



whip city fiber

Westfield Gas & Electric Municipal Light Board Regular Meeting Minutes September 4, 2019

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. The recording of this meeting is for purposes of testing the capabilities of the technology and recording equipment in this conference room and will be limited to agenda Items I through V, Public Participation. The recording is not being streamed and will not be placed on any public website. 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.

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

IV. READING OF THE RECORD:

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

VOTED: To accept the minutes of the August 7, 2019 Meeting of the Municipal Light Board as presented.

V. PUBLIC PARTICIPATION: City Councilor Brent Bean, 94 Ridgecrest Drive, Westfield, Massachusetts addressed the MLB in order to provide them notice that he had been contacted by residents of Ward 2, looking to be connected to Whip City Fiber. Councilor Bean asked if there are procedures in place for having Whip City Fiber installed in certain sections of the City and wanted to make the MLB aware of this request. Commissioner Flaherty asked John Leary, IT Manager, if Whip City Fiber was available in the area being discussed. Mr. Leary indicated he would have to look at maps to determine.

VI. COMMUNICATIONS RECEIVED BY GAS AND ELECTRIC:

- a) **Acknowledgement – Baystate Foundation** – Letter from Kathy Tobin, Director of Annual Giving & Events, thanking WG+E for its sponsor and energy credit support of the 55th Annual Baystate Noble Ball, which is raising funds to enhance the care provided by the Baystate Regional Cancer Program at Baystate.
- b) **Acknowledgement – Boys & Girls Club of Greater Westfield** – Letter from William R. Parks, CEO and Richard E. Clark, Jr., Tournament Chair, thanking WG+E for its continued support of the Boys & Girls Club of Greater Westfield Golf Classic held at Tekoa Country Club on June 4th. The Tournament was a success and raised \$80,000 in net proceeds to help the Boys & Girls Club offer programs to over 1,800 youth in the greater Westfield area.
- c) **Acknowledgement – Friends of Grandmothers' Garden, Inc.** – Letter from Sandra S. Watkins and Robert M. Watkins, Co-Chairs, thanking WG+E for its patronage of the 2019 Grandmothers' Garden Gala. Funds raised were used for the maintenance and development of Grandmothers' Garden and Chauncy Allen Park.
- d) **Acknowledgement – Genesis Spiritual Life & Conference Center** – Letter from Liz Walz, Executive Director, thanking WG+E for its sponsorship of the 20th Annual Wine Taste Fundraiser and energy credit certificates.
- e) **Acknowledgement – St. Mary's Parish School** – Letter from Robin Jensen, Advancement and Kathy Labrie, 2019 Golf Chair, thanking WG+E for its sponsorship and 150 packs of gum in support of their recent golf tournament. The event was an overwhelming success and raised over \$24,000 used in their ongoing advancement and recruitment efforts at St Mary schools.

- f) **Acknowledgement – YMCA of Greater Westfield** – Letter from Andrea Allard, CEO, thanking WG+E for its sponsorship in support of its Premier Event – Totally 80's Party. The event was a success and raised over \$40,000 to support the work of the YMCA and its community programs.

VII. REPORTS FROM THE GAS & ELECTRIC:

A. Action Required Items

- a) **Westfield Chamber of Commerce Breakfast.** The Manager provided information regarding the September Chamber of Commerce Breakfast scheduled for Friday, September 20th at 7:00 am at the 104th Fighter Wing Air National Guard. Any Commissioner planning on attending please let the Manager or Beth Burns know.
- b) **Westfield Day Big E, September 26, 2019.** The Manager indicated that Westfield Day at the Big E will be held on September 26, 2019. There are new guidelines, defined by the Big E that organizations have to follow. The Manager indicated that new procedures limited the Gas & Electric to one truck and ten marchers. The Manager invited any MLB members interested to march. Chairman Sacco, Commissioners Flaherty and Roman indicated that while they would be at the Big E for that day, they didn't want to use tickets that employees could use and therefore would purchase their own tickets to the Big E.
- c) **Annual Employee Meeting.** The Manager reported that the format for the annual employee meeting this year will be the same as last year which was a new and successful event. There will be a luncheon on the grounds of the Operations Center on Friday, September at 12:15 pm. WG+E will close for normal business at 11AM that day to allow all employees to attend this event. The Manager will conduct a brief presentation and discussion before the luncheon. MLB members are free to attend.
- d) **2019 Bi-Annual Capital Electric Projects Report.** The Manager reported on the Capital electric projects indicating Forecast Total Cost is an estimate developed for the Strategic Planning process and is not an accurate reflection of the detailed costs. Once projects are approved at the Strategic Planning session, more detailed engineering cost estimates are developed. Mike Lee, Operations Manager, indicated that completion of some of the larger projects has been delayed, due to lack of contractor interest in the work. Commission Kelleher inquired as to why contractors were not bidding on the work. Mr. Lee indicated that contractors have had a difficult time acquiring qualified linemen to perform the work and the Shaker Road project RFP resulted in one bid which was 30% over budget. The Shaker Road project was then broken down into two projects and rebid, which allowed us to attract more bidders for the divided project. Commissioner Roman asked if the utility lines are being moved off the water works right of way and Mr. Lee indicated that they were.
- e) **2019 Bi-Annual Capital Gas Projects Report.** As with the electric projects the Manager reported on the Capital electric projects indicating Forecast Total Cost is an estimate developed for the Strategic Planning process and is not an accurate reflection of the detailed costs. Once projects are approved at the Strategic Planning session, more

detailed engineering cost estimates are developed. Mr. Lee indicated that the gas projects were moving along nicely. Commissioner Flaherty inquired as to Prospect Street, asking if the City had contacted WG+E well prior to paving the street, to allow WG+E to consider marketing to potential customers in that area prior to the pavement work. Mr. Lee indicated there was insufficient advance notice from the City to allow the time necessary to go through the gas marketing process and that in the past there was not sufficient interest in the area to justify the cost of such an effort.

- f) **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 are three resignations and five new hires. The Manager indicated that they are currently in the process looking to hire linemen and a utility engineer. Commissioner Rivera inquired as to if WG+E was looking for experienced linemen or could they use former vocational students as apprentices. The Manager indicated that while they prefer seasoned linemen, WG+E does consider bringing in apprentices. However, it takes a significant amount of time to progress from apprentice to journeymen lineman and in the past we've had apprentices trained by WG+E, which is costly, leave to work at other utilities once their apprenticeship has been completed.
- g) **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 2019. Commissioner Liptak asked if the Key Account and Customer Service Manager position was going to be filled. Jay Kline, Business and Finance Manager, indicated that this was a position formerly held by Sean Fitzgerald and that these functions had been divided among two other employees, Lisa Stowe and Caitrin Ferriter. WG+E is still evaluating whether or not to fill that position.
- h) **Gas and Electric Rates Comparison**. The Manager presented the Residential Electric Rate comparison showing WG+E residents for the second quarter of 2019 paid 19.56% below the State of Massachusetts average and 20.89% below the average for the six months ending June 2019. The Commercial Electric Rate Comparison showing WG+E business owners, depending on size, paid between 6.54% and 12.51% below the State of Massachusetts average during the second quarter of 2019 and between 11.06% and 14.26% below the average for the six months ending June 2019. He also presented the quarterly Residential Gas Rate Comparison showing WG+E residents for the second quarter of 2019 paid 13.1% below the State of Massachusetts average and 13.61% below the average for six months ending June 2019. The Commercial Gas Rate Comparison for the second quarter shows that Westfield commercial gas customers paid on average 9.36% below the State of Massachusetts average for the quarter ending June 30th and 10.64% below the Massachusetts average for the year to date ending June 30th. The Manager commented that these exceptional rates are a result of cohesive efforts at reducing expenses while having a strong energy portfolio and is a testament to the determination to control costs within all areas of the Department. Commissioner Roman commented on the fact that, during the second quarter, WG+E had the second lowest natural gas rates in the entire State. Commissioner Kelleher inquired as to the reason for the bump up in the costs to the medium commercial customers. Mr. Kline indicated the rates are still attractive but the charges were modified to receive additional revenue.

Commissioner Roman asked if the rate comparisons are published in the Powerline and it is important to show how far below the state average WG+E is on all of its rates. The Manager indicated that WG+E is attempting to publicize this fact more than it has in the past and advertises in Westfield Evening News on a regular basis. Commissioner Rivera asked if the rates comparisons are posted on the website and the Manager indicated he would confirm they are. Chairman Sacco asked if the Powerline on the website and Mr. Kline indicated that they were.

- i) **Release of Executive Session Minutes.** The Manager reported that at previous MLB meetings there had been discussion regarding the criteria to be used to determine which Executive Session Minutes should be released. At the March 20, 2019 meeting, there was discussion relating to the requirements for release and the criteria to be used during such review. The Manager was requested to review the Executive Session Minutes that have not been released to date to determine if some of those, especially those relating to Whip City Fiber, could be released starting with the most recent. Review of previously unreleased Executive Session Minutes will continue each month, continually looking back six to twelve months prior to the previous month's review time period. The Manager indicated that certain portions of the of the minutes could be released, copies of which are contained in the MLB packet. The Manager noted that this now completes the review of all the minutes relating to Whip City Fiber that can be released. Based on completion of that review, the MLB will receive quarterly reports on release of minutes. For the 3 months ending August 2019 there were no Executive Session minutes to release, the one agenda item discussed involves contracts that are still being negotiated. The July Executive Session minutes were released when approved in August. Commissioner Roman indicated that while the July 10, 2013 minutes showed him present, it showed him absent for the vote coming out of Executive Session. Attorney Welch indicated that he felt that the minutes had reflected that Commissioner Roman had left during the meeting but will check the original minutes and correct the minutes to be released if necessary.

After review of the minutes to be released by the MLB, on motion by Commissioner Rivera, seconded by Commissioner Flaherty, 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:

September 9, 2015 – Item b) Pivot FTTX Report.

March 6, 2013 - Item a) Hometown Connections Study.

April 3, 2013 - Item a) Hometown Connections Study.

July 10, 2013 - Item a) Uptown Services.

October 2, 2013 - Item a) Business Plan Schedule
Telecomm Review.

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.

- j) **Energy Stabilization Funds Quarterly Report.** Jay Kline 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. Commissioner Flaherty asked if the amount shown on deposit in the Electric Stabilization were just the MMWEC deposits. Mr. Kline indicated the figure included both MMWEC and the Stabilization Funds on deposit at City Hall. Commissioner Flaherty inquired as to if all the gas stabilization funds shown were on deposit at MMWEC. Mr. Kline indicated all but \$600,000 was on deposit at MMWEC. Commissioner Roman stated that between the gas and electric there is \$100,000 monthly being deposited into stabilization funds which shows strong financials. Commissioner Flaherty asked that if the internal funds for Whip City Fiber and Southwick Lateral were included in the funds shown as on deposit. Mr. Kline indicated they did not. The Manager noted that while those loaned funds are assets to WG+E these funds would not be immediately available should an emergency occur that would require the needed funds to be drawn.
- k) **Monthly Financial Reports.** Jay Kline, Financing and Accounting Manager, reported on the monthly financial reports noting that the monthly and year-to-date purchased power expenses and net income figures presented in this report are the actual invoiced amounts. actual amounts. Through the month of July 2019, the Gas Division gain exceeds the original budgetary estimate by \$731k, while the Electric Division gain is currently \$251k more than the original forecast. Mr. Kline indicated that the electric was on track to end the year at \$2.5 million if the weather and sales projects continue as currently projected. With respect to the gas it is on target for \$2.3 million which exceeds the \$1.5 million target, but those excess funds may be split between additional stabilization deposits and deferred revenue for 2020. U.S. natural gas in storage totaled 2.797 Tcf for the week ending August 19th, which reflects an injection of 59 Bcf to storage, modestly below analyst expectations for a 61 Bcf build. This report left inventory balances 369 Bcf over year-ago levels, and 103 Bcf below the five-year average. The front natural gas futures contract drifted lower, trading around the \$2.15/MMBtu level in mid-August as record summer heat began to dissipate and the market looks toward more Fall-like temperatures. The gas market is currently locked in a trading range between \$2.10 and \$2.30/MMBtu, and is unlikely to violate the \$2.00 level. The current working gas in storage level of 2.80TCF is 15% above year ago levels, but 4% below the five-year average. With national weather forecasts calling for below average temperatures into September, prices should remain well contained. Regionally, cool temperatures across the Northeast in late August put significant downward pressure on delivered gas prices and had a commensurate effect on ISO-NE power prices. With natural gas fired generation covering from 65% to 75% of the regional load this summer, these low gas prices have translated to

power prices in the low to mid \$20/MWh range, with limited heat related price spikes. Similarly, September and October on-peak power is currently trading below the \$30 mark. Commissioner Roman noted that the utility is about \$2M above budget with net income with excellent rates and that everything looked good.

B. Informational Items:

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

VIII. OLD BUSINESS: None

IX. NEW BUSINESS:

- a) Process for Selecting Future MLB Chair Position. The Manager indicated that the Chairman had requested this item be placed on the agenda. Chairman Sacco indicated that this was placed on the agenda for discussion as to whether or not the Chair should be rotated on an annual basis. The Chairman indicated that he felt that change is a good thing and wanted to see the opinions of the MLB members with respect to this proposal. Commissioner Rivera indicated that consistency is good rather than change each year. With consistency there is a good flow to the meetings. The Chairman indicated that the School Committee rotates on an annual basis. Commissioner Flaherty noted that the School Committee is a four year term and maybe easier to rotate, but there is a vote for the new chair each year. The Chairman indicated whether or not the Board would be interested in some term limit. Commissioners Kelleher, Flaherty and Liptak all felt the current annual vote for chair was working well and should continue. Commissioner Renaudette indicated she felt consistency was also a good thing.

X. EXECUTIVE SESSION:

On the motion of Commissioner Rivera, seconded by Commissioner Flaherty 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 the disclosure of which will adversely affect its ability to conduct business in relation to other entities making, selling or distributing electric power and energy and to reconvene the Regular Session after adjournment from Executive Session.

Flaherty	"aye"
Sacco	"aye"
Roman	"aye"

Kelleher	"aye"
Rivera	"aye"
Renaudette	"aye"
Liptak	"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 trade secrets and competitively sensitive information the disclosure of which will adversely affect its ability to conduct business in relation to other entities making, selling or distributing electric power and energy and would reconvene the Regular Session after adjournment from Executive Session.

The meeting recessed at 7:45 p.m.

The meeting reconvened at 7:53 p.m. following the Executive Session.

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

VOTED: To ratify and confirm all positive votes taken in Executive Session.

XI. ADJOURNMENT

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

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

Chairman Sacco declared the regular session portion of the meeting adjourned at 7:54 p.m.

A TRUE RECORD.

Attest:


Robert C. Sacco, Chairman

Documents Presented at REGULAR SESSION September 4, 2019			
Name of Document	Author		Strategic Plan
Draft Municipal Light Board Regular Session Meeting Minutes - August 7, 2019			
Acknowledgement from Baystate Health Foundation	Kathy Tobin, Director of Annual Giving & Events	July 9, 2019	
Acknowledgement from Boys & Girls Club of Greater Westfield	William R. Parks, CEO and Richard E. Clark, Jr., Tournament Chair	July 15, 2019	
Acknowledgement from Friends of Grandmothers' Garden, Inc.	Sandra S. Watkins and Robert M. Watkins, Co-Chairs	July 25, 2019	
Acknowledgement from Genesis Spiritual Life & Conference Center	Liz Walz, Executive Director	July 18, 2019	
Acknowledgement from St. Mary's Parish School	Robin Jensen, Advancement and Kathy Labrie, 2019 Golf Chair	July 22, 2019	
Acknowledgement from YMCA of Greater Westfield	Andrea Allard, CEO	July 10, 2019	
Westfield Chamber of Commerce Breakfast			
Capital Electric Projects Report	Jody M. Boucher, Utility Supervisor	August 7, 2019	Electric Utility Business Electric Upgrade & New Projects
Capital Gas Projects Report	Jody M. Boucher, Utility Supervisor	August 7, 2019	Gas Utility Business Gas Upgrade & New Projects
Human Resources Quarterly Status Report - 3rd Quarter 2019	Beth Burns, HR Coordinator/Records Manager	September 4, 2019	Administration and Organization Employee Workforce AO-3.6
Westfield Gas & Electric Technical Organization Chart		September 1, 2019	
Residential Electric Rate Comparison - 2nd Quarter Total as of June 2019	Jay Kline, Finance/Accounting Manager		
Residential Gas Rate Comparison - 2nd Quarter Total as of June 2019	Jay Kline, Finance/Accounting Manager		
Release of Executive Session Minutes	Anthony J Contrino, General Manager	September 4, 2019	Regulatory & Governmental Affairs MLB Meeting Management, RGA-1.2
Electric Rate Stabilization Fund - 2nd Quarter 2019	J. Naughton, Senior Accountant	September 4, 2019	Financial Electric Rate Stabilization Fund Management F-6.1
Gas Rate Stabilization Fund - 2nd Quarter 2019	J. Naughton, Senior Accountant	September 4, 2019	Financial Gas Rate Stabilization Fund Management F-7.1
July 2019 Financial Report	Timothy M. Fouche, Accounting Manager	September 4, 2019	Financial Annual & Quarterly Reports
Utility Issues	John W. Welch	September 4, 2019	Regulatory & Governmental Affairs Gas/Electric Regulatory issues, RGA-1.4; RGA1.
Utility News/Pulse Line	Beth Burns, HR Coordinator/Records Manager	September 4, 2019	Communications/Customer Service/Community Affairs Media Relations - CCA-1.6
Utility Courses Update- 2019 Seminars/Workshops	Beth Burns, HR Coordinator/Records Manager	September 4, 2019	Administration and Organization WG&E Training & Development, AO-3.6

