



Peabody Municipal Light Plant

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PEABODY MUNICIPAL LIGHTING COMMISSION MINUTES OF REGULAR MEETING DECEMBER 21, 2017

A regular meeting of the Peabody Municipal Lighting Commission was called to order on Thursday, December 21, 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, Charlie Bonfanti, Thomas Paras and Robert Wheatley; Manager Glenn Trueira, Assistant Manager Chuck Orphanos, Attorney Philip Durkin and Recording Secretary, Barbara Previte.

Vice Chairman Aylward asked if there were any additions to the agenda and Manager Trueira wanted to swap the items "25KV Switchgear Assembly" and "Two (2) Power Transformers" under Award of Bids, and to add "PP&FCA" under General Business.

1. Agenda Item A: Approval of Agenda:

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

MOVE TO APPROVE THE AGENDA AS AMENDED.

2. Agenda Item B: Announcement:

Vice Chairman Aylward 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 PARAS AND UNANIMOUSLY VOTED (4-0):

17-65 MOVE TO APPROVE THE REGULAR MEETING MINUTES OF NOVEMBER 16, 2017.

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

17-66 MOVE TO APPROVE AND NOT RELEASE THE EXECUTIVE SESSION MINUTES OF NOVEMBER 16, 2017.

Chairman D'Amato arrived at 6:35 p.m.

4. Agenda Item D: Appointments:

• **REMARKS OF THE GENERAL PUBLIC:**

Mr. Joel Brenner, 5 Alexander Street, attended the PMLC meeting to compliment the PMLP. He said his neighbor at 10 Alexander Street, called him over because he had flickering lights.



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He suggested that the neighbor call PMLP. A lineman was there immediately and fixed the problem. He wanted to come to the meeting and praise the PMLP for their service. The Commission thanked him for praising the staff, and stated that it is always nice to hear compliments.

5. Agenda Item E: Correspondence

There being none, the meeting continued.

6. Agenda Item F: Manager's Reports:

STATUS REPORTS:

- **AMI UPGRADE**— Manager Trueira deferred to Will Cardello, Junior Electrical Engineer, who will update the Commission on the status of the AMI project. Will reviewed the project schedule, and stated that Wellington is finished with their portion of the AMI meter exchange. PMLP staff will complete the remaining meter exchanges. The remaining residential exchanges involve coordination with the customers. Will stated that a meeting with Landis & Gyr occurred to discuss optimizing the network's performance. Questions arose about 3 phase customers and Will stated that PMLP staff will complete the rest of the installations, both 3 phase and residential.
- **LED STREETLIGHT PROJECT** – Manager Trueira deferred to Phil Rohn, Superintendent of Electric Distribution, to discuss the LED streetlight project. Phil stated that this is part of a grant project that PMLP received from the Massachusetts DOER. PMLP has approximately 5,600 lights and received good news that the required completion date has been pushed back to September 30, 2018. Phil Rohn stated that as of Thursday we have replaced 2,373 lights and we are halfway finished. Phil also stated that PMLP will receive additional funding for other miscellaneous street light material under the grant. The Commission asked if ratepayers/customers have complained about the LED street lights. Supervising Electrical Engineer, Roy Simoes, stated that overall, our customers are happy with the lights.
- **IPSWICH RIVER SUBSTATION** – Manager Trueira deferred to Brian Abcunas, Associate Electrical Engineer (Engineering), to discuss the status of the project. Brian stated that Engineering is currently working on two bids which will come before the Commission later this evening. The first bid is for the 25KV switchgear for the project and the second one is for two power transformers. Meetings occur monthly with the Ipswich River team and National Grid to review the scope of work. Brian is happy to report that next spring PMLP should be breaking ground on this project. Brian stated that we hired Weston and Sampson to check the land for potential environmental issues (oil and/or PCBs) as a precaution so we are not surprised during construction. It is strictly precautionary to keep the project on time. Samplings occurred two weeks ago and it was determined to be a clean site. Our design engineer, PLM, is working on the general contractor bid. Brian is hoping to have the site cleared late winter or early spring.



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- **SPECIAL PROJECT 2015A** – Manager Trueira informed the Commission that we are continuing to work on this project with MMWEC and approximately 13 other municipals. The project will have to clear the Forward Capacity Market in February 2018. If it clears, the project will have to be completely built and operating by June 2021. Manager Trueira stated that we are just waiting for February 2018 to see if it clears the forward capacity market.

7. Agenda Item G: Committee Reports:

There being none, the meeting continued.

8. Agenda Item H: Award of Bids:

- **25KV SWITCHGEAR ASSEMBLY** – Manager Trueira deferred to Brian Abcunas, Associate Electrical Engineer, to report on the evaluation of proposals received regarding a request for proposals (RFP) for the manufacture, assembly, factory testing, delivery and installation of a new 25 kV metal-clad switchgear assembly for the new Ipswich River Substation. This is a major component of the new substation which is scheduled to begin construction in the Spring of 2018. Brian Abcunas explained the RFP included a base bid as well as quotes for two options. Four bids were received. The Myers Controlled Power base bid and total bid were less than the other three bidders. Myers was in complete compliance with the switchgear technical specifications as well as with PMLP's terms and conditions. The team had the opportunity to visit newly-installed Myers switchgear at National Grid substations in Point Judith, RI and Lowell, MA as well as North Attleboro Electric Department. These customers and other references related positive experiences with Myers. PMLP received a recommendation from Mike Barrett of PLM asserting that, in his opinion, Myers Controlled Power was the lowest evaluated and qualified bidder.

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

17-67 TO AUTHORIZE THE MANAGER TO ENTER INTO A CONTRACT WITH MYERS CONTROLLED POWER FOR THE MANUFACTURE, ASSEMBLY, FACTORY TESTING, DELIVERY, AND INSTALLATION OF A NEW 25kV SWITCHGEAR ASSEMBLY FOR IPSWICH RIVER SUBSTATION, ALONG WITH THE FIVE YEAR WARRANTY AND SPARE BREAKER OPTIONS, FOR A TOTAL OF \$1,655,099 WITH A CONTINGENCY BUDGET OF \$165,000.

- **TWO (2) POWER TRANSFORMERS** – Manager Trueira deferred to Roy Simoes, Supervising Electrical Engineer, to report on the evaluation of the proposals received for the design, manufacture, assembly, factory testing, delivery and installation of two (2) new 115 – 22.9kV power transformers for the new Ipswich River Substation. Brian explained that this bid is another major component of the new substation scheduled to begin construction in Spring 2018. This bid will provide PMLP with two new power transformers for our new substation



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which will step down the voltage from both lines of National Grid's transmission system to PMLP's voltage level which will then be distributed to PMLP customers. The RFP was sent out to bid in October of 2017 with packages sent directly to five specific vendors and advertised in the Salem Evening News and Dodge Reports on October 26, 2017. The bid opening was held on November 28, 2017. The bids were reviewed by both PLM and PMLP and felt that OTC was the lowest bidder but is not qualified to provide the 2 new power transformers because they could not meet PMLP's technical specifications. WEG could not meet technical specifications, and after including their additional costs, they were no longer the second lowest bidder. Virginia/Georgia transformer is the next lowest price, has positive reviews, meets our proposed delivery schedule and their exceptions to the terms and conditions were only minor. They also meet all technical specifications and the 60 MVA transformers we are purchasing are in the middle range of their manufacturing capabilities. PMLP received a recommendation from Mike Barrett of PLM asserting that in his opinion Virginia/Georgia Transformer is the lowest evaluated and qualified bidder. Commissioner Wheatley asked Attorney Durkin if he was comfortable with rejecting the bid of OTC and Attorney Durkin said he was fine with it.

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

17-68 TO AUTHORIZE THE MANAGER TO ENTER INTO A CONTRACT WITH VIRGINIA / GEORGIA TRANSFORMER FOR THE DESIGN, MANUFACTURE, ASSEMBLY, FACTORY TESTING, DELIVERY, AND INSTALLATION OF TWO (2) 115 – 22.9 KV POWER TRANSFORMERS FOR THE NEW ISPWICH RIVER SUBSTATION FOR A TOTAL OF \$1,677,302 WITH A CONTINGENCY BUDGET OF \$167,000.

- **LED STREET LIGHT ARMS** – Manager Trueira deferred to Karen Repucci, Business Manager, to discuss purchasing additional streetlight arms to complete the LED Streetlight Project. The procurement policy states that any material purchase exceeding \$50,000 needs to go out to bid and requires us to execute a contract with lowest evaluated bidder that meets the specifications. More streetlight arms are needed than were originally planned and this contract will safeguard PMLP if the overall costs of streetlight arms exceed the threshold. Engineering provided the specifications for the 6 streetlight arms that were incorporated into the RFP. The RFP was advertised in the Salem News and Dodge Reports and email notifications were sent to Graybar, WESCO, Stuart Irby, First Line Associates and Shamrock Power Sales. The bid opening was conducted on December 7, 2017. Since PMLP was not familiar with the lowest bidder's product, Engineering required WESCO/Salco to provide documentation on all of the product's specifications. Their reference, Ipswich Electric Light Department, was contacted and they were very happy with both the product and their dealings with the vendor.



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

- 17-69** TO AUTHORIZE THE MANAGER TO ENTER INTO A CONTRACT WITH WESCO / SALCO FOR THE 6' ALUMINUM STREETLIGHT ARMS IN THE AMOUNT OF \$45 PER ARM.

9. Agenda Item I: General Business:

- **PP&FCA** – Manager Trueira stated that that we are nearing the end of the 4th quarter. A meeting occurred this afternoon with Bryan Howcroft and Chuck Orphanos to discuss the PP&FCA for the first quarter of 2018. It looks like rates will decrease again for customers. A typical residential customer who uses 500 kwhs per month will see their bill decrease by 2.9%, from \$54.49 to \$52.89. The average cost to our typical residential customers remains below 11 cents per kwh. A commercial customer who uses 2,000 kwhs per month will see their bill decrease by 2.1%, and a typical industrial customer will see their monthly bill decrease by 3.6%.
- **BERKSHIRE WIND EXPANSION PROJECT, PHASE II** – Manager Trueira gave an overview of the Berkshire Wind Project. It was constructed in 2009 along the ridgeline of Brodie Mountain in the towns of Hancock and Lanesborough in western Massachusetts. The 15 MW wind farm is owned by the Berkshire Wind Cooperative consisting of 14 Massachusetts municipal light plants and MMWEC. PMLP has the largest ownership share of the project at 18.18% or 2.73 MWs. In addition to Phase I, the cooperative has the rights to expand the project in a couple of directions and in multiple phases. The Berkshire Wind expansion project, Phase II would consist of two 2.3 MW wind turbines for a total of 4.6 MWs. This configuration was chosen for Phase II because the existing pole line and substation can only accommodate a total of 5 MWs. Manager Trueira explained that Berkshire Wind Cooperative has considered many alternatives for this expansion in an effort to maximize the total return on this asset for the Phase I participants. The Berkshire Wind Board of Directors has entertained multiple offers from outside entities looking to buy the rights to the expansion project but so far the Board has not received any offers of acceptable value. Manager Trueira briefly touched upon the increased pressure from the State's elected officials and sustainable energy special interest groups to force and/or require the municipal light plants to increase their renewable energy portfolios and require the municipals to abide by a Renewable Portfolio Standard similar to the program required of the State's investor-owned utilities.

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

- 17-70** TO AUTHORIZE THE MANAGER TO EXECUTE A PURCHASE POWER



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AGREEMENT WITH MMWEC FOR PEABODY MUNICIPAL LIGHT PLANT'S PRO RATA OWNERSHIP SHARE OF THE BERKSHIRE WIND PROJECT, PHASE II.

- **PURCHASE OF NEW BUCKET TRUCK FROM STATE CONTRACT** – Manager Trueira deferred to Phil Rohn, Superintendent of Electric Distribution, to discuss the 46 foot Material Handling Bucket truck. Phil Rohn explained that as part of the 2017 Action Plans for Distribution two vehicles #58 and #59 were slotted for replacement at a cost of approximately \$470,000. The process was put on hold. After Vehicle #66 was destroyed in a fire, we had to get a replacement as expeditiously as possible. In discussions with vehicle vendors and other municipals it was discovered the Commonwealth of Massachusetts has a state contract to purchase utility bucket trucks. By utilizing the state contract the purchase process is greatly simplified and PMLP is assured that it will be able to purchase the vehicle it desires. The Distribution Division consisting of the Superintendent, Assistant Superintendent / Safety and three linemen went to Chicopee to view a new Material Handling Bucket Truck that had just been purchased. Our specifications were presented to our contact at Minuteman Trucks, the approved vendor through the state contract. The quoted price is \$249,194 which was a comparable price that Chicopee had paid for their truck which they had purchased through competitive bids.

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

17-71 TO AUTHORIZE THE MANAGER TO ENTER A CONTRACT WITH MINUTEMAN TRUCKS INC. OF WALPOLE, MASSACHUSETTS FOR THE PURCHASE OF A NEW MATERIAL HANDLING BUCKET TRUCK AT A COST OF \$249,194 WITH A CONTINGENCY BUDGET OF 10% (\$24,920) TO COVER ANY MINOR CHANGES OR ADDITIONS THAT MAY BE REQUIRED AS THE VEHICLE IS FABRICATED.

- **WINTER DISCONNECT PROCEDURAL CHANGE** – Manager Trueira deferred to Karen Repucci , Business Manager, to discuss the process of transferring accounts automatically to property owners when tenants move out. The discussion began when the winter landlord letters were sent out. The winter moratorium dates are November 15-April 15 unless the Department of Public Utilities modifies them. Karen discussed the procedure at PMLP during the winter moratorium. The process is inefficient and requires many labor hours from both the customer service representatives and meter department. The Business Division believes it is a good time to revise this procedure because almost all automated meters have been deployed.



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Karen discussed the pros and cons of revising the procedure. Discussion ensued regarding if this is a policy. If it is a policy, the policy needs to be amended. Commissioner Wheatley volunteered to work on the policy with Karen Repucci and Attorney Durkin and come back before the Commission. For now, however, it was determined that Karen could send out letters to the landlords notifying them of the change in this procedure starting this winter.

- **MANAGER'S CONTRACT** – Manager Trueira stated that Commissioner Wheatley worked with Attorney Durkin to negotiate a three year contract and all parties have accepted the contract. The contract begins January 1, 2018 and terminates January 2, 2021.

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

17-72 TO ACCEPT THE MANAGER'S CONTRACT BEGINNING JANUARY 1, 2018 AND TERMINATING JANUARY 2, 2021 BASED ON MUTUALLY AGREED UPON TERMS.

The Commission congratulated Manager Trueira and Manager Trueira thanked the Commission for the new contract and also for their continued support.

- **BUDGET MEETING** -- Manager Trueira stated that we had originally scheduled the meeting for Friday, January 12, 2018. With this being a long weekend, he is looking to the Commission to move it to Friday, January 19, 2018. The Commission agreed.
- **NATIONAL GRID TRANSMISSION CREDIT (\$80,446.64)** -- Manager Trueira stated that PMLP received a check in the amount of \$80,446.64 as a settlement for the September 2017 local transmission charges. The money is deposited in the cash account but subtracted off of the power supply bills.
- **REMVEC SETTLEMENT (\$419.91)** – Manager Trueira stated that PMLP received a check in the amount of \$419.91 as a credit due to the overlap of the new REMVEC Agreement with the old one, for approximately half of a month.
- **REMARKS OF COMMISSIONERS**
The Commission stated Merry Christmas and a Healthy, Happy New Year. Also that the PMLC team is coming back in 2018.

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

TO ADJOURN.



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Chairman D'Amato declared the Regular portion of the Meeting of December 21, 2017 adjourned at 7:50 p.m.

A TRUE RECORD

Attest:


Thomas Paras, Secretary
Peabody Municipal Lighting Commission