

Westfield Gas & Electric Municipal Light Board Regular Meeting Minutes September 6, 2023

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

The meeting was called to order at 6:30 p.m.

RECEIVED

OCT 10 2023

WESTFIELD CITY CLERK

I. Call to Order

II. Chairman Mitchell 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.

III. ROLL CALL was taken as follows:

Present:

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

Present: 7 Absent: 0

IV. PLEDGE OF ALLEGIANCE

V. READING OF THE RECORD OF:

On a motion by Commissioner Rivera, seconded by Commissioner Renaudette, it was unanimously;

VOTED:

To accept the minutes of the July 5, 2023, Regular Session Meeting of the Municipal Light Board as presented.

To accept the minutes of the July 5, 2023, Executive Session Meeting of the Municipal Light Board as presented.

VI. PUBLIC PARTICIPATION: None

VII. COMMUNICATIONS RECEIVED BY GAS AND ELECTRIC:

- a) **Acknowledgement- Councilor at Large, Cindy C. Harris-** Councilor at Large, Cindy C. Harris sent a letter to General Manager, Tom Flaherty complimenting the Powerline pamphlet's information that is included in residents' bills, stating it's very informative. Councilor Harris also added kudos to Westfield Gas & Electric the City of Westfield is lucky to have their own utility company.
- b) **Acknowledgement-Westfield State Foundation-** Bill Hynes, Interim Director, Advancement and Major Gifts for Westfield State Foundation at Westfield State University sent a thank you letter to Westfield Gas & Electric for supporting their 29th annual Foundation Gold Classic benefitting thousands of students over the years to attend Westfield State University or complete their education goals.
- c) **Customer Compliment- Robert Moore, 326 Prospect Street Ext.-** Robert Moore of 326 Prospect Street called and emailed WG+E Customer Service at 100 Elm Street to express how truly appreciative he was of Bradley Brown, Telecom Installation Technicians quality of service and kind and caring nature during an install at his home.
- d) **Customer Compliment-James and Theresa MacIver, 362 Granville Rd.-** James and Theresa MacIver of 362 Granville Road sent a customer feedback submittal in rating excellent with the overall experience for their Whip City Fiber installation at their home. They were impressed with the work and professionalism of Telecom Installation Technicians, Bradley Brown, Jamie St. Pierre, and Danny Terry.
- e) **Customer Compliment - Charles Wuest, 69 Hyde Hill Rd, Goshen, Ma-** Charles Wuest of 69 Hyde Hill Rd, Goshen, Ma sent a customer feedback submittal in rating excellent with the overall experience for their overall installation of Whip City Fiber. Kudos to Telecom Installation Technician, Bradley Brown for his patience and thoroughness.

- f) **Customer Compliment-Gary Couture,225 Bates Rd.**-Gary Couture of 225 Bates Road called to report how awesome WCF Technician, Jason Tidlund was at fixing an internet issue he was having at his home, Jason resolved the issue and reported everything has been working perfectly since.
- g) **Customer Compliment-Sarah Lavalley,67 Deer Run Ln ,Charlemont, Ma-** Sarah LaValley of 67 Deer Run Ln in Charlemont, Ma was extremely grateful with WG&E team who showed up and removed limbs that snapped their fiber line and repaired their outage in a respectable amount of time. Sarah gave kudos to the Fiber Crew and Westfield Gas & Electric in general stating WG+E puts other providers to shame.
- h) **Customer Compliment-Diane Bogdan,78 Granville Rd-** Diane Bogdan of 78 Granville Road, submitted a customer feedback form rating her experience excellent on the installation of Whip City Fiber to her home.
- i) **Customer Compliment-Kellie Brown, Boys and Girls Club of Greater Westfield-** Kellie Brown, Chief Operating Officer for the Boys and Girls Club of Greater Westfield sent a thank you email to Director of Customer Service and Sales, Caitrin Ferriter for the assistance Westfield Gas and Electric provided for some of the families who were in need of help with their gas and electric bills that are members of the Club.
- j) **Customer Compliment-Dr. Thomas McDowell,61 Farnham Ln-** Dr. Thomas McDowell of 61 Farnham Lane submitted a customer feedback form rating his overall experience excellent on the installation of Whip City Fiber to his home.

VIII. REPORTS FROM THE GAS & ELECTRIC

A. Action Required Items

- a) **2022 Annual Consolidated Financial Audit Results-Meyer Brothers Kalicka-** Howard Cheney, MST, CPA Director of Audit and Accounting of Meyers Brothers Kalicka and Mia McDonald Associate with Meyer Brothers Kalicka (MBK) presented an overview to the Board of the Westfield Gas & Electric Light Department and Southwest Cooperative Audit summary for the 2022 Financial Statements. Ms. McDonald communicated with the Board the high-level overview opinion on the consolidated financial statements for 2022 was unmodified and clean.

Report on the Internal Control and Compliance Audit report was also an unmodified opinion, McDonald explained that means appropriate accounting policies were used there were no disagreements with management the only significant adjustment for the audit were the other groups employment benefits and pension liability due to the information being received well after years end.

Ms. McDonald explained two things to note to the Board:

- 1) Whip City Fiber activity is still grouped in the financial statements by customer type, so it's not broken up separately it's included in the residential/commercial pockets.
- 2) Adoption of a new accounting policy GASB No. 87 related to Southwest Cooperative land lease as required by the new policy Meyer Brothers Kalicka needed to restate the 2021 financial statement as required.

Howard Cheney took over the audit presentation to the Board and continued to explain the 2022 audit results as it relates to the changes from the balance sheet explaining the operating results to the Board including revenues, expenses, income, other revenue, and investment (loss) income, interest expense, ILOT transfers to City, contributions in aid of construction. Mr. Cheney further explained the assets sheet stayed consistent on cash; account receivable went up a bit due in fact from assistance programs offered in aiding residents to pay their bills as compared to 2021. Mr. Cheney also gave an overview on the OPEB Trust Fund showing the cash and investments equaling the total assets and net position as compared to 2021.

In closing, Mr. Cheney gave a quick recap of the 2022 Annual Consolidated Financial Audit Results with a clean opinion on financial statements with no internal control issues only adjustments made were related to the pension liabilities, rate stabilization continued to be added to.

Commissioner Roman told the Board the Sub-Finance committee met prior to this presentation with MBK on August 31, 2023 at their offices located on 330 Whitney Avenue, Holyoke, Ma to discuss the 2022 Annual Consolidated Financial Audit Results in greater detail end result; there are no deficiencies and no material weaknesses. Commissioner Roman gave kudos to Meyer Brothers Kalicka as well as Jamie Naughton, Finance Manager on giving the Board detailed accurate financial information throughout the year.

Mr. Cheney also thanked Jamie Naughton and the finance team for their assistance throughout the audit process.

- b) **Annual DPU Report 2022-** Jamie Naughton, Finance Manager gave an overview to the Board of the Annual DPU Report for 2022, the filing date is due to the Department of Public Utilities on September 30, 2023.

On a motion by Commissioner Renaudette and seconded by Commissioner Rivera it was unanimously:

VOTED: to approve the Annual DPU Report 2022.

- c) **Human Resources Quarterly Status Report-** Robin Krok, HR Coordinator/Records Management gave a quarterly status report to the Board on the personnel transactions that have occurred June through August 2023 which include new hires, retirements/resignations, and promotions.

New Hires include: 3 Telecom Installer Technicians, Building and Grounds Custodian, Building and Grounds Maintenance, Utility Foreman, Junior Software Developer, Motor Equipment Technician.

Resignation/Retirement: (1) IT Intern, (1) IT Co-Op Student, and (1) Building & Grounds.

Ms. Krok noted not on the quarter status report was the promotion of Danielle Zering from Business Office Specialist promoted to Purchasing and Contracts Manager.

- d) **Technical Organizational Chart Update-** Robin Krok, HR Coordinator/Records Management gave an overview to the Board on Westfield Gas and Electric Technical Organization Chart.
- e) **2023 Bi-Annual Capital Gas Projects Report-** Director of Operations, Mike Lee gave an overview to the Board of the 2023 Bi-Annual Capital Gas Projects which shows the majority of the large gas projects planned for this construction season, shifting of monies for Meadow and Mechanic Street for paving as requested by the City putting on hold Sunset/Barbara area phase 1 and Highland View/Hubbard as well to fund Meadow Street and Mechanic Street. Director of Operations further noted that all other projects listed on the report are on target as to what was anticipated has far as the timeline for end of year 2023, the only project that may be delay is Russellville Rd and Montgomery Rd which is future expansion for distribution reliability and future growth to get more supply on the north side of the City this is dependent on the timeline of the directional drill under the highway in order to connect both sides of the turnpike.
- f) **2023 Bi-Annual Capital Electric Projects Report-** Director of Operations, Mike Lee gave an overview to the Board of the 2023 Bi-Annual Capital Electric Projects which outlines Capital expense on the electric side, several of the projects are on hold due to delivery delays.

- g) Energy Supply Update-** Keziah Bednarsky, Senior Quantitative Risk Analyst gave an Energy Supply monthly update to the Board on the gas and electric division. On the gas division side Senior Quantitative Risk Analyst updates included market fundamentals reporting storage levels, seasonal temperature outlook predictions, delivered natural gas futures for January 2024 as of September 5, 2023 and heating fuel price comparisons.

Ms. Bednarsky continued updating the Board moving onto the electric division which included electricity prices linked to natural gas noting that WGE 2023 average DA On-Peak was down 74% comparing to the average DA On-Peak from 2022 with no change in the open position. She also noted the supply cost in July 2023 was 33% below what was originally projected on the gas division side and 19% on the power side.

- h) Energy Stabilization Funds Quarterly Report-** Jamie Naughton, Finance Manager gave an overview to the Board of the Energy Stabilization Funds Quarterly as reported.
- i) Monthly Financial Reports-** Jamie Naughton, Finance Manager gave an overview to the Board of the monthly financials for the month of July 2023:

The July Gas Division loss of \$606k tracked behind the original projection of \$156k by \$450k, while the July Electric Division income of \$839k exceeded the original forecast of \$539k by \$300k. The reduced net income on the gas division comes from a summer rate decrease that dropped the residential gas supply charge by over 80% and the commercial charge by 50% compared to the original budgeted rates, a trend we have continued to see through the summer months. The increased net income from the electric division is driven by lower supply costs, which are partially offset by higher Maintenance and General & Administrative expenses. July budget and actuals continue to reflect the \$50k monthly contributions to both the gas and the electric stabilization funds.

The September NYMEX Henry Hub Gas Futures contract traded as high as \$5.988/MMBtu in June 2022 and settled at \$2.556/MMBtu. Natural gas futures witnessed a marginal increase, buoyed by continued hot weather forecasts driving high electricity demands. Texas experienced surging power prices, prompting calls for consumer energy conservation. Hurricane Idalia did not disrupt gas production in Texas but will put a dent in power demand as over 180,000 customers lost power in Florida and Georgia, which may impact the amount of gas in storage next week. Industrial action is being considered again for two Chevron LNG facilities in Australian, which would disrupt 5% of global LNG supply in September. Prices spiked in reaction to the news for Dutch TTF (+10%) and UK NBP (+3%) from the prior week.

Forward electric and Zone-6 gas pricing have bounced up and down this month following the Australian news affecting the global price of LNG, which impacts the prices for winter gas and power in New England. The January 2024 Algonquin delivery basis traded below the \$12.50/MMBtu level at the time of writing. These gas prices translate to January 2024 on-peak power trading at \$145/MWh. We will continue to monitor winter pricing for hedging opportunities in outgoing years.

The Telecom Division NI gain of \$444k is tracking modestly above our original budget by \$15k. This month, there is an increase in general and administrative expenses, which can be attributed to a timing delay observed in the preceding months.

B. Informational Items

- a) **Utility Issues-** as presented.
- b) **Utility News-** as presented.
- c) **Utility Courses Update-** as presented.

IX. OLD BUSINESS:

a) **HR Sub-Committee**

- i. **GM Review Schedule-**HR Sub-Committee Chair Renaudette updated the Board on what was discussed at the July 5, 2023 HR Sub-Committee meeting regarding the GM review schedule. The Sub-committee suggested to begin the GM review process in February rather than October which would allow the GM review to be based on the full fiscal year rather than having a portion of the financial data results. The GM review would then be presented at the March meeting and discussed at the April Meeting. HR Sub-Committee Chair recommended to the rest of the Board to amend the General Manager Contract under **item 5. Annual Performance Review** to discuss GM review performance each April instead of December.

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

VOTED:

to amend item 5. **Annual Performance Review** of the General Manager Westfield Gas & Electric Light Department Employment Contract Thomas P. Flaherty and the Board agree to meet each April to discuss Thomas P. Flaherty performance.

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

Motion passed 7-0 0-absent

X. NEW BUSINESS:

- a) **Proposed 6:00pm Municipal Light Board start time** – Commissioner Kelleher made motion to propose on new start time for the Municipal Light Board meeting from current time of 6:30 to new time of 6:00pm. On a motion by Chairman Mitchell ,seconded by Commissioner Rivera, it was unanimously:

VOTED:

to move forward with a new start time of 6:00pm for the Municipal Light Board meeting beginning the next meeting date of Wednesday, October 4, 2023.

Sacco	"aye"
Roman	"aye"
Kelleher	"aye"
Rivera	"aye"
Renaudette	"aye"
Liptak	"aye"
Mitchell	"aye"
Motion passed 7-0	0-absent

XI. EXECUTIVE SESSION:

On a motion made by Commissioner Rivera, seconded by Commissioner Renaudette and the basis of 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 to reconvene the Regular Session after adjournment from Executive Session

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

Motion passed 7-0

0-absent

Chairman Mitchell stated that the Municipal Light Board would be entering into executive session for the purpose of discussing trade secrets and competitively sensitive information or other proprietary information and would reconvene the Regular Session after adjournment from Executive Session.

The meeting recessed at 8:06pm.

The meeting reconvened at 8:55pm

On a motion by Commissioner Sacco, seconded by Commissioner Rivera, it was unanimously;

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

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

Motion passed 7-0

0-absent

XII. ADJOURNMENT

On the motion made by Commissioner Rivera seconded by Commissioner Renaudette it was unanimously;

VOTED: To adjourn the regular session meeting of the Municipal Light Board meeting. Chairman Mitchell declared the regular session portion of the meeting adjourned at 8:56pm

A TRUE RECORD.

Attest:



Joseph B. Mitchell, Chairman

	Documents Presented at REGULAR SESSION September 6, 2023 Meeting		
Municipal Light Board Regular Session Meeting Minutes — July 5, 2023			
Municipal Light Board Executive Session Meeting Minutes — July 5, 2023			
Acknowledgement-Cindy Harris, Councilor at Large			
Acknowledgement- Westfield State Foundation, Inc.			
Customer Compliment-Robert Moore, 326 Prospect Street Ext.			
Customer Compliment-James and Theresa MacIver-362 Granville Rd			
Customer Compliment-Charles Wuest, 69 Hyde Hill Rd, Goshen Ma			
Customer Compliment-Gary Couture, 225 Bates Rd			
Customer Compliment-Sarah LaValley, 67 Deer Run Ln, Charlemont			
Customer Compliment- Diane Bogdan, 78 Granville Rd.			
Customer Compliment-Kellie Brown, Boys and Girls Club Greater Westfield			
Customer Compliment-Dr. Thomas McDowell, 81 Farnham Ln.			
2022 Annual Consolidated Financial Audit Results	Meyers, Brothers, Kalicka	9/6/2023	
Annual DPU Report 2022	Jamie Naughton, Finance Manager	9/6/2023	
Human Resources Quarterly Status Report	Robin Krok, HR Coordinator/Records Manager	9/6/2023	Administration and Organization Employee Workforce AO-3.6
Westfield Gas and Electric Technical Organization Chart	Robin Krok, HR Coordinator/Records Manager	9/6/2023	
Capital Gas Projects Report	Greg E. Freeman, Utility Supervisor	9/6/2023	Gas Utility Business Gas Upgrade & New Projects
Capital Electric Projects Report	Greg E. Freeman, Utility Supervisor	9/6/2023	Electric Utility Business Electric Upgrade & New Projects
Energy Stabilization Funds Quarterly Report	Jamie Naughton, Finance Manager	9/6/2023	Financial Gas Rate Stabilization Fund Management F-7.1
Monthly Financial Reports	Jamie Naughton, Finance Manager	9/6/2023	Financial Notes Monthly Financial Statements F-2.5
Utility Issues	Thomas P. Flaherty, General Manager	7/5/2023	Regulatory & Governmental Affairs Gas/Electric Regulatory Issues, RGA-1-4; RGA 1.5
Utility News	Leanne Cloutier, Executive Administrative Assistant	7/5/2023	Communications/Customer Service/Community Affairs Media Relations - CCA-1.6
Utility Course Update	Robin Krok, HR Coordinator/Records Manager	7/5/2023	Administration and Organization WG+E Training & Development, AO-3.6