

Westfield Gas & Electric Municipal Light Board Regular Meeting Minutes April 7, 2021



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 #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
Ward #1 Commissioner, Kevin M. Kelleher

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 March 3, 2021 Regular Session Meeting of the Municipal Light Board as presented

V. PUBLIC PARTICIPATION: None

VI. COMMUNICATIONS RECEIVED BY THE GAS & ELECTRIC

- a) **Acknowledgement – Kiwanis Club of Westfield** – Letter from Amanda Brodtkin, President, thanking WG+E for its continued support of its annual auction.
- b) **Acknowledgement – MHA (Safe Haven)** – email correspondence from Kimberley Lee, Vice President of Resource Development and Branding thanking WG+E for donation.
- c) **Acknowledgement- Town of Chesterfield** – compilation of emails provided by customers who were part of the initial pilot program for Whip City Fiber in Chesterfield.
- d) **Acknowledgement – Town of Wendell** – email correspondence from Lou Leelyn, member of Wendell MLP Committee, sent in gratitude for efforts to bring Emergency Broadband Benefit Program to her town.

VII REPORTS FROM THE GAS & ELECTRIC:

A. Action Required Items

- a) **Quarterly Powerline Publication.** A copy of the quarterly Powerline publication was provided to the MLB. The Powerline is to be sent out with utility bills during the month of April. The Manager discussed the spring edition which includes information on a few of the planned gas and electric construction activities soon to start as well as an upcoming announcement about future WCF expansion in Westfield. As spring is here, customers are reminded to call Dig Safe before they dig on their property so that all utilities can be marked. Financial assistance information was provided for those who may be facing a financial hardship. Lastly, the Powerline shows the rate comparisons of WG+E showing how well WG+E does with keeping its rates well below the state average with residential gas rates 10.63% and electric at 15.34% below state average.
- b) **Recorded MLB Meeting Quarterly Report.** The Manager reported on the first three months viewing of the MLB meeting videos in 2021 that are found on WG+E's website. Activity was up dramatically due to interest in the process for selecting the new General Manager and watching the interviews held with the candidates.
- c) **Whip City Fiber Expansion- Westfield.** The Manager stated going forward he would like to invite key employees to the MLB meetings to review the projects they are

working on. The Manager introduced Operations Supervisor Chris LaVertu. Mr. LaVertu provided an overview of the 2021 planned Whip City Fiber expansion in Westfield and reviewed how the areas were selected and graded based on customer level of interest and construction costs. The new areas we are expanding to are:

FSA 96: Upper Montgomery Road and Wyben Road Area
FSA 87: Meadow Street Area – Saint Paul, Hanover Street to Sycamore Street
FSA 671: White Street Area, Main Street to East Bartlett Street
FSA 75: Orange Street Area – Elm Street to Ford Avenue
FSA 80: Franklin Street Area – Provin Terrace to Kellogg Street
FSA 74: Franklin Street Area – Shepard Street to Franklin Avenue
FSA 32: Russell Road Area – Fairway Condos, Riverbend Condos Tekoa Mountain Apts.
FSA 29: Hampton Ponds Area (Make Ready Electric)
FSA 51: Mainline Drive (Heavy Commercial)

The Manager reported he had spoken with Councilor Figy and Councilor Matthews-Kane and they're on board, as well as Commissioner Rivera and Commissioner Renaudette, to go door to door at commercial properties in FSAs noted above that make up the downtown areas. Marketing Manager Lisa Stowe is working on bi-lingual cards (Russian and Spanish) with fiber information. IT Manager, John Leary reiterated that this new buildout is made possible with the money we have generated from the hilltowns. .

- d) **Annual ILOT Report.** The Manager presented the FY2022 in lieu of tax report. WG+E's plant value increased from the prior year and the commercial tax rate decreased by 1.5% from FY 2021, contributing to the ILOT cash payment to the City increasing in FY 2022 by \$19,038. It was noted that the total of cash and city benefits provided to the city of over \$2 million continues to maintain WG+E as the single largest "taxpayer" in the City of Westfield. Commissioner Mitchell thanked Business & Finance Manager Jay Kline for breaking down the \$43.81/residential customer cost as it explains how we got the \$585,112 amount (the \$43.81 is passed on from our electric, gas and fiber rates).

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

VOTED: that based upon the in-lieu-of-tax contribution formula vote taken at the June 9, 2004 and amended at the May 16, 2007, October 2, 2013 and May 3, 2017 Municipal Light Board meetings, the following ILOT calculations and recommendation for FY 2022 is as follows;

That the Municipal Light Board determines the FY 2022 ILOT payment to the City of Westfield in the amount of \$645,112::

The ILOT is based upon 70% of the book value of the general plant

as contained in the DPU Annual Report for the most recent fiscal year for gas and electric accounts 389 to 399, multiplied by the current commercial tax rate (\$36.55 per \$1,000);

The actual ILOT cash payment to the City is then calculated by reducing the ILOT, as calculated above, for non-statutory goods and services voluntarily provided by WG+E to the City, including traffic light maintenance at an agreed upon annual amount of \$60,000.

that the ILOT cash payment of \$585,112 for the City's fiscal year 2022 be made by monthly payments of \$48,759 commencing on or after July 1, 2021; and

that the manager is hereby authorized to take any other action he deems necessary or advisable to carry out the purposes of this vote.

- e) **Proposed 2021 Capital Project & Reconstruction Budget.** Business and Finance Manager Jay Kline presented a report on the Proposed 2021 Capital Budget of \$10,918,000. The budget lists each of the expected projects by cost center. Funding sources for the capital budget involving net income and depreciation components was explained thoroughly. The Manager said \$10.9M is a pretty solid number with the largest component being the new substation transformer at Elm Sub; other major contributors to the number are the new 9 FSAs and enhancing reliability at Elm Substation.
- f) **Gas Service Reliability Benchmarking Report.** Operations Manager Mike Lee presented a report relating to emergency response time for the Gas Servicemen. During 2020, the Utility Service Technicians responded to 1,414 gas service-related calls, representing an average of 118 calls per month. This represents a decrease of approximately 29% over the prior year. The average response time for emergency calls was 11 minutes while all other calls averaged a response time of 28 minutes. As has been the norm, the service area of WG+E does a great job and the quick response time is well below the average and he is comfortable saying that WG+E metrics for response times are at the top of the industry. In addition, WG+E responded to scheduled appointments for value-added services, such as dryer disconnects/reconnects, oven disconnects/reconnects, and furnace inspections, in 2020 along with being first responders for leaks, Westfield Fire Department disconnects and Dig Safe assistance. The pandemic did impact the number of in-home non-emergency services, yet these employees were considered front line responders who entered customer homes for emergency gas odor calls. They are to be commended for their willingness to put their safety at risk for that of our customers.
- g) **Cast Iron Abandonment Report.** The Operations Manager Mike Lee reported that WG+E is responsible for providing natural gas service in a safe and reliable manner. In accordance with the Commonwealth of Massachusetts Cast Iron Replacement

Regulations, WG+E set priorities regarding replacement of high risk, low-pressure cast-iron mains and bare steel services. WG+E implements a risk-based replacement plan that factors in age, leak frequency, and propensity for damage while addressing the reconstruction needs of the gas distribution system. In 2020, approximately 19,780 feet (12.7%) of existing cast iron pipe and 1,938 feet (4.0%) of existing bare steel pipe services were abandoned and replaced. Since 1980, approximately 92.5 miles of cast iron and bare steel piping was abandoned and replaced with new steel or plastic piping, representing 55.6 miles (68.3% of total) main and 36.9 miles (82% of total) service piping. Commissioner Liptak questioned the big pipe at the Southwick Bridge, to which Mr. Lee stated it was a water pipe and our gas line is located to the west of the bridge.

- h) **Call Center Year End Report.** Business and Finance Manager Jay Kline reported that the WG+E Call Center, as is the norm, performs great customer service work and handled 24,737 calls in 2020 for a monthly average of 2,061. The IVR volume continues to grow and the Department continues to steer customers to this industry standard automated approach in an effort to eliminate the potential for fraudulent activities that human involvement with such transactions, such as credit card usage, could possibly introduce. Since 2015, the number of IVR system calls as more than doubled with 12,529 received in 2020 as customers discovered the convenience and accessibility of making online payments. Annual Call Center volume activity continues to be in the range of 22,000 to 26,000 calls over the last five years. The Manager thanked IT Manager John Leary and his staff for setting up the customer service representatives with the ability to work from home at the onset of the pandemic. The Manager said as of March 15th all municipalities can start terminations per the DPU, however we decided not to start terminations on that date. The Department recently sent out close to 2,000 letters to customers letting them know of their financial obligations and that we want to work with them and help set up a pay arrangement if needed to avoid termination. We will begin sending termination letters May 3rd to those customers who have not issued a payment or contacted us regarding their past due account. Business and Finance Manager Jay Kline said currently there is \$1M owed in the 90 days outstanding category and over \$300K in the 60 days outstanding category. Commissioner Sacco commented that our account receivables from March 2020 was around \$5.7M and that figure now stands at approximately \$7.6M. The Manager said there will be a report available that reflects how many customers have made payment or set up a payment plan and another report available in June or July that reflects termination information. Mr. Kline stated the amount owed from all residential accounts is \$1.3M which is exactly what is in the reserve.
- i) **Annual Insurance Report.** Business and Finance Manager Jay Kline presented the Annual Insurance Report. The report indicates that, based on the current projections, insurance for 2021 will increase by \$58,601. The principal drivers of the increase are the added value of telecom revenue and equipment. Jay commented that property insurance program coverage is an extremely difficult market to get coverage in currently due to storms, hurricanes, fires, etc. The Board voted the allocation of a Premium credit to the PUMIC membership of \$184,000, a \$12,000 increase in the credit provided for 2020.
- j) **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 February 2021, the Gas Division gain exceeds the original budgetary estimate by \$362k, while the Electric Division gain is currently \$275k above the original forecast. U.S. natural gas in storage totaled 1.746 Tcf for the week ending March 19, which reflected a draw from storage of 36 Bcf. This report positioned inventories 263 Bcf lower than last year at this time and 78 Bcf below the five-year average. Natural gas was trading flat around the \$2.50/MMBtu level prior to the release then traded modestly higher. The market has been getting support from strong Europeans and Asian demand for US LNG exports while the recent blockage of the Suez Canal may impact 15 LNG cargo ships. In all likelihood, weather patterns will prevail and the market should trend lower over the next few weeks. Regarding Whip City Fiber, the numbers reflected are driven dramatically by the ramping up of the hilltown construction programs and those expenses are relative to the revenue that we can bill out.

B. Informational Items:

- a) **Utility Issues**. Report was presented. .
- b) **Utility Courses Update** - 2021 Seminars and Workshops were presented.
- c) **Utility News/Pulseine Articles** was presented.

VII. OLD BUSINESS:

VIII. NEW BUSINESS -

- a) Due to scheduling conflicts, Commissioner Rivera asked to reschedule the the May 5th meeting. Upon further discussion, it was mutually decided that May's meeting will be moved to Thursday, May 13th at 7pm.
- b) **Energy and Climate Bill S.9 – Net Zero Emissions**. The Manager reported that, on March 26th, Governor Baker signed this bill which mandates net zero emissions by 2050 however, municipalities in Massachusetts must be 50% emission free by 2030. Nuclear energy is non-emitting and is a large part of our energy portfolio, as is solar and wind. Business & Finance Manager Jay Kline confirmed that we are currently at 58% non-emitting energy sources right now. The Manager and Mr. Kline's department have discussed the potential of partnering with various solar projects.. The Manager gave thanks to the Energy Supply department for doing an amazing job. Commissioner Sacco asked how much of our energy portfolio is nuclear; to which Mr. Kline reported close to 40%.

XI. EXECUTIVE SESSION:

On the motion of Commission Rivera, seconded by Commissioner Mitchell and on the basis of a roll

call it was:

VOTED: To adjourn the regular meeting of the Municipal Light Board meeting and enter into executive session for the purpose of discussing trade secrets and competitively sensitive information and not to reconvene the Regular Session after adjournment from Executive Session.

Kelleher	"aye"
Rivera	"aye"
Renaudette	"aye"
Liptak	"aye"
Mitchell	"aye"
Sacco	"aye"
Roman	"aye"

Motion passed 7-0.

Chairman Roman stated that the Municipal Light Board would be entering into executive session for the purpose of discussing trade secrets and competitively sensitive information and would not reconvene the Regular Session after adjournment from Executive Session.

IX. ADJOURNMENT

On the motion of Commissioner Rivera, seconded by Commissioner Mitchell 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 8:43 p.m.

A TRUE RECORD.

Attest:



A. Edward Roman, Chairman

**Documents Presented at
REGULAR SESSION April 7, 2021**

Municipal Light Board Regular Session Meeting Minutes – March 3, 2021		April 7, 2021	
Acknowledgement – Kiwanis	Amanda Brodtkin, President Kiwanis Club of Westfield	April 7, 2021	
Acknowledgement – MHA Safe Havens	Kimberley Lee, Vice President Resource Development and Branding	April 7, 2021	
Acknowledgement – Town of Chesterfield	Various community residents	April 7, 2021	
Acknowledgement – Town of Wendell	Lou Leelyn- MLP Committee Member	April 7, 2021	
Spring 2021 Powerline	Lisa Stowe- CX, Marketing and Communications	April 7, 2021	
MLB Video Communications	Laura Dorman Marketing Associate	April 7, 2021	
Whip City Fiber Expansion- Westfield	Christopher LaVertu Utility Supervisor	April 7, 2021	Internet Service Provider – TUB -3.1
FY2022 In Lieu of Tax Contribution	Thomas P. Flaherty General Manager	April 7, 2021	City Key Account Program – CCA 2.10
2021 Capital Projects	Jamie Naughton Financial Reporting Manager	April 7, 2021	Key Capital Projects
Gas Service Call Reliability Benchmarking Report	Pat Levesque Utility Supervisor	April 7, 2021	Operations Customer Service – CCA 2.6
Cast Iron Abandonment Program Report	Greg Freeman Utility Supervisor	April 7 2021	Gas Distribution Reconstruction – GUB 3.2
Call Center Year-End Report	Lisa Stowe- CX, Marketing and Communications	April 7, 2021	Call Center Report – CCA 2.4
Annual Insurance Report	Timothy Fouche Accounting Manager	April 7, 2021	Insurance Programs & Risk Management – F 5.1
February 2021 Financial Report	Jay Kline Business and Finance Manager	April 7, 2021	Annual and Quarterly Reports F4.5
Utility Issues	John W. Welch, Esquire	April 7, 2021	Gas/Electric Regulatory Issues – RGA 1.4, RGA 1.5
Utility Courses Update	Robin Krok HR Associate	April 7, 2021	WG+E Training and Development – AO 3.6
Utility News	Beth Burns HR Manager	April 7, 2021	Media Relations – CCA 1.6
February 2021 Financial Report	T. Fouche, Accounting Manager	April 7, 2021	Financial Annual & Quarterly Reports
Utility Issues	John W. Welch	April 7, 2021	Regulatory & Governmental Affairs Gas/Electric Regulatory Issues, RGA-1.4; RGA1.5
Utility News/Pulse Line	Robin Krok, HR Associate	April 7, 2021	Communications/Customer Service/ Community Affairs Media Relations – CCA-1.6

Utility Course Update 2021 Seminars/Workshops	Robin Krok, HR Associate	April 7, 2021	Administration and Organization WG+E Training & Development, AO-3.6
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