



# Peabody Municipal Light Plant

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## PEABODY MUNICIPAL LIGHTING COMMISSION 2018 BUDGET MEETING MINUTES January 19, 2018

A Budget Meeting of the Peabody Municipal Lighting Commission was called to order on Friday, January 19, 2018 at the Peabody Municipal Light Plant, 201 Warren Street Ext., Peabody, Massachusetts at 9:00 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.

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

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

### A. APPROVAL OF AGENDA

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

MOVE TO APPROVE THE AGENDA OF JANUARY 19, 2018.

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

### B. REVIEW OF 2018 BUDGET AND ACTION PLANS

#### Review of 2018 Proposed Budget and Action Plans

- The meeting opened with Manager Trueira stating that he had received a request from a couple of Commissioners to add their potential raise to the 2018 budget. He had with him a packet, for every Commissioner, of approximately 8 pages that would need to be swapped out in the budget books if the Commission wanted to incorporate this change. This was difficult to do beforehand because the draft budget had already been completed, and some copies had already been handed out to some of the supervisors when he originally received this request. The Manager passed out the packets to all of the Commissioners to update their budget books as we reviewed the applicable sections. Manager Trueira reviewed the overall budget by going through the 2018 Budget memo. He stated that the budgets include all expenditures necessary to maintain PMLP's daily customer service at its high level. The 2018 estimated operating review is based on



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energy sales of 494,868,913 kWh, which assumes no growth over the projected 2017 energy sales.

- The 2018 Operations Expense Budget has been prepared using a 5% depreciation rate, which is one percent higher than the 2017 depreciation rate. The new Ipswich River Project will cost approximately \$10.63 million in 2018. The 5% rate is needed in order to be able to fully fund the new substation as well as the other components of our aggressive 4 year capital improvement plan. Manager Trueira spoke about the amount of money PMLP has in their capital account. The projects forthcoming are the new Ipswich River Substation, various building renovation projects and upgrades, LED Street Lighting and completion of the AMI System. 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.
- Manager Trueira deferred to Bryan Howcroft, Principal Electrical Engineer (Energy Services), to present an overview of the Power Supply Budget. Bryan explained the expenses for the MMWEC Services including day-ahead energy market, REMVEC Expenses and Legal Expenses. Bryan continued and spoke about the power supply portfolio including Seabrook, Stonybrook, Millstone, Hancock Wind, Eagle Creek, PASNY, Rousselot, and Weekly Studies.

Each Division presented their proposed 2018 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 2018. 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; 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, Automated Meter Infrastructure projects, Ipswich River Substation, LED Street Light Program, Fuel Pump Installation, and Surveillance System.

**Engineering Division**, represented by Roy Simoes, Brian Abcunas, Tim Hennessy and Bryan Howcroft presented their action plans and budget. Engineering gave an overview of their action plans. The overview of their action plans includes the Ipswich River and Waters River Upgrade Projects as well as the installation of a spare distribution circuit for the Market Street Development; investigate three phase customers with CT rated meter installation; and the LED street light conversion program. Roy deferred to Tim to discuss working with MMWEC,



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Air New Zealand and Administration on a plan to purchase a replacement jet engine for our packaged gas turbine generator, GT-2. The Commission thanked Engineering.

**Business Division** represented by Karen Repucci, Debbie Davis-LeClair, Jan Kentros, Sharon Glavin and Fred Bettencourt presented their action plans. Karen Repucci, Business Manager, discussed the building projects which include the lobby, IT, Engineering and the McCarthy Auditorium and the progress that is being made with the AJUA Architects. Karen stated that Business is working with SEDC to utilize the Payroll, Collection System and Inventory modules. 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 Distribution to train customer service with their new roles and responsibilities because of the AMI project/implementation.

**Distribution Division** represented by Phil Rohn and Dennis Ahlin presented their action plans. Phil Rohn gave an overview of the action plans regarding providing training to all employees through NEPPA, National Safety Council or equivalent as well as Rubber Gloving, Hot-stick and underground splicing. They will train one existing apprentice lineman and will hire and train one additional apprentice lineman and provide all his/her necessary equipment. They will prepare specifications for bid documents to purchase material handling bucket trucks, implement the agreed upon recommendations from RTI investigation of the JB-10 Centennial Drive incident, and continue with the replacement of approximately 5,500 high pressure sodium street lights with new LED street lights. They will also complete the installation of the remaining distribution equipment associated with the conversion of our manually read revenue meters to an AMI system, and work with a chosen partner to implement the first phase of the DAS in Peabody.

**Community Relations Division** overview was presented by Assistant Manager Orphanos, with some assistance from Bryan Howcroft. Assistant Manager Orphanos stated that the major actions plans are Public Power Week, Science Fair Awards, and participation in the Peabody Annual GreenFest. Assistant Manager Orphanos stated that Joe Anastasi will be working on the Science Fairs and Barbara Previte and Patti Sears will be performing the day-to-day tasks for Community Relations. There is continued discussion regarding the science fairs moving from 5<sup>th</sup> grade to 4<sup>th</sup> grade. Joe will be working with the School Department.

**Information Technology Division** represented by Joe Anastasi, presented their action plans and budget. Joe Anastasi reviewed his action plans. He spoke about replacing the building access control system and considering integration with the Surveillance System. Joe is happy



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to report that we are moving forward with installing and configuring a new internal telephone system, switchboard and voice mail system with new telephones and cabling software, hardware, rack with PDUs and services. He spoke about purchasing and installing a new more robust, flexible and scalable security firewall appliance. He spoke about assisting with the design, planning, wiring and interconnection of the old gymnasium space to convert it for use as the new IT Department working area. IT will continue working with Business with implementation and data migration to SEDC's Payroll Collection System and Inventory modules and assist Engineering in all phases of implementation of the Surveillance System for Warren Street, Water River Substation and the diesel plant. IT will continue working with Administration to develop an internal document documenting procedures for both intra-division and inter-division procedures. IT will be working with Engineering and Distribution with the implementation of an AMI/Smart Grid system. Joe spoke about the DAS system first phase and the fiber optics and working with all divisions to implement the fiber optic project. Environmental Division represented by Bryan Howcroft, Principal Electrical Engineer (Energy Services), presented the action plans and budget. Bryan gave a brief overview of Environmental's action plans. He spoke about 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 still sponsors a portion of the annual household hazardous waste collection day for the City of Peabody.

MOTION BY COMMISSIONER AYLWARD, SECONDED BY COMMISSIONER PARAS 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 NOT TO RETURN TO THE BUDGET MEETING OF JANUARY 19, 2018.

Chairman D'Amato declared the budget review meeting of January 19, 2018 adjourned at 3:10 PM.

A TRUE RECORD

Attest:

Thomas Paras, Secretary