest charges while waiting for a PMLC Meeting and a Commission vote. The Chairman suggested that we have a vote to confirm the transfer and make it official. Manager Trueira stated that it is a one-time fee with the normal billings we should have enough money not to incur any future interest. The money would come from unrestricted cash and go to the PMLP MMWEC working capital account.

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

16-72 MOVE TO ACCEPT THE RECOMMENDATION OF THE MANAGER TO TRANSFER \$1.5 MILLION FROM THE UNRESTRICTED CASH ACCOUNT TO THE PMLP MMWEC WORKING CAPITAL ACCOUNT.

• **REMARKS OF COMMISSION**

- Commissioner Paras welcomed all the new employees and thanked the Committee and Division Managers for their work. Commissioners Bonfanti, D'Amato, and Aylward expressed the same sentiments and Chairman Wheatley welcomed the new employees.

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

MOVE TO ENTER INTO EXECUTIVE SESSION IN ACCORDANCE WITH CHAPTER 30A, SECTION 21(a) TO DISCUSS COMPETITIVELY SENSITIVE INFORMATION AND IN PREPARATION FOR THE UPCOMING COLLECTIVE BARGAINING SESSIONS.

Chairman Wheatley declared the Regular portion of the Meeting of October 27, 2016 adjourned at 7:10 p.m.

A TRUE RECORD

Attest:

A handwritten signature in blue ink, appearing to read "William Aylward", is written over a horizontal line.

William Aylward, Secretary

Peabody Municipal Lighting Commission