



# Peabody Municipal Light Plant

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## PEABODY MUNICIPAL LIGHTING COMMISSION 2018 BUDGET MEETING MINUTES December 7, 2018

A Budget Meeting of the Peabody Municipal Lighting Commission was called to order on Friday, December 7, 2018 at the Peabody Municipal Light Plant, 201 Warren Street Ext., Peabody, Massachusetts at 8:00 AM.

Present for the meeting were Commissioners William Aylward, Charles Bonfanti, Thomas D'Amato, Thomas Paras, and Robert Wheatley. Also present were Manager Glenn Trueira, Assistant Manager Charles Orphanos and recording secretary Barbara Previte.

### A. APPROVAL OF AGENDA

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

MOVE TO APPROVE THE AGENDA OF DECEMBER 7, 2018.

MOTION BY 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 TO RETURN TO THE BUDGET MEETING OF DECEMBER 7, 2018.

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

MOVE TO RETURN TO THE BUDGET MEETING REGULAR SESSION OF DECEMBER 7, 2018 AT 10:00 A.M.

Chairman Aylward acknowledged that this is an open meeting and informed the public that the meeting is being recorded by hand.

### B. REVIEW OF 2019 BUDGET AND ACTION PLANS

#### Review of 2019 Proposed Budget and Action Plans

- Chairman Aylward emphasized that we will be going over the budget with an overview from each Division. The meeting continued with Manager Trueira stating that he will review the overall budget by going through the 2019 Budget memo. He stated that the budget include all expenditures necessary to maintain PMLP's daily customer service at its



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current high level. The 2019 estimated operating review is based on energy sales of 496,674,536 kWh, which assumes 1% growth over the projected 2018 energy sales.

- The 2019 Operations Expense Budget has been prepared using a 4% depreciation rate, which is a percentage lower than the 2018 depreciation rate. In 2019, we will be purchasing new line trucks, paying for major building renovations and will finish paying for the new Ipswich River Substation. The 4% rate, 1% more than the standard 3% rate, is needed in order to be able to fully fund these major purchases as well as the other components of our aggressive 4 year capital improvement plan without incurring any additional debt or raising our rates. Manager Trueira stated that staff action plans have been created with the goal of improving the overall operation of PMLP. The action plans have been grouped together based on whether they have a budget impact or not as requested by the PMLC.
- The 2019 budget, as presented, reflects a projected net income of \$248,315. The net income assumes that we will be using a portion of the surplus funds being held at MMWEC on our behalf. Depending on how our actual sales, revenue and expenses materialize in 2019 will determine how much, if any, of these funds will be needed in 2019 to maintain a healthy cash balance and net income.
- Manager Trueira deferred to Bryan Howcroft, Principal Electrical Engineer (Energy Services), to present an overview of the Power Supply Budget. Bryan explained the budget line by line as well as MMWEC services. Bryan then discussed the contracts that we are involved in such as Hancock Wind, Eagle Creek, and PASNY. He also explained ownership such as Berkshire Wind, Hydro Quebec, Millstone, Seabrook, and Stonybrook. Commissioner D'Amato asked about the breakdown of our power supply portfolio and Bryan stated that 40-50% is covered by contract for energy; capacity is 55% and the remainder is the spot market and we purchase like everyone else.

Each Division presented their proposed 2019 Budget and Action Plans as follows:

**Administration** represented by Manager Glenn Trueira and Assistant Manager Chuck Orphanos, presented the Executive/General budget and action plans for 2019. At the Commission's request, each Division will give an overview of the action plans which, for Administration, includes negotiating a Master License Agreement with the chosen DAS/cell carrier partner to improve cellular service in the City; begin the process of negotiating a new Collective Bargaining Agreement with the professional labor and PMLC; hire a consultant to perform a feasibility study to determine if the PMLP should procure it owns fiber optic system in Peabody; explore the possibility with Verizon of buying out their poles in the South Peabody and South Lynnfield custody areas; work with Engineering and MMWEC to determine the feasibility of adding specific generating resources to our power supply mix; the MMWEC GT3 project, and completing Ipswich River Substation



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**Engineering Division**, represented by Roy Simoes, Brian Abcunas, and Tim Hennessy presented their action plans and budget. Brian Abcunas, Associate Electrical Engineer, gave an overview of the accomplishments of 2018 Engineering Action Plans such as Ipswich River Substation Project; LED streetlight project; working with Air New Zealand to purchase a replacement jet engine for our packaged gas turbine generator, GT2; GT1 pulling the rotor will be carried over into 2019; gas pipeline protection; completion of air compressor for GT1; Brian deferred to Roy Simoes who is going to review Action Plans for 2019. The first is to complete Ipswich River Project, hire a specialist to verify proper operation of natural gas compressor for GT2; Air New Zealand and Administration to purchase a replacement jet engine for our GT2; work with PLM to create necessary Mass DOT and environmental permitting and construction to install a second 23KV distribution feeder to the Market Street Development in Lynnfield along with upgrades at the South Lynnfield substation; install a new air compressor in GT2; work with Administration, Distribution, and IT to install a new fiber optic line from North Shore Road to Bartholomew Street Substation via the Summit Street Switching Station and install necessary communication; continue to work with MMWEC to evaluate oil storage options at Waters River. The Commission thanked Engineering.

**Business Division** represented by Karen Repucci, Michelle Michaelis, Sharon Glavin and Fred Bettencourt presented their action plans. Karen Repucci, Business Manager, stated that Business accomplished many things such as third party collection; landlord data fees automatic transfer when a tenant moves out; organized monthly meetings with staff to inform staff of what is going on; have enlisted Bryan Howcroft and John Myers to educate and train the customer service staff on high bill complaints and rates. Karen deferred to Fred Bettencourt to speak about the LED lights in the garage; painted lines in parking lot; recycling programs (received approximately \$21,675) along with replacing two heat pumps in the building. Karen stated that we hired Powers and Sullivan as our auditors. Business has been working with the architects to complete the design and construction on the building projects. The fuel tank project should be complete December 2018. Business will hire a structural engineer to complete a structural evaluation of the Diesel Plant building. The Business Division will be working with Administration on a long-term financial plan and looking at the cash reserve policy. Karen Repucci talked about working with Administration and Engineering on the 3-5 year strategic plan. Karen stated that Business will be working with other Divisions to develop the roles and responsibilities for PMLP personnel that are impacted by the AMI technology.

**Environmental Division** represented by Dan Guitard, Environmental Coordinator and Bryan Howcroft, Principal Electrical Engineer (Energy Services), presented the action plans and budget. Dan gave a brief overview of Environmental action plans. He spoke about



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compliance regarding environmental services for disposal, universal waste, testing of transformers for PCB and spill clean-up as well as compliance with air pollution regulations and purchasing NOx and CO2 for annual certification. PMLP sponsors a portion of the annual household hazardous waste collection day for the City of Peabody. Work with MMWEC and Engineering to evaluate oil storage options at Waters River. Provide environmental awareness, operations and DOT training to designated PMLP employees. Coordinate stack emissions tests on Waters River 1 and 2 units as required by DEP. Manage the Environmental Management System; and implement a new computer based system for GHS Safety Data Sheets

**Information Technology Division** represented by Joe Anastasi, presented their action plans and budget. Joe Anastasi reviewed his action plans. He spoke about upgrading the existing data backup software to a more robust product that fits better into PMLP's new Data Center design and VMWare virtual environment. Upgrade Attendance Enterprise, PMLP's internal Time and Attendance Software. IT will assist with planning, design, wiring and interconnection of the old gymnasium space to convert it for use as the new IT Division area. Assist Engineering in all phases of implementation of the Surveillance System for Warren Street, Waters River Substation and the Diesel Plant. Prepare bid specifications and assist with evaluation of bidders. Develop an Information Systems Disaster Recovery Plan to maintain the continuity of the PMLP business operations in the event of a disaster. Assist the Engineering Division with the ongoing policies, reporting and compliance for the ISO and NERC standards, specifically pertaining to cyber-security and cyber-attacks. Assist the Business Division with implementation, training and support of new SEDC modules available as part of the UPN suite of services. Assistant Environmental Division with implementation of an Online System for storing, updating and revising GHS Safety Data Sheets. Work with Community Relations to develop new design elements to PMLP's website.

**Distribution Division** --prior to Phil presenting the Distribution Division budget and action plans, Phil Rohn informed the Commission that there was an omission of a final payment to Landis & Gyr from the Capital Account Budget (12537) in the amount of approximately \$275,000 for the AMI Project (\$270,600). This is capital account 12537. Manager Trueira stated that the budget pages will be amended once the Commission approves the budget. Distribution represented by Phil Rohn, Dennis Ahlin, Michael Pazzanese and Marshal Simpson presented their action plans. Phil Rohn stated that the Distribution Division exempt (supervisory) positions are fully staffed. Phil Rohn gave an overview of the action plans. Distribution has completed the replacement of 5,300 LED streetlights. Distribution is providing training to all employees through NEPPA, National Safety Council or equivalent as well as Rubber Gloving, Hot-stick and underground splicing. Distribution will continue training existing apprentice lineman (one hired in 2015 and one in 2018) and provide all of the



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necessary equipment. Distribution is considering hiring an apprentice lineman to be onboard and start training in 2019. Have three meter installers attend training programs on metering, safety awareness and customer/interpersonal communications that may be offered by NEPPA, ECNE, APPA, National Grid, General Electric or other Regional Meter Schools. Have Assistant Superintendents attend skills enhancement (both technical and supervisory) training. Have Assistant Superintendent of Distribution Safety/Support continue to attend safety related courses provided by NEPPA, APPA, USOLN, National Safety Council or equivalent. Distribution is finalizing specifications for bid documents to purchase two material handling bucket trucks. Implement the agreed upon recommendations from RTI investigation of the JB-10 Centennial Drive incident. Pole inspections have been completed 1,900 with 300 left to do. Develop a written Emergency Preparedness Plan including an Evacuation Plan for the PMLP main facility. Complete the review and revision of the PMLP Switching and Tagging Procedures. In accordance with Engineering's design, install a new fiber optic line from Northshore Road to Bartholomew Street Substation via the Summit Street Switching Station. Also with Engineering's design, construction distribution system modifications needed to properly apportion loads in a balanced fashion as a result of the newly renovated Johnson Street Switching Station, the new Ipswich River Substation and the Waters River Substation.

**Community Relations Division** overview was presented by John Maihos. John stated some major actions plans from 2018 were Public Power Week, annual bulb sale, Science Fair Awards, and participation in the Peabody Annual GreenFest. For 2019, Community Relations anticipates to create four issues (January/Winter, April/Spring, July/Summer and October/Fall) of Light Subjects. Community Relations will continue to work with NSCAP for low income weatherization program and refrigerator replacement program. Manage and promote PMLP's Home Energy Assessment Program as well as manage and advertise the 2019 Residential Energy Star Appliance Rebate Program. Community Relations will continue working with MMWEC to manage the Commercial and Industrial prescriptive lighting program through MMWEC's Green Opportunity (GO) Program. John will continue to represent PMLP in Peabody City organizations such as Peabody Rotary Club, TRIAD, Peabody City Staff, Peabody Area Chamber of Commerce and Peabody Wellness Committee. Develop a Key Accounts Program to build strong relationships with our top 25 accounts. Work with PMLP to develop and showcase historical artifacts. Work with Administration to determine training gaps and seek specific training opportunities using North Shore Community College. Plant and implement various employees appreciate events including summer BBQ and Employee Appreciation Day. Plan and organize a team building event for PMLP management. Review completed performance appraisals and work with managers to identify opportunities for improvement and ways to remove roadblocks to success. Audit all personnel folders and remove unnecessary documents.



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

MOVE TO ADJOURN THE BUDGET MEETING OF DECEMBER 7, 2018.

Chairman Aylward declared the budget review meeting of December 7, 2018 adjourned at 5:05 PM.

A TRUE RECORD

Attest:

  
Robert O. Wheatley Secretary