

whip city fiber

# Westfield Gas & Electric Municipal Light Board Regular Meeting Minutes October 2, 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. The Chairman asked if 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, to which no one replied affirmatively.

## 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 #6 Commissioner, Robert C. Sacco
- Ward #5 Commissioner, Thomas P. Flaherty
- Appointed Commissioner, A. Edward Roman

Absent:

Present: 7 Absent: 0

## III. PLEDGE OF ALLEGIANCE

pedestrians. The Manager also stated that progress is being made on Whip City Fiber installations and that the bond money to support this project has been spent. Further expansion into new neighborhoods within Westfield is being put on hold for several months until WCF revenues can support additional expansion. Accordingly, the Manager encourages customers that live in areas that already have service available to them to sign up for Whip City Fiber service and support this community effort. Also highlighted was the work that Whip City Fiber is doing with many of the hilltowns, and the recent announcement made by the Westfield Chamber of Commerce naming Westfield Gas + Electric/Whip City Fiber as the 2019 Business of the Year. Chairman Sacco noted that he had heard of lot of comments that the public's perception is that construction in the Hilltowns is to the detriment of Westfield residents. The Manager emphasized that no WG+E money is being spent to build the hilltowns' networks. The increased revenue from the Hilltowns would also assist future Whip City Fiber to build out the remainder of the City. The increased revenue from both the expanding customer base within Westfield's already built out areas and the potential additional Hilltown customers can fund continued Westfield expansion. Commissioner Flaherty asked that MLB members be provided with marketing information for Whip City Fiber so when questioned by constituents the information could be provided to them. Commissioner Liptak noted the recent Comcast advertising in the local newspaper. The Manager indicated that there have been a large number of positive comments received from those that subscribe to Whip City Fiber. Commissioner Rivera noted that, when people subscribe to Whip City Fiber, they are supporting the local community and not a Fortune 500 company with no connection to the City. The newsletter, as is the norm, provided an extremely favorable comparison of gas and electric rates to area investor owned utilities. The Manager stated that these continued attractive rates are a result of a great workforce working in many areas to keep costs down.

- c) **Annual Employee Meeting.** The Manager reported that WG+E/WCF held its annual employee meeting on Friday, September 6, 2019 at the WG+E Operations Center. A presentation from the General Manager began with recognition to all new hires, retirees and promotions that occurred over the previous year. Recognition was given to two (2) employees, Mike Lee and Tim Fouche, for reaching their 30-year milestone anniversary. Prior to the meeting, and as had been done last year, employees had been provided with access to an online employee satisfaction survey. The results of the survey, consistent from past survey years with generally positive results, were discussed at the meeting along with a summary of the comments submitted. These were categorized into the following topics- communication, staffing, WCF expansion and noted changes in the organization over the past year. Immediately after the meeting, all gathered outside on the lawn for a picnic lunch prepared and served by management staff. The overall consensus was that this change in format, venue and time was preferred by the employees.
- d) **Energy Outlook 2019/2020.** The Manager provided a PowerPoint presentation regarding the annual report on the 2019/2020 Energy Outlook. This report is an updated version of prior presentations given to the MLB (and placed on WG+E's website for public viewing) that highlights the effects of the lack of adequate gas transmission to the New England area along with the dramatic increased use of natural

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

VOTED: that the Municipal Light Board accepts the recommendation of the Manager to approve \$55,000 for Westfield Warm for FY20; and

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

- f) **Coordinating with City Departments.** The Operations Manager, Mike Lee, presented the report indicating that WG+E is a member of the City Board of Engineering and an active participant in the less formal weekly roundtable discussions. The City Roundtable Committee is comprised of representatives from various city departments, such as building, fire, community development, public works and water. Meetings are held weekly. Roundtable meetings are held that allow those moving to or expanding within the city to meet with multiple departments in a "one stop shop" setting to get their questions answered. A list of topics covered was included within the report.
- g) **NEPPA Joint Insurance Report.** Jay Kline, Finance and Business Manager, presented the NEPPA Joint Insurance purchasing report which shows an estimated annual savings by purchasing insurance through Public Utility Mutual Insurance Company (PUMIC) of about \$37,725 in 2019. The comparison was provided by PUMIC, based on general market inquiries. Major savings were in the area of Excess Liability Umbrella coverage and Public Officials/D&O. He explained how PUMIC has been a tremendous stabilizer for Westfield regarding insurance premiums and now has \$8M in capital, indicating its stability. WG+E received a \$40,000 dividend credit last year from PUMIC.
- h) **Monthly Financial Reports.** Finance and Business Manager Jay Kline noted that the financials were in pretty good shape relative to year end targets and monthly and year-to-date purchased power expenses and net income figures presented in this report reflect estimated amounts. Through the month of August 2019, the Gas Division gain exceeds the original budgetary estimate by \$728k. While the Electric Division gain is currently \$360k more than the original forecast. U.S. natural gas in storage totaled 3.103 Tcf for the week ending September 13, which reflects an injection of 84 Bcf to storage. The report was on the high side of analyst estimates that ranged from 71 to 86Bcf. The front contract rose from \$2.20 to \$2.70 in mid-September on anticipated cooling load. The September 13 bearish supply report put significant downward pressure market levels, with prices breaking back toward the \$2.50 mark. Below normal temperatures in the Northeast also weighed on prices mid-month. With warmer than normal temperatures now expected for the Eastern US through early October, traders expect a range-bound market with levels between the \$2.45 and \$2.70/MMBtu level. Commissioner Flaherty inquired on how much of net income was rolled into 2019 from 2018. Mr. Kline indicated \$400,000 was deferred and was expended in the first quarter of 2019. The electric is expected to have a net income of \$2.5M. Commissioner Roman

**X. ADJOURNMENT**

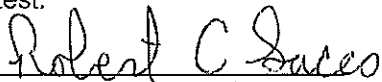
On the motion of Commissioner Rivera, seconded by Commissioner Liptak, it was unanimously:

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

Chairman Sacco declared the regular session portion of the meeting adjourned at 8:24 p.m.

A TRUE RECORD.

Attest:

  
Robert C. Sacco, Chairman