



Westfield Gas & Electric Municipal Light Board Regular Meeting Minutes September 2, 2020

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 Sacco stated that this meeting of the Municipal Light Board is being electronically recorded in both video and audio by the Municipal Light Board. As stated in the WG+E MLB Video Policy the recording will be available on the WG+E website within one week. Is anyone, other than the Municipal Light Board, recording the meeting and if so state whether it is an audio or video recording and whether the recording is being live streamed. Peter Currier of the Westfield News, who was in attendance remotely, indicated he was not recording.

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, Thomas P. Flaherty
Ward #6 Commissioner, Robert C. Sacco
Appointed Commissioner, A. Edward Roman

Absent:

Present: 7 Absent: 0

III. PLEDGE OF ALLEGIANCE

V. READING OF THE RECORD:

On motion by Commissioner Flaherty, seconded by Commissioner Renaudette, it was unanimously:

VOTED: To accept the minutes of the August 12, 2020 Regular Session Meeting of the Municipal Light Board as presented; and

To accept the minutes of the August 12, 2020 Executive Session Meeting of the Municipal Light Board as presented, but not release to the public at this time.

V. PUBLIC PARTICIPATION: None

VI. COMMUNICATIONS RECEIVED BY GAS AND ELECTRIC:

- a) **Acknowledgement – City Council** – Letter from Cindy Harris, Councilor, thanking WG+E for doing an overall fantastic job in and for the City of Westfield.
- b) **Acknowledgement – Mental Health Association** – Letter from Kimberly Lee, VP Resource Development & Branding, thanking WG+E for its donation enabling them to connect a Safe Haven resident with community resources.
- c) **Acknowledgement – Witalisz & Associates Real Estate** – Customer compliment appreciating all the hard work WG+E does in the City of Westfield.

VII. REPORTS FROM THE GAS & ELECTRIC:

A. Action Required Items

- a) **Human Resources Quarterly Update Report** The Manager provided, as requested at the March 2017 MLB meeting, a quarterly update reflecting personnel transactions that have occurred since last reporting. There is one resignation pending. The Manager indicated that due to the COVID pandemic, any personnel transactions were temporarily put on hold. The Department is currently interviewing for Dispatcher and Customer Service Representative openings.
- b) **Technical/Organizational Chart Updates**. The Manager presented, as is the norm, a midyear technical organization chart update with information which reflects changes since it was last presented to the MLB in March of 2020. Chairman Sacco asked if there are any changes to the TO. The Manager indicated no major changes. However, Robin Krok was promoted to Human Resource Associate and Jason Tidlund, who had been an IT Consultant, is now an employee of the Gas & Electric within the IT group. Commissioner Liptak asked what the compliance notation next to Mr. Fontaine's name was. The Manager indicated that in different areas of the company, personnel are assigned to

review and assure that there is regulatory compliance within that area. Commissioner Flaherty asked how many employees are currently employed. Commissioner Kelleher indicated that he would like to know the total number of employees including part time employees. The Manager indicated there are 88 employees, 63 IBEW and 25 management. An additional 6 part-time employees are not included in the 88 employee total.

- c) **Release of Executive Session Minutes.** The Manager reported that at previous MLB meetings the MLB receives quarterly reports on Executive Session Minutes that may be released. For the 3 months ending August 2020 there were no Executive Session minutes to release, the one agenda item discussed involves Property Considerations that is still being negotiated.
- d) **MLB Monthly Video Views Quarterly Report.** The Manager reported that the WG+E began posting the monthly MLB videos on the WG+E website back in March 2020. The videos are available to anyone who goes to the company's website and clicks on the Municipal Light Board section under the About WG+E page. Previously, we were tracking only the total video views based on the month the video was published. We are now tracking the number of individual viewers that comprise the total views. The most viewed video was the March 4th meeting with 17 total views, but this number is probably skewed being this was the first video added to the website and several views were due to testing and quality control. The July 1st meeting had the highest number of viewers since then with 7 unique viewers.
- e) **Energy Stabilization Funds Quarterly Report.** Jay Kline, Finance and Energy Supply Manager, reported on both Rate Stabilization Funds being held by MMWEC noting that at the end of the second quarter WG+E continues to contribute \$25,000 per month to the Electric Stabilization and \$75,000 per month to the Gas Stabilization. Other than interest being credited to the account, no other deposits or withdrawals were made from the funds during the second quarter. Mr. Kline indicated that a portion of the monthly additions to the Stabilization Funds are lower, in that currently interest rates are extremely low. Interest rates had recently been in the 2 or 3% range, which allowed more cash to be added to the funds. Commissioner Flaherty asked what is remaining on the loan to the Co-op for the construction of the lateral. Mr. Kline indicated approximately \$3.5 million. Commissioner Flaherty noted that the increase to the Stabilization Funds are approximately \$1 million per year between the two funds.
- f) **Gas and Electric Rates Comparison.** Mr. Kline presented the Residential Electric Rate Comparison showing WG+E residents for the second quarter of 2020 paid 15.35% below the State of Massachusetts average and 16.05% below the average for the six months ending June 2020. The Commercial Electric Rate Comparison showing WG+E business owners, depending on size, paid between 7.89% and 12.05% below the State of Massachusetts average during the second quarter of 2020 and between 8.94% and 12.69% below the average for the six months ending June 2020. He also presented the quarterly Residential Gas Rate Comparison showing WG+E residents for the second quarter of 2020 paid 9.62% below the State of Massachusetts average and 10.89% below

the average for six months ending June 2020. The Commercial Gas Rate Comparison for the second quarter shows that Westfield commercial gas customers paid on average 3.76% below the State of Massachusetts average for the quarter ending June 30th and 6.21% below the Massachusetts average for the year to date ending June 30th. The Manager commented that these exceptional rates are a result of comprehensive department-wide efforts at reducing expenses and having a strong energy portfolio. These results are a testament to the determination to control costs within all areas of the Department. Commissioner Rivera noted the rate comparison and WG+E's position is lower than most utilities and are staying about the same as the prior year. Commissioner Flaherty commented that the rates look good.

g) Monthly Financial Reports. Jay Kline, reported on the monthly financial reports noting that the monthly and year-to-date purchased power expenses and net income figures presented in the report are the estimated amounts. Through the month of July 2020, the Gas Division gain exceeds the original budgetary estimate by \$1.4M, while the Electric Division gain is currently \$1.1M more than the original forecast. Commissioner Renaudette inquired if there was a great impact to usage considering many people are currently at home. Mr. Kline indicated that there is an increase in consumption on the residential side, but commercial consumption has been reduced. The Manager indicated that residential kilowatt hour consumption year to date is up about 8% above budget, yet commercial consumption is down 2% year to date, likely due to decreased activity during the pandemic. Commissioner Roman indicated that on a consolidated basis net income is currently at \$9 million when the budget was \$6.7 million shows the Department is ahead of budget and doing "very well". Commissioner Flaherty inquired as to what the cost of the storm was and the Manager indicated that we're still waiting on invoices to be received from those MLP's that provided mutual aid and estimated these costs to be between \$400,000 and \$500,000. While discussing mutual aid and how it is paid, Commissioner Kelleher inquired if the costs are consistent from one responding company to another. The Manager indicated that mutual aid was based on the responding company's collective bargaining agreement with a cap set on its cost, but the decision as to who is called is not a function of the relative cost of that responding utility, as many of these costs are not known. During Tropical Storm Isaias, we took those crews that were available to us due to the fact many utilities were concurrently seeking mutual aid.

B. Informational Items:

- a) **Utility Issues** was presented and accepted by the MLB.
- b) **Utility News/Pulseline Articles** was presented.
- c) **Utility Courses Update** was presented

VIII. OLD BUSINESS:

- a) **COVID-19 Update** - The Manager reported that the Department's Incident Management Team continues to meet weekly to discuss newly established guidelines and requirements, help the Department adapt to the ever-changing situation and maintain high levels of communication with our employees and customers. Our efforts continue to place a priority on health and safety, while maintaining most of the services our customers are used to receiving. As of late August, there were no major changes to daily operations. The Department continues to adhere to state recommendations and requirements regarding social distancing, hygiene, acceptable staffing levels and cleaning protocols. Governor Baker's August 1st travel orders for those people entering Massachusetts require all individuals, including residents, who are entering the state after being outside the country or in a state that is not deemed COVID low-risk, to complete the Massachusetts Travel Form and quarantine for 14 days or produce, upon request, proof of a negative COVID test result. The Manager indicated that new requirements have been implemented regarding employees that choose to travel to a state that is not designated as low-risk and upon their return they must utilize accrued benefit time during their quarantine or until they provide the Department a negative COVID test. The Elm Street lobby remains closed to the general public but customers can meet with a customer service representative by making an appointment. The Department has done well with only 2 or 3 cases of COVID-19 among our employees. There is concern that this fall or winter, especially with schools reopening, there could be another surge of COVID-19 and at that time it may become necessary for more employees to work remotely. The manager indicated that this week management met with the IBEW and discussed these COVID-19 issues.
- b) **Rate Reduction & Customer Arrears** - Chairman Sacco indicated that following discussion at last month's meeting he prepared a vote for a policy which he believes incorporates the discussions of the MLB. The Chairman proposed the Department budget up to \$500,000 and specifically require a policy that the Department set up a program which allows them to work one on one with those customers impacted by COVID-19 and management can excuse up to three months of the customer's billed usage. He indicated that the Department should be proactive and help those customers that need help. Commissioner Kelleher indicated that this is the time to act. Commissioner Roman inquired as to the difference between increasing bad debt and the current vote. Mr. Kline indicated that while the bad debt reserve has been increased it is not giving relief because the debt is still owed. Commissioner Rivera indicated that those customers comprising the bad debt still owe the Department money even if it is written off. Chairman Sacco indicated that this would allow not just a write off of the debt from the accounting point of view but also gives relief to the customer's account. Commissioner Roman indicated he was all for relief to the customers but indicated that considering we have also increased our monthly funding for bad debt, these efforts would hit and affect the bottom line. Commissioner Flaherty indicated that he agrees with the vote because it provides a means for the MLB to communicate to its customers that WG+E is taking action. Commissioner Liptak agreed with the proposal and also indicated it was time to act. Commissioner Rivera indicated it's good the Department is being proactive and helping those in need, creating a win-win situation. Commissioner Flaherty indicated the Department has done stellar planning with

supply hedging and other financial controls put in place which have put it in the financial position where it now has the money available to institute this program. The Manager stated that we all recognize these are extraordinary times and this situation provides one more opportunity for the Department to show its continued commitment to the community and provide assistance to those that need help due to the results of the pandemic. Chairman Sacco stated he'll be looking for reports regarding the Department's efforts on this front and if the situation continues further action may be necessary. Mr. Kline indicated that the shut off moratorium continues and will likely extend through April 2021. When shutoffs resume, we'll be able to see more clearly the financial effects of this pandemic.

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

VOTED: that the Westfield Gas & Electric Municipal Light Board seeks an effective means to provide economic relief to Westfield Gas & Electric ratepayers, especially during this COVID-19 pandemic;
and

that the Westfield Gas & Electric Municipal Light Board has reviewed and discussed the General Manager's ability to manage customer arrears and establish customer payment plans as he deems appropriate; and

that it is the policy of the Westfield Gas & Electric Light Department to create a program to assist its ratepayers in which the Westfield Gas & Electric Light Department works with ratepayers impacted by the current economic conditions and budget up to \$500,000 for the purpose of providing relief to residential and commercial (including non-profit) gas, electric and Whip City Fiber ratepayers, including but not limited to the forgiveness of up to three months billings to residential and small business ratepayers;

that the Westfield Gas & Electric Municipal Light Board authorizes the Manager to take all steps necessary to create this program and carry out this policy; and

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.

Jay Kline also presented Accounts Receivables tables which reflect outstanding balances as of July 31, June 30 and a March 1 comparison for the years 2018 – 2020. The total balance due in each category continues to be impacted by the timing of billing cycles and daily customer payment activity. The highlighted areas reflect those commercial and residential customers over 90 days in arrears. Residential customers that do not have protected status have increased to 1694 accounts on July 31st, from 1686 on June 30th from 1013 on March 1st. Management continue to track changes in the number, size and trajectory of past due account balances.

IX. NEW BUSINESS:

- a) **APPA Training-Governance** – The Manager indicated that a training had been scheduled last May for APPA to provide the MLB with a seminar on MLB responsibilities and governance issues, but the training was cancelled due to the pandemic. The Manager has had conversations with APPA staff and they indicated after October 25 through the end of November they will be available to come to WG+E to provide the seminar. Chairman Sacco indicated it's a helpful seminar and is willing to give time for it rather than hold the training during a regular meeting. It was decided that there would be a three-hour seminar starting at 4:30 p.m. the week of October 26th with Wednesday, October 28th being the preferred date.
- b) **Manager's Contract Notice** - The Manager indicated that he had provided the Chairman a letter of his intent to retire. A 180 day notice is required by his employment contract. Recent discussions with family and a great deal of careful thought have led him to decide it is time for him to make this change. The projected retirement date is in accordance with the lengthy advance notice requirements contained within the Manager's professional services agreement, previously negotiated with the MLB, placing his projected retirement date at March 19, 2021. He stated he appreciates the support the MLB has given him throughout his entire career at WG+E. He also said he's been fortunate to be working with such a tremendous and fully capable team of employees that will enable the Department to continue to prosper. Commissioner Flaherty congratulated the Manager. Chairman Sacco indicated he was sorry to see him leave and will miss the Manager's leadership.

X. EXECUTIVE SESSION:

On the motion of Commissioner Flaherty, seconded by Commissioner Liptak 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 the purchase, exchange, lease or value of real property in that an open meeting may have a detrimental effect on the negotiating position of WG+E, as noted on the agenda, and not to reconvene the Regular Session after adjournment from Executive Session.

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

Motion passed 7-0. 0 absent

Chairman Sacco stated that the Municipal Light Board would be entering into executive session for the purpose of discussing the purchase, exchange, lease or value of real property in that an open meeting may have a detrimental effect on the negotiating position of WG+E, as noted on the agenda, and would not reconvene the Regular Session after adjournment from Executive Session.

XI. ADJOURNMENT

Chairman Sacco declared the regular session portion of the meeting adjourned at 7:53 p.m.

A TRUE RECORD.

Attest:



Robert C. Sacco, Chairman

**Documents Presented at
 REGULAR SESSION September 2, 2020**

Municipal Light Board Regular Session Meeting Minutes – August 12, 2020			
Municipal Light Board Executive Session Meeting Minutes – August 12, 2020			
Acknowledgement – Westfield City Council	Councillor Cindy Harris		
Acknowledgement – Mental Health Association	Kimberly Lee, VP Resource Development & Branding	August 14, 2020	
Customer Thank You – Witalisz & Associations Real Estate			
Human Resources Quarterly Status Report – 3 rd Quarter 2020	Beth Burns, HR Coordinator/Records Manager	September 2, 2020	Administration/Organization Employee Workforce AO-3.6
Technical/Organizational Chart Update	T. Contrino, General Manager	September 2, 2020	
MLB Monthly Video Views – Quarterly Report	Laura A. Dorman, Marketing Associate	September 2, 2020	Internal and External Department Communication M-1.9
Electric Rate Stabilization Fund – Second Quarter 2020	J. Naughton, Senior Accountant	September 2, 2020	Financial Electric Rate Stabilization Fund Management F-6.1
Gas Rate Stabilization Fund – Second Quarter 2020	J. Naughton, Senior Accountant	September 2, 2020	Financial Gas Rate Stabilization Fund Management F-7.1
Gas and Electric Rate Comparisons		September 2, 2020	
July 2020 Financial Report	T. Fouche, Accounting Manager	September 2, 2020	Financial Annual & Quarterly Reports
Utility Issues	John W. Welch	September 2, 2020	Regulatory & Governmental Affairs Gas/Electric Regulatory Issues, RGA-1.4; RGA1.5
Utility News/Pulse Line	Beth Burns, HR Coordinator/Records Manager	September 2, 2020	Communications/Customer Service/Community Affairs Media Relations – CCA-1.6
Utility Course Update 2020 Seminars/Workshops	Beth Burns, HR Coordinator/Records Manager	September 2, 2020	Administration and Organization WG+E Training & Development, AO-3.6
COVID-19 Update	Anthony J. Contrino, General Manager	September 2, 2020	Administration and Organization Emergency Situation Management, AO-4.3
Rate Reduction & Customer Arrears	J. Kline, Finance and Energy Supply Manager	September 2, 2020	Financial Manage Risk to Receivables F-8.6