



Peabody Municipal Light Plant

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PEABODY MUNICIPAL LIGHTING COMMISSION MINUTES OF REGULAR MEETING APRIL 27, 2017

A regular meeting of the Peabody Municipal Lighting Commission was called to order on Thursday, April 27, 2017 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, Attorney Philip Durkin and Recording Secretary, Barbara Previte.

Chairman D'Amato asked if there were any additions to the agenda and Manager Trueira stated there were none.

1. Agenda Item A: Approval of Agenda:

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

MOVE TO APPROVE THE AGENDA.

2. Agenda Item B: Announcement:

Chairman D'Amato 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 PARAS AND VOTED UNANIMOUSLY (5-0):

17-27 MOVE TO APPROVE THE MINUTES OF MARCH 23, 2017.

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

17-28 MOVE TO APPROVE AND NOT RELEASE THE EXECUTIVE SESSION MINUTES OF MARCH 23, 2017.

4. Agenda Item D: Appointments:

- **REMARKS OF THE GENERAL PUBLIC:**
- **2016 FINANCIALS / MELANSON HEATH** -- Chairman D'Amato deferred to Manager Trueira to introduce the auditors. Zachary Fentross introduced himself as the audit manager with Melanson & Heath for Peabody Municipal Light Plant. The Commission requested that Zachary Fentross begin with the Management Letter. Zach took a minute to commend the



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plant on resolving two long-standing issues. Zach explained the two issues. The first being the cash balance discrepancy between the City of Peabody and the Peabody Municipal Light Plant resulting in the one-time write off, and the second issue was the development and informing the Commission of a financial risk assessment procedure which addresses internal controls.

Zachary further discussed the financial statement and began with discussing page 3 which is the cash reconciliation summary. He talked about GASB 74 and GASB 75 and how they relate to the OPEB. GASB 74 has to do with funding the trust and GASB 75 has to do with the liability of OPEB. Page 4 of the financials points out a change in the 2016 guidelines to reflect an update in the law and how it pertains to OPEB. Zachery suggested that a motion be made next year to reflect the change in the law on OPEB. Zach reiterated by saying overall the Peabody Municipal Light Plant is in a very good healthy position with regards to its OPEB funding. He further discussed the narrative summary on pages 4-7. Page 8 shows the Statement of Net Income for 2016 vs. 2015. Page 37 shows the funding of the OPEB. Zachary discussed that there is approximately \$3.7 million in OPEB assets. Zachary instructed the Commission to look at page 11 which references the Fiduciary Net Positions (Funds). He reiterated that the Peabody Municipal Light Plant is in a good financial position overall with a strong net income.

Zachary Fentross thanked the staff and management, specifically Sharon Glavin, Karen Repucci and Glenn Trueira and stated it is a pleasure to work with them. Commissioner Wheatley asked questions about the operating income for 2015 vs. 2016 and if PMLP over collected in the PP&FCA. The Commission decided not to vote on the 2016 Financial Statements until the May PMLC Meeting.

5. Agenda Item E: Correspondence

There being none, the meeting continued.

6. Agenda Item F: Manager's Reports:

- **AMI UPGRADE**— Manager Trueira deferred to Manole Agouridis, Assistant Superintendent of Electric Distribution / Metering who spoke about the AMI project schedule. Manole gave each Commissioner a flyer that has been placed at some homes in West Peabody urging a boycott of AMI. Manole informed the Commission that everything on the flyer/piece of paper that was placed on PMLP customers' doors had already been addressed by PMLP in both a letter as well as posted on our website entitled "FAQs". Manole continued and reviewed the project schedule. Manole explained the meter schedule and spoke specifically about the three- phase commercial meters being delayed; however, they are shipping as of today. Manole informed the Commission that we are in the 7th week of deployment and deployment is scheduled up to May 22. Approximately 11% of the single phase meters have been installed with the need for only two



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repairs by the PMLP-hired electricians, Sanibel Electric Company. Chairman D'Amato asked what RTU means. RTU stands for "Returned to Utility", and is the designation for meters that could not be installed by Wellington.

- **IPSWICH RIVER SUBSTATION** – Manager Trueira stated that the project is going well. The Environmental Permit Application is complete and will be sent to DEP sometime next week. It could take up to six months to hear back from DEP. The Ipswich River Substation Project will continue moving forward and with the project team working on the various requests for proposals for materials. The team will be coming back in front of the Commission late summer / early fall for the various equipment awards. The materials for the Ipswich River Project have a long lead time.
- **GAS PIPELINE INSPECTION** -- Manager Trueira deferred to Bryan Howcroft, Principal Electrical Engineer, for an update on the pipeline inspection project. The field work began during the week of March 27 with the gas valves on both ends of the pipe being closed. Then GT#1 was run to burn off the gas in the pipe. NEUCO was then able to cut the pipe on both ends in preparation of welding on the flanges. Welding was completed and spool pieces were installed. Testing was done the week of April 10 by TD Williamson. Multiple PIG runs with brush pigs and cleaning pigs followed by the gauging pig, then mapping PIG, deformation tool and finally the expensive PIG which detects crack-like features. All runs were performed successfully. NEUCO closed everything up, final welds were x-rayed and the line was back in service on Wednesday, April 19. TD Williamson is currently analyzing the data and will provide a final report by June 9, 2017. Bryan Howcroft stated that in general things went very smoothly and that NEUCO, TD Williamson, and Tri-Mont Engineering were all very professional through the entire process and it was our pleasure working with them. Bryan took a moment to thank the Commission for funding this project and stated that PMLP has overcome a significant regulatory compliance milestone.

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:

- **ANNUAL OPEB (OTHER POST EMPLOYMENT BENEFITS) CONTRIBUTION.** – Manager Trueira deferred to Karen Repucci, Business Manager. Karen Repucci explained that she is before the Commission to discuss the funding for OPEB which is the fund that was set up to provide funding for retired employees for health care and life insurance costs. Karen explained that the Commission had previously accepted the provisions of MGL Chapter 32B Section 20 and voted to establish the OPEB Liability Trust Fund. In 2015 the PMLP made two payments in the amount of \$1.5m each for a total of \$3m from unrestricted cash into this fund which is managed by MMWEC, our OPEB Fund Trustee. Another \$507,066 transfer was made in 2016



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which was the amount determined from the study performed by Sherman Actuarial Services. The balance as of December 31, 2016 is \$3,809,526.22. Staff is recommending a transfer of \$479,701 into the OPEB Liability Trust Fund as the second annual payment, in accordance with the 20 Year OPEB Funding Schedule, also provided by Sherman Actuarial Services.

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

17-29 MOVE TO ACCEPT THE RECOMMENDATION OF STAFF TO TRANSFER \$479,701 FROM THE UNRESTRICTED CASH ACCOUNT INTO THE PMLP OPEB LIABILITY TRUST FUND.

- **NATIONAL GRID** – Manager Trueira stated that PMLP received a check in the amount of \$7,734.93 for February 2017 local transmission charges. The money is deposited in the cash account but subtracted off of the power supply bills.
- **REMARKS OF COMMISSIONERS**
- Commission Wheatley stated that he and Manager Trueira gave the student government candidates a tour of the Waters River and Johnson Street Substations and is quite impressed with the work that has been done. Commissioner Wheatley gave praise to the substation personnel as well as Engineering. Commissioner Wheatley invited his fellow Commissioners to take a trip there.
- Commissioners Aylward, Paras and Bonfanti all thanked Karen Repucci and Sharon Glavin for their work on the audit and for doing a great job.

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

MOVE TO ENTER INTO EXECUTIVE SESSION IN ACCORDANCE WITH CHAPTER 30A, SECTION 21(a) TO CONDUCT STRATEGY SESSIONS IN PREPARATION FOR COLLECTIVE BARGAINING SESSIONS.

Chairman D'Amato declared the Regular portion of the Meeting of April 27, 2017 adjourned at 7:20 p.m.

A TRUE RECORD

Attest:


Thomas Paras, Secretary

Peabody Municipal Lighting Commission

