



Peabody Municipal Light Plant

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PEABODY MUNICIPAL LIGHTING COMMISSION MINUTES OF SPECIAL MEETING AUGUST 8, 2019

A special meeting of the Peabody Municipal Lighting Commission was called to order on Thursday, August 8, 2019 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 Charles Orphanos, Assistant Manager Bryan Howcroft, Attorney Philip Durkin and Recording Secretary, Barbara Previte.

Chairman Paras asked if there were any additions to the agenda and Manager Orphanos stated there were none.

- Agenda Item A: Approval of Agenda:

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

MOVE TO APPROVE THE AGENDA.

- Agenda Item B: Announcement:

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

- Agenda Item C: Approval of Minutes:

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

19-39 MOVE TO APPROVE THE REGULAR MEETING MINUTES OF JUNE 27, 2019.

- Agenda Item D: Appointments:

- **REMARKS OF THE GENERAL PUBLIC:**

There being none, the meeting continued.

- Agenda Item E: Correspondence

There being none, the meeting continued.



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- Agenda Item F: Manager's Reports:

There being none, the meeting continued; however, the Manager Mr. Orphanos stated this was on the agenda by error, please omit.

- Agenda Item G: Committee Reports:

Chairman Paras deferred to Commissioner Wheatley who stated that they are currently reviewing the Leave Policy and was suggesting a committee be set up to review the Power Supply Trust Fund. Chairman Paras asked his fellow commissioners if it should be one Commissioner working with Attorney Durkin or as a whole. A discussion ensued about if it is the entire Commission all meetings will have to be posted. Chairman Paras stated that he would like to work on this Committee with Attorney Durkin.

Manager Orphanos stated that the Power Supply Trust Fund was set up for the benefit of our customers to fund special projects—such as the 2015A project. Manager Orphanos stated that PMLP has starting paying on this project. There have been six monthly disbursements from the Power Supply Trust dating back to October 2018 thru March of 2019 for a total of \$2.2 million. Manager Orphanos informed the Commission that we have been working with MMWEC on the proforma. The proforma determines the payment schedule which will be brought before the Commission once finalized with MMWEC and PMLP. Chairman Paras asked the question about the definition or related purpose of the Trust. Chairman Paras also asked if the Trust was insured and bonded. Manager Orphanos stated that he will check with our insurance agents.

Manager Orphanos stated that at the meeting on October 25, 2018 a discussion occurred regarding the funding of the Special Project 2015A. Commissioner Wheatley went on to discuss the process of requesting the funds from the Treasurer, stating a simple letter is all it takes. The letter consisted of three payments in October, November and December 2018. A discussion regarding the Executive Session Minutes of September 27, 2018 whereby a lengthy discussion occurred. In the minutes, Manager Trueira discussed the approximate cost (\$21 to \$22 million) of the 2015A project and our pro rata share would be approximately \$2.2 million. The \$2.2 million would need to be paid by March 2019. There was never a voted taken during Executive Session of September 27, 2019; however, the minutes reflect the discussion. The belief is that there was not a vote because the funding schedule (proforma) had not happened. Now the Commission believes a vote should have occurred. Commissioner Wheatley stated that City Hall should be informed



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that no money should be taken out of the Power Supply Trust Fund without a notification from the Commission.

Chairman Paras will work with Attorney Durkin to review the Power Supply Trust Fund and review the Trust. There was discussion about who wrote the Power Trust Fund. It is believed to have been written by Attorney Blodgett with input from Former Commissioner Zellen.

- Agenda Item H: Award of Bids:
- **BUILDING RENOVATION AND IMPROVEMENT PROJECT**– Manager Orphanos deferred to Karen Repucci, Business Manager, to begin the information brief regarding the general contractor building renovation. Karen stated that the Business Division determined five areas within the building that need to be renovated. The areas are as follows:
 - Front Vestibule/Employee Entrance;
 - Customer Service/Lobby;
 - Engineering;
 - IT Division; and
 - McCarthy Auditorium.

The Business Division worked with AJA Architects to design all areas listed above and to perform the request for proposal process. The auditorium will be an alternate bid. Manager Orphanos conferenced Charles Hillier, the architect, to answer any questions. Karen continued speaking and informing the Commission that a pre-bid meeting was held on June 19, 2019. The electrical contractor sub bids were opened on June 28, 2019 and the general contractor which includes the electrical contractor occurred on July 12, 2019. Eight bids were received for the subcontractor for the electrical bid and three for the general contractor. The lowest general contractor retracted their bid due to mathematical errors discovered after the bid opening. The general contractor recommendation includes the lowest qualified electrical bidder and the bid is BC Construction from North Reading for a cost of \$504,498 using the electrical contractor of C&C Electrical Contractors in the amount of \$71,250 for a total of \$575,748 plus alternate of \$96,336 totaling \$672,084. Discussions ensued regarding the electrical contractor and what is PMLP's responsibility to them. It was stated that PMLP would hire the general contractor, and the general contractor has the responsibility of the subcontractor. The Commission asked Charles (architect) why the projected cost of the project came in \$200,000 more than was predicted. Charles stated



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that because general contractors are busy and PMLP did not get the quantity of bids that we had hoped for. There was a discussion about Massachusetts has a special classification when hiring a general contractor over \$100,000. After \$100,000, you have to have separate bids for the electrical contractor. Discussion ensued regarding the bonds and the budget for the project. Manager Orphanos stated he reviewed the capital budget with the Division Managers and believes the overrun can still be supported by the current budget and projected spending to date. Further discussions involved the current market, what is Charles' track record on estimating, would we be better off to go out to bid again? Staff recommends that PMLC award the contract to BC Construction in the amount of \$672,084 with a 10% contingency of \$67,208 for the renovation of the following areas at 201 Warren Street Ext. including the Front Vestibule, Employee Entrance alternate for the Auditorium. Discussion ensued regarding the security of the front door. Commissioner Bonfanti stated he believes it is too high. Commissioner Bonfanti is concerned about employees' safety. The Commission stated that they want to make sure the employees are safe. It was also suggested to breakdown the proposal.

MOTION BY COMMISSIONER WHEATLEY AND SECONDED BY COMMISSIONER BONFANTI, AND VOTED BY ROLL CALL WITH COMMISSIONERS WHEATLEY, BONFANTI, AYLWARD VOTING AFFIRMATIVELY AND COMMISSIONER D'AMATO VOTING NEGATIVE (4-1):

19-40 MOVE NOT TO ACCEPT THE RECOMMENDATION OF STAFF FOR THE MANAGER TO ENTER INTO A CONTRACT WITH BC CONSTRUCTION IN THE AMOUNT OF \$672,084 WITH A 10% CONTINGENCY FOR THE RENOVATION OF AREAS AT 201 WARREN STREET EXT. WHICH INCLUDE THE FRONT VESTIBULE, EMPLOYEE ENTRANCE, CUSTOMER SERVICE AREA, LOBBY, ENGINEERING, IT OFFICE AND THE ALTERNATE FOR THE AUDITORIUM. THE COMMISSION REJECTS ALL BIDS AND WOULD LIKE TO REBID WITH A REVISED DESIGN.

The Commissioners expressed concern and were not happy with the design. The Commission collectively is concerned about the employees' safety and want to address the safety issue immediately. Discussions ensued about breaking down the RFP to address each area versus all at once.

- **ESRI AND MPOWER (GIS SOFTWARE)** – Manager Orphanos deferred to Brian Abcunas, Associate Electrical Engineer, to continue the discussion that Manager Orphanos touched



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upon. Brian explained that after the Commission authorized the Manager to move forward with the updated plan to begin the process of creating a GIS system, PMLP did some further research and learned that a new version of the ESRI software package was available. It's called Utility Network and is designed specifically for electric utilities. This new package has many new customized features that will enable PMLP to make even more use of the new GIS platform. Once learning these new developments, we meet with ESRI and mPower, and it became apparent that our best course of action would be to purchase the newer ESRI software package with the Utility Network, and have our new GIS model built to work with that version of the software. PMLP still plans to hire mPower to create the system model which was discussed in the March 2019 plan and with the enhanced version we would make better use of the tools provided to us with the ESRI software.

Engineering staff believe that the steps that should be taken to begin this project are: purchase ESRI Utility Network Software package; hire mPower to develop new GIS map; attend training courses on ESRI to learn how to make full use of our purchase and begin to use Utility Network tools that are provide by ESRI; work closing with mPower to review and validate map conversion process; work with PMLP divisions (departments) on how to start to make use of new GIS model and make changes to processes as necessary to ensure the model stays up to date. The cost breakdown for the new plan is GIS Software Package (ESRI) \$27,479; ESRI Setup and Implementation \$13,575; and Data Conversion and Map Creation (mPower) \$103,800. The cost remains under the 2019 Grid Modernization Action Plan. Engineering is recommending that the PMLC Motion 19-19 be rescinded and move forward with the above proposal.

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

- 19-41** MOVE TO RESCIND MOTION #19-19 (MOVE TO AUTHORIZE THE MANAGER TO MOVE FORWARD WITH PROFESSIONAL SERVICES TO HIRE MPOWER AS STATED IN THEIR PROPOSAL IN THE AMOUNT OF \$172,300 WITH A CONTINGENCY BUDGET OF \$17,230).



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

19-42 MOVE TO AUTHORIZE THE MANAGER TO MOVE FORWARD WITH THE ABOVE PROPOSAL IN THE AMOUNT OF \$144,900 WITH A CONTINGENCY BUDGET OF \$14,490 WITH ESRI AND MPOWER AS REFERENCED ABOVE OR IN THE INFORMATION BRIEF PRESENTED TO THE COMMISSION.

- Agenda Item I: General Business:
- **MMWEC NUCLEAR DEBT** – Manager Orphanos stated that as of July 1, 2019, MMWEC has retired all the bonds associated with our nuclear generation asset entitlements, some 43 years after issuance of its \$4.8 billion in bonds allowing its municipal utility project participants to enjoy years of debt-free ownership in their generating asset entitlements. PMLP saved over \$15 million dollars as a result of MMWEC refinancing the bonds back in 2001. It was a large debt burden that is now complete thanks to prudent fiducial management by MMWEC. Manager Orphanos presented the Original Bond Certificate – Paid in Full, to the Commissioners.
- **VOTE RESOLUTION – IN SUPPORT OF H.2863 AND CARBON-FREE ENERGY** – Manager Orphanos stated that even though we sent letters to Representatives Walsh and Speliotis and Senator Lovely it was suggested that we ask the Commission to support the H.2863 Green House Gas initiative and Carbon Free Energy initiative.

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

19-43 MOVE TO ACCEPT THE RESOLUTION IN SUPPORT OF H.2863 AND CARBON FREE ENERGY SIGNED BY THE PEABODY MUNICIPAL LIGHTING COMMISSION.

- **MMWEC (\$49,108.92 AND \$48,940.65)**– These are checks for reimbursement regarding Hydro Quebec in the amounts of \$49,108.92 and \$48,940.65 respectively.
- **REMARKS OF COMMISSION** –
- Commissioner Bonfanti wanted to thank Karen Repucci, Business Manager, and Fred Bettencourt for their hard work on the building renovation project and good holiday.



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- Commission Aylward would like to do the right thing for the building and make sure safety of all employees is addressed.
- Commissioner D'Amato stated it is your house and you know what is best. It is the Commission's fault for not paying attention sooner to the project.

Commissioners Paras reminded the Commission that Commissioner Bonfanti is running for reelection.

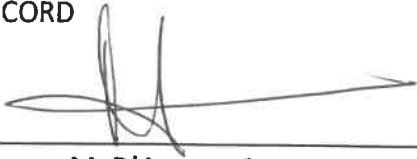
MOTION BY COMMISSIONER AYLWARD, SECONDED BY COMMISSIONER D'AMATO AND UNANIMOUSLY VOTED (5-0):

MOVE TO ENTER INTO EXECUTIVE SESSION IN ACCORDANCE WITH CHAPTER 30A, SECTION 21(a) TO DISCUSS COMPETITIVELY SENSITIVE INFORMATION AND NOT TO RETURN.

Chairman Paras declared the Special portion of the Meeting of August 8, 2019 adjourned at 7:50 p.m.

A TRUE RECORD

Attest: _____


Thomas M. D'Amato, Secretary
Peabody Municipal Lighting Commission