



# Westfield Gas & Electric Municipal Light Board Regular Meeting Minutes March 3, 2021



whip city fiber

Location: Gas & Electric Operations Center, 40 Turnpike Industrial Rd. Conference Room, Westfield, MA

The meeting was called to order at 7:00 p.m.

## I. Call to Order

Chairman Roman stated that in accordance with Governor Baker's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting law, G.L. Chapter 30A, Section 20, and the Governor's March 15, 2020 Order imposing strict limitations on the number of people that may gather in one place, this meeting of the Municipal Light Board will be conducted via remote participation. The notice for this meeting invited members of the public who wish to listen to the meeting to do so by calling in telephonically to any of the numbers provided in the meeting notice. This virtual meeting will be audio recorded and, per the WG+E MLB Video Policy, the recording will be available on the WG+E website within one week. The Chairman asked if anyone, other than the Municipal Light Board, was recording the meeting. Hearing none the Chairman welcomed the public that may be listening to the meeting.

## II. ROLL CALL was taken as follows:

Present: Ward #1 Commissioner, Kevin M. Kelleher  
Ward #2 Commissioner, Ray Rivera  
Ward #3 Commissioner, Dawn Renaudette  
Ward #4 Commissioner, Francis L. Liptak  
Ward #5 Commissioner, Joseph B. Mitchell  
Ward #6 Commissioner, Robert C. Sacco  
Appointed Commissioner, A. Edward Roman

Absent:

Present: 7 Absent: 0

## III. PLEDGE OF ALLEGIANCE

#### IV. READING OF THE RECORD:

On motion by Commissioner Rivera, seconded by Commissioner Liptak, it was unanimously:

VOTED: To accept the minutes of the February 3, 2021 Regular Session Meeting of the Municipal Light Board as presented; and

To accept the minutes of the February 10, 2021 Regular Session Meeting of the Municipal Light Board as presented; and

To accept the minutes of the February 11, 2021 Regular Session Meeting of the Municipal Light Board as presented; and

To accept the minutes of the February 12, 2021 Regular Session Meeting of the Municipal Light Board as presented; and

To accept the minutes of the February 18, 2021 Regular Session Meeting of the Municipal Light Board as presented; and

To accept the minutes of the February 18, 2021 Executive Session Meeting of the Municipal Light Board as presented and release to the public at this time; and

To accept the minutes of the February 24, 2021 Regular Session Meeting of the Municipal Light Board as presented; and

To accept the minutes of the February 24, 2021 Executive Session Meeting of the Municipal Light Board as presented and release to the public at this time.

V. PUBLIC PARTICIPATION: None

#### VI. REPORTS FROM THE GAS & ELECTRIC:

##### A. Action Required Items

- a) **Human Resources Annual Report.** The Manager provided the annual report on Human Resource activity. At the end of 2020, WG+E had 86 employees, an increase of six from 2019. The increase in 2020 customer per employee ratio is directly related to the influx of new Whip City Fiber accounts in Westfield and the Hilltowns. Four of the new Guild positions that were added this past year were put in place as part of the Department's succession planning strategy.
- b) **Human Resources Quarterly Update.** The Manager reported that, as requested at the March 2017 MLB meeting, a quarterly update was provided to the MLB reflecting personnel transactions that have occurred since last reporting. During this reporting

period there were no new hires, seven (7) promotions and one pending retirement, as noted on the report. The promotions were necessary to fill vacant positions and in some cases to better reflect the growing responsibilities the Department needs to address as our organization continues to grow. WG+E is also in the process of filling four (4) IBEW positions. The Manager stated the Department is continuing to build a formidable team to address the many challenges our three business units are faced with while providing high level service to our customers. Commissioner Sacco asked about the number of contract employees. The manager indicated that contractor work is performed in several areas such electric and gas field work, IT support and occasionally in other areas. As such the numbers fluctuate with demand levels. Commissioner Mitchell asked if there are preferred contractors on the electric side. The Manager indicated that the contractors are selected through a competitive bid process with the most cost-effective and qualified hired, as required by Massachusetts law. Commissioner Rivera asked if internal employees would be preferred to contractors. The Manager indicated that some positions, such as electric lineman, are difficult to recruit and hire. In addition, contractors are paid when work is needed and being performed, and we can ramp our numbers up or down according to workload. He further explained that a balance between contractors and WG+E employees is needed, due to the need to have sufficient institutional knowledge within our ranks.

- c) **2020 Safety and Health Annual Report.** Mike Lee, Operations Manager stated the Department places a great emphasis on safety awareness and accident prevention. Our goal is to reduce the risk in the workplace with a Safety & Health Program that contains the elements of management leadership, assignment of responsibility, identification and control of hazards, employee and supervisor training, safety and health record keeping, first aid and medical assistance, and employee awareness and participation. The number of safety and health contact hours demonstrates the Department's commitment to the continued safety and health of its workforce. In addition to in-house training, WG+E enrolls employees in an interactive safety and health training solution. This program offers around-the-clock access to help improve compliance and safety awareness in job-specific areas for all employees, and also improves efficiencies as employees are able to take courses on-line. Each employee is assigned a list of required sessions and must complete them by the end of the year. In addition, the WG+E participates in training sessions offered by various industry-related organizations. By regulation, required courses vary year to year, which affects the overall contact hours, as does the number of classes employees take above and beyond the requirements. He noted that some of the training hours were low because the COVID 19 pandemic impacted availability of some training courses. WG+E has relied upon on-line training to help fill the gap.
- d) **2020 Annual Street Light Report.** Mike Lee, Operations Manager, presented the annual street lighting report indicating that WG+E is responsible for the planning, installation and maintenance of lighting public right of ways within Westfield. At present, there are 5,465 streetlights within the City of Westfield that are subject to inspection and repair by the WG+E. In 2013, the WG+E began the process of replacing existing high pressure sodium (HPS) street lighting with new light emitting diode (LED) street lighting. The project came to an end in 2018, with a total of 4,093 completed

change outs over the course of five years. Material and labor expenses had previously increased in 2012 due to streetlight damage from the October 2011 snowstorm. The recent decrease in maintenance costs can be attributed to realized efficiencies following the LED lighting upgrade.

- e) **2020 Annual Outage Report.** Mike Lee, Operations Manager reported that, as outlined in the Department of Public Utilities (DPU) Order 99-84, investor-owned utility systems (IOUs) were required to submit annual service quality reports. While the WG+E is not classified as an IOU, the department has chosen to adopt the guidelines set forth in this order. The reliability of the distribution system in 2020 resulted in dependable electric service to our customers 99.97% of the time. Some of the outages that occurred this past year impacted larger numbers of customers due the Elm substation transformer outage in early to mid-July and how the rerouting of power to other distribution lines caused longer duration and higher customer numbers impacted when these tied together circuits experienced an issue.
- f) **2020 FTTH Services Installed.** The Operations Manager stated Whip City Fiber completed 58 FSA's (Fiber Service Areas) during the 2017 and 2018 construction seasons. During 2020, the Department concentrated on adding customer counts in existing fiberhoods, which are typically the most cost-effective customers to recruit. In addition, the Department added one new fiberhood this past year. Due to the COVID 19 pandemic, there was a period of time when installations were not being conducted due to safety concerns related to employees entering customer's premises. We quickly recovered from that period of reduced activity. Whip City Fiber has been actively assisting 20 hilltowns with all aspects of their fiber distribution network projects. In the 2020 construction season, an additional eleven (11) towns have completed build-out of the entire town and all have completed 99.9% of customer-interested service activations. One (1) town is actively under construction and has active subscribers, and five (5) additional towns are actively under construction and waiting to connect subscribers in the immediate future Commissioner Sacco inquired as to the status of the plan for WCF to contact potential customers within Westfield in order to gauge their interest. The Manager indicated that our Marketing group is in the process of reaching out to these customers. Commissioner Sacco stated his concern about customer expectations is if the Department is reaching out to customers that won't have fiber available for some time. The Manager and Jay Kline indicated there was considerable internal discussion on that specific issue. However, it is necessary to obtain fresh data on the level of customer interest within each fiberhood that is awaiting construction, being that some may have applied for service 4 years ago. Some people may have moved out of their location, or may no longer have interest. Being that our long term goal is to serve all of Westfield, we are considering mixing in construction of some harder to serve FSA's into our short range plans as well.
- g) **Technical Organization Functions Manual.** The Manager presented the Technical Organization (TO) Chart and Functions Manual giving a brief overview of its makeup and stating that the manual provides a brief yet thorough review of the functions, purpose, and accountability of each area of the Department including that at the

Municipal Light Board level. The Functions Manual report is provided annually while the TO Chart is provided in March and September of each year.

- h) **Release Executive Session Minutes.** The Manager reported that the Open Meeting Law requires that the public body, or its chair or designee, shall, at reasonable intervals, review the minutes of executive sessions to determine if the provisions of this subsection warrant continued non-disclosure. Since that time, discussion occurred with regard to releasing the minutes of Executive Session meetings in redacted form to ensure the confidentiality of sensitive issues. The last release of Executive Session minutes occurred at the MLB meeting held in December. As decided previously, these reviews will occur quarterly. The MLB was presented with the minutes that the Manager recommended be released at this time, which included two topics Property Considerations and GM's contract negotiations. Both of which were completed.

After review of the minutes to be released by the MLB, on a motion by Commissioner Sacco, seconded by Commissioner Mitchell, it was unanimously:

VOTED: that the Westfield Gas & Electric Municipal Light Board determines that the following portions of the Executive Session minutes may be released to the public:

May 6, 2020 - Item a) Property Consideration.  
June 3, 2020 - Item a) Property Consideration  
July 1, 2020 - Item a) Property Consideration  
August 12, 2020 - Item a) Property Consideration  
September 2, 2020 - Item a) Property Consideration  
October 7, 2020 - Item b) Property Consideration  
November 4, 2020 - Item d) Property Consideration  
December 2, 2020 - Item a) Property Consideration; Item  
b) GM Contract and Compensation.  
January 6, 2021 - Item a) Property Consideration

That the General Manager is hereby authorized and directed to take any actions he deems necessary or advisable to carry out the purposes of this vote in compliance with M.G.L. c. 30A §22.

- i) **Westfield Warm Distribution Update.** Business and Finance Manager Jay Kline reported that customers that have requested additional assistance through Westfield Warm, qualified under the financial guidelines for LIHEAP or Good Neighbor Energy, and attempted to make regular payments towards their account, have received financial assistance through Westfield Warm. During the month of January and February, funds from Westfield Warm have been distributed to qualifying customers and the assistance provided to each customer is a minimum of a one-month budget payment for that customer. Most customers have received a payment from the Westfield Warm Fund in the amount of \$100-\$500. A total of 248 customers have received assistance from Westfield Warm this heating season, totaling \$53,700 has which been applied to WG+E accounts. He noted that as part of the relief provided to customers under the Westfield

Warm program customers also received assistance from the COVID relief initiative. He also noted that the DPU is now recommending the municipal light departments not extend the shut off moratorium beyond March 15<sup>th</sup>, since municipal light departments should address their growing account receivables and help customers keep their balances from growing larger. In that AR was being discussed, the Old Business agenda item on Customer Arrears was discussed at this time. Mr. Kline presented a report relating to Customer Arrears due to the COVID-19 pandemic. WG+E's outstanding over ninety-day arrears balance is \$967,214, owed by 1470 residential customers. This balance does not include an additional \$210,509 owed by 66 protected accounts in this 90-day plus category. WG+E continues to track accounts receivable balances and has taken steps to mitigate organizational risk. In early 2020, our monthly reserve for uncollectable balances was increased from \$30k to \$60k, and our 2020 year-end reserve totaled \$1.3m. As the pandemic wears on, we are continuing to reserve at the \$60k per month level and are reasonably comfortable with our current position. To date, exposure from commercial accounts has been minimal. Commissioner Sacco felt it would be appropriate to add more money to the Westfield Warm program in that there is still a need and the money that was allocated has been expended.

On a motion by Commissioner Sacco, seconded by Commissioner Renaudette, it was unanimously:

VOTED: to allocate an additional \$10,000 to the Westfield Warm program.

- j) **Quarterly Gas and Electric Rate Comparison.** Business and Finance Manager Jay Kline presented the graphs relative to WG+E rates. He stated that the rates continue to be very competitive and reported during the fourth quarter of 2020, Westfield residents paid 14.86% below the State of Massachusetts average for electricity and, for the twelve month period ending December 2020, the electric rates were 15.34% below the state average. During the fourth quarter of 2020, Westfield natural gas residential customers paid 13.2% below the State of Massachusetts average and, for the twelve month period ending December 2020, the natural gas rates were 10.63% below the state average. The commercial electric rates ranged from 8.3% to 10.04% below the state average for various classes for both fourth quarter and the twelve months ending December 2020. Commercial gas customers paid 7.53% below the State of Massachusetts average for the fourth quarter and, for the twelve-month period ending December 2020, these commercial gas customers paid 5.91% below the state average. Mr. Kline indicated that, in addition to our low and stable rates, the Department was able to increase funding to our stabilization funds as well.
- k) **Energy Stabilization Funds Quarterly Report.** Jay Kline presented the Electric Rate Stabilization Fund Report which showed that, for the year, WG+E continued to make the budgeted \$25,000 per month contribution to the Electric Rate Stabilization Fund and interest was added to the account on a monthly basis. In September \$350,000 of excess revenue was deposited into the electric stabilization fund. The Gas Rate Stabilization Fund report showed a monthly contribution of \$75,000. In September \$750,000 of excess revenue was deposited into the gas stabilization fund. No

withdrawals were made in 2020 from either the Electric or Gas Rate Stabilization Funds. The Manager indicated that monthly funding is reviewed by management on a periodic basis. Commissioner Sacco and Chairman Roman asked if the funding targets are being increased. Mr. Kline indicated the Department is looking at increasing its funding targets and expects to amend the target very soon. Once a recommendation is formulated, it will be presented to the MLB for approval. The Manager wanted to commend Jay and his group, as well as the rest of our employees on their ability to hold the line on expenditures and provide a very good financial year for the Department, especially considering operating through the pandemic. He tips his hat to everyone for their efforts.

- l) **Monthly Financial Reports.** Business and Finance Manager Jay Kline noted monthly and year-to-date purchased power expenses and net income figures presented in this report reflect estimated amounts. Through the month of January 2021, the Gas Division gain exceeds the original budgetary estimate by \$90k, while the Electric Division gain is currently \$7k less than the original forecast. U.S. natural gas in storage totaled 2.281 Tcf for the week ending February 12, which reflected a draw from storage of 237 Bcf. This extremely bullish report reflected record cold temperatures across much of the mid-section of the country. Natural gas prices surged in mid-February as snow and record cold temperatures swept across the west and central parts of the U.S. NYMEX gas prices rose 8% to the \$3.25 level, the highest price since November. The real excitement, however, centered on Texas and its grid operator ERCOT. Record cold led to equipment failures and pipeline freeze offs, disabling much of their generation fleet. ERCOT does not have a capacity auction to procure reserve assets, and this winter weather knocked over 40% of generation off line. Natural gas traded well above \$1000/MMBtu and power prices held at the \$9000/Mwh price cap for days. These costs will invariably lead to numerous bankruptcies across the region, while calls for a complete system wide redesign are building. The immediate impact in New England has been relatively minor with delivered gas trading around the \$10/MMBtu level. Commissioner Roman indicated finances are doing well.

**B. Informational Items:**

- a) **Utility Issues.** Report was presented and accepted. Commissioner Sacco noted in the report there was reference to proposed legislation to limit or prohibit gas being used in new buildings. Any such restriction will have a dramatic impact on WG+E and the gas industry.
- b) **Utility News/Pulseline Articles** was presented.
- c) **Utility Courses Update** - 2021 Seminars and Workshops were presented.

**VII. OLD BUSINESS:**

- m) **General Manager's Contract** – The General Manager's contract with Thomas P. Flaherty, Sr. was presented. The Manager noted that all the modifications to the draft requested by either Mr. Flaherty or members of the MLB were incorporated in the draft being presented. The contract was executed by the MLB and Mr. Flaherty.
- n) **Customer Arrears** - Discussed during Westfield Warm presentation.

**VIII. NEW BUSINESS -**

The Chairman noted that this would be the last MLB meeting that Tony Contrino would be present in and that he is retiring March 19<sup>th</sup>. The Chairman wanted to thank Tony for doing a great job. He stated that when Tony became General Manager, the Department was in good shape and Tony made it better. Mr. Contrino indicated he was thankful for the opportunity to serve our customers and the community over the past 20 years and thanked the MLB for their support and guidance as well. He stated the Department is in very good shape both operationally and financially, and noted there is a tremendous team of employees in place to support the GM. Commissioner Sacco indicated that he has served under 3 different managers and complimented Tony on his leadership style, his communication and how he has provided timely information to the MLB. He stated he is very grateful for his service. The Chairman stated he appreciates Tony's humility, indicating that when he has complimented Tony in the past, Tony always redirects the compliments to his co-workers in regard to their efforts and fine work they do. Commissioner Rivera noted that Tony did a great job assisting the MLB with issues they brought forward and by providing timely information to the Commissioners. He made it easy for new Commissioners to transition into their roles. Manager Contrino again thanked the MLB for their kind words and support.

**IX. ADJOURNMENT**

On the motion of Commissioner Renaudette, seconded by Commissioner Sacco it was unanimously:

VOTED: To adjourn the regular meeting of the Municipal Light Board meeting.

Chairman Roman declared the regular session portion of the meeting adjourned at 8:13 p.m.

A TRUE RECORD.

Attest:

  
A. Edward Roman, Chairman



**Documents Presented at  
 REGULAR SESSION March 3, 2021**

Municipal Light Board Regular Session Meeting Minutes – February 3, 2021			
Municipal Light Board Regular Session Meeting Minutes – February 10, 2021			
Municipal Light Board Regular Session Meeting Minutes – February 11, 2021			
Municipal Light Board Regular Session Meeting Minutes – February 12, 2021			
Municipal Light Board Regular Session Meeting Minutes – February 18, 2021			
Municipal Light Board Executive Session Meeting Minutes – February 18, 2021			
Municipal Light Board Regular Session Meeting Minutes – February 24, 2021			
Municipal Light Board Executive Session Meeting Minutes – February 24, 2020			
Westfield Warm Program – Status Report	A. Paton, Customer Accounts/Collections Manager	March 3, 2021	Financial Low Income Customer Assistance Programs F 8-2
Human Resources Annual Report – 2020	Beth Burns, HR Coordinator/Records Manager	March 3, 2021	Administration/Organization Employee Workforce AO-3.6
Human Resources Quarterly Status Report – 1 <sup>st</sup> Quarter 2021	Beth Burns, HR Coordinator/Records Manager	March 3, 2021	Administrative/Organization Employee Workforce AO-3.6
Residential Electric Rate Comparison – 4 <sup>th</sup> Quarter Total as of December 2020			
Residential Gas Rate Comparison – 4 <sup>th</sup> Quarter Total as of December 2020			
Commercial Electric Rate Comparison – 4 <sup>th</sup> Quarter Total as of December 201209			
Electric Rate Stabilization Fund – Fourth Quarter 2020	J. Naughton, Senior Accountant	March 3, 2021	Financial Electric Rate Stabilization Fund Management F-6.1
Annual Street Lighting Report	Patrick M. Levesque, Utility Supervisor	March 3, 2021	Communications/Customer Service/ Community Affairs Street Lighting / Off Street Municipal Lighting CCA-4.3
2020 Annual Outage Report	Michael S. Lee, Operations Manager	March 3, 2021	Electric Utility Business Electric System Outage Minimization EUB-5.5

FTTH Services Installed	Patrick M. Levesque, Utility Supervisor	March 3, 2021	Telecommunications Utility Business Whip City Fiber Service Installation
2020 Safety & Health Annual Report	Patrick M. Levesque, Utility Supervisor	March 3, 2021	Administrative and Organization Safety & Health Training AO-3.10
2021 Technical Organization and Functions Manual	Anthony J. Contrino, General Manager	March 1, 2021	Administrative & Organization Organization Manual
Release of Executive Meeting Minutes	Anthony J. Contrino, General Manager	March 3, 2021	Regulatory and Government Affairs MLB Meeting Management – RGA-1.2
January 2021 Financial Report	T. Fouche, Accounting Manager	March 3, 2021	Financial Annual & Quarterly Reports
Utility Issues	John W. Welch	March 3, 2021	Regulatory & Governmental Affairs Gas/Electric Regulatory Issues, RGA-1.4; RGA1.5
Utility News/Pulse Line	Beth Burns, HR Coordinator/Records Manager	March 3, 2021	Communications/Customer Service/Community Affairs Media Relations – CCA-1.6
Utility Course Update 2021 Seminars/Workshops	Beth Burns, HR Coordinator/Records Manager	March 3, 2021	Administration and Organization WG+E Training & Development, AO-3.6
GM Contract		March 3, 2021	
Customer Arears – COVID-19 Pandemic Update	J. Kline, Business and Finance Manager	March 3, 2021	Financial Manage Risk to Receivables F-8.5