

# Westfield Gas & Electric Municipal Light Board Regular Meeting Minutes October 4, 2023



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

The meeting was called to order at 6:00 p.m.

## 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:

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  
Ward #6 Commissioner, Robert C. Sacco

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 September 6, 2023, Regular Session Meeting of the Municipal Light Board as presented.

To accept the minutes of the September 6, 2023, Executive Session Meeting of the Municipal Light Board as presented.

**VI. PUBLIC PARTICIPATION: None**

**VII. COMMUNICATIONS RECEIVED BY GAS AND ELECTRIC:**

- a) **Acknowledgement- Genesis Spiritual Life & Conference Center-** Executive Director, Sarah Fontaine-Lipke sent a thank you letter for the generous donation WG+E provided for Genesis Spiritual Life 24<sup>th</sup> Annual Wine Tasting Fundraiser.
- b) **Acknowledgement-John J. Pellan III, 81 Broadway-** John Pellan III sent a thank you note for the prompt service that was done on trimming branches on a tree that were interfering with power lines by his home.
- c) **Customer Compliment- Jacob Jordan, 110 Powell Road, Cummington-** 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- Jonathon Fiore, 12 Morris Street-** Jonathon Fiore of 12 Morris Street complimented Daniel Terry, Telecom Installation Technician for his excellent work on installing internet to his home.
- e) **Customer Compliment- Andrew Brach, 36 Indian Ridge-** Andrew Brach of 36 Indian Ridge submitted a customer feedback form rating excellent his overall experience with receiving Whip City Fiber, he commented that Bradley Brown, Telecom Installation Technician was quick, knowledgeable, and great to deal with.
- f) **Customer Compliment-Lisa Strycharz, 45 Pauline Lane-** Lisa Strycharz of 45 Pauline Lane was very pleased with the excellent experience she received from Norberto Flecha, one of WG+E contractors that provided internet service to her home.
- g) **Customer Compliment-Cole Labonte,321 Montgomery Road-** Cole Labonte of 321 Montgomery Rd rated is overall experience with receiving Whip City Fiber excellent and commented that Alex Guerra, Junior Telecom Technician was an amazing installer, extremely knowledgeable and took pride in his work.

- h) **Customer Compliment-Sarah Boudreau, 277 Falley Drive-** Sarah Boudreau of 277 Falley Drive submitted a customer feedback form rating excellent in the professionalism of Bradley Brown, Telecom Installation Technician when repairing wire at their home.
- i) **Customer Concern-Susan Davignon, 56 Christopher Drive-** Susan Davignon of 56 Christopher Drive had addressed some concerns she had as to why there have been so many power outages and what could be done to have more tree trimming done in the City as a preventive measure.

## VIII. REPORTS FROM THE GAS & ELECTRIC

### A. Action Required Items

- a) **MDU Information-Technical Sales Account Executive, Steve Kolek-** Technical Sales Account Executive, Steve Kolek gave a quick overview for the plans moving forward for Whip City Fiber installation for Multi-Dwelling Units (MDUs). Steve provided a list on the current MDU status in released and unreleased fiber service areas as well as additional information presented on a PowerPoint presentation summarizing the process steps taken to move forward in order to be successful in engaging with MDU's and providing fiber service to those customers in those dwelling units.
- b) **Preliminary 2024 MLB Schedule-** General Manager went over the preliminary 2024 MLB Schedule with the Municipal Light Board.
- c) **Quarterly Power Line Publication-** General Manager gave a brief overview to Quarterly Power Line Publication to the Board. An introduction of Nosey on the powerline letter noting if you think you smell natural gas and steps on what to do, also included in the letter was information on the Lifeline program, quarterly electric and gas rate comparison, and information on how to earn energy credit.
- d) **Recorded MLB Meeting Quarterly Report-** General Manager gave a quick overview for the recorded MLB meeting quarterly report video views summary for the months of July-September 2023.
- e) **Coordination with City Departments –** Director of Operations, Mike Lee gave an update to the Board of the coordination with City departments, still proactive working with the City and present and show representations at round table and other such meetings as it relates to Operations and Engineering projects.

- f) **Energy Supply Update-** Keziah Bednarsky, Senior Quantitative Risk Analyst gave an Energy Supply monthly update to the Board on the gas and electric division through a PowerPoint presentation. Ms. Bednarsky summarized the Gas division, market fundamentals showing strong storage levels 13.4% above last year and 6.0% above 5-year average. Heating fuel price comparison is expected to increase 8.7% from last year (2022) and propane is projected to increase 4.2% increase from last year (2022), she then moved on to summarizing the Electric Division- show the electricity prices linked to natural gas in September 2023 down 52% from 2022, the 2023 average DA On-Peak \$34 compared to average DA On-Peak for 2022 an average of \$71. Annual 2023 open position will be 12%, in January 2024 will be reduced to 24% from 35% and annually in 2024 21% reduced to 9%.

Lastly, Ms. Bednarsky gave an overview of the supply costs for August of 2023.

- g) **Monthly Financial Reports-** Jamie Naughton, Finance Manager gave an overview to the Board of the monthly financials for the month of August 2023:

The August Gas Division loss of \$676k tracked behind the original projection of \$151k by \$525k, while the August Electric Division income of \$1.45MM is tracking below the original forecast of \$1.5MM by \$60k. The reduced net income on the gas division comes from a summer rate decrease that reduced 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 reduction in net income for the electric division is driven by higher General and Administrative expenses, which were partially offset by lower supply costs. August budget and actuals continue to reflect the \$50k monthly contributions to both the gas and the electric stabilization funds.

The October NYMEX Henry Hub Gas Futures contract traded as high as \$6.05/MMBtu in June 2022 and settled at \$2.764/MMBtu. High inventories caused by carryover from the mild 2022/23 winter and weak heating demand have undercut natural gas prices. The hot weather that proved bullish for natural gas demand late into the summer season has given way to milder weather across much of the country, which could support larger storage builds in the coming weeks.

Forward electric and Zone-6 gas pricing have recovered from the increases following the news of LNG workers strikes in Australia. The January 2024 Algonquin delivery basis is trading at \$12.55/MMBtu for a delivered price just over \$16/MMBtu. These gas prices translate to January 2024 on-peak power trading at \$140/MWh. We will continue to monitor winter pricing for hedging opportunities in outgoing years.

The Telecom Division NI gain of \$113k is tracking below our original budget by \$331k. We continue to see an increase in general and administrative expenses, which can be attributed to a timing delay observed in the preceding months.

Lastly, I would like to highlight a substantial increase in the monthly general and administrative expenses by \$863K. The 2022 actuarial study has led to an increase in our pension liability, causing a spike in amortization expenses. This effect has resulted in an additional expense of approximately \$355k. Furthermore, due to August having five weeks of

payroll, an additional \$267k in expenses was incurred. As mentioned earlier, there are also extra expenses in the Telecom division due to timing delays.

## **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. General Manager Contract-**

##### **Amendment to: paragraph/item 5.-Annual Performance Review-**

Chairman of the HR Sub-Committee, Commissioner Renaudette went through the revised Annual Performance Review that the members of the Municipal Board use to evaluate the General Manager annually; based on the September 6, 2023 Municipal Light Board meeting the Board voted to amend paragraph/item 5. Annual Performance Review from December to April of each year, the amendment was signed by the Board at the October 4, 2023 meeting.

General Manager Evaluation Review form was provided to the Board at the September 6, 2023 Municipal Light Board meeting as well as the October 4, 2023 Municipal Light Board meeting for those who didn't have a copy. Commissioner Renaudette on behalf of the HR Subcommittee explained to the Board the small revisions that were made to the General Manager Evaluation Review explaining that a couple questions were combined as they were repetitive, as well as category topics being reordered to show and portray a more fluent evaluation form. The Board agreed to the changes showing the content is still the same and it was just reorganization of the General Manager Evaluation review form.

Standardizing Bonus the General Manager- Chairman Renaudette let the Board know that the HR Sub-Committee proposed that standardizing bonus of the General Manager be broken down in percentages and recommended to give the Bonus some structure based on the following metrics below.

30% Commissioner General Manager Evaluation Rating

25% GM Self-Evaluation Review

25% Commissioner's subjective discussion

20% Budget Metric

General Manager suggested to the Board items to consider on the finance side is the total net income as it relates to the policy goals of the state average as well as the total revenue as it relates to the specific divisions. Renaudette and HR Subcommittee discussed if the overall Commissioner rating was below a 3 rating a bonus would not be available.

Commissioner Sacco asked if there was a source of information to follow relating to other General Manager's to follow. HR Sub-committee asked for such information but nothing uniform was supplied or founded that was worth reporting to the Board.

Commissioner Renaudette suggested there should an opinion whether or not the Board as a whole decides not to bonus the General Manager regardless there still needs to be structure based on that decision, there should be a structured way to assign the bonus if it applies. Chairman Mitchell agreed with Renaudette that there should be structure in determining a bonus for the General Manger and followed up with saying other employees get a bonus based on performance, stating we as the HR Sub-Committee met on three occasions to propose the structure of the bonus and propose to the Board as a whole. Commissioner Renaudette suggested the bonus range be 30k-50k based on the overall metrics and rating.

Commissioner Sacco agreed with concept of perimeter's personally doesn't agree with the breakdown in percentages to determine the bonus. Commissioner Sacco is willing to continue the discussion even if a policy isn't adapted it will still be more focused than the prior year.

Chairman Mitchell suggested if there are objectives to determine a bonus it will be beneficial to have a guideline for the current General Manager and future General Managers.

Commissioner Sacco added that a bonus should be zero he's not comfortable and never was with a bonus with level of the GM salary.

General Manager explained the subjective analysis on how the bonus structure for guild employees was determined this current year and moving forward.

Commissioner Rivera suggested at the end of the day the rating for the General Manager should be rated fairly and agreed with the HR Sub-committee's proposed percentages to determine the structure as to whether or not a bonus would be provided to the General Manager based on those metrics. Commissioner Renaudette agreed with assistance of the HR Sub-committee to provide a one-page proposal for the bonus structure to the Board at the November 1, 2023 meeting, it was a mutual consent of the Board to put on the November 1, 2023 agenda under Old Business for the further discussion of General Manager Bonus Structure.

## **X. NEW BUSINESS:**

- a) **Stabilization Overview-** Finance Manager, Jamie Naughton and Senior Quantitative Risk Analyst gave an overview of Stabilization to the Board as requested by the Board to determine what the minimum would be for each of the stabilization accounts, the

information was presented on a PowerPoint presentation with suggestions and multiple scenarios given to the Board to decide as to where they think these stabilization accounts should fall. The Board thanked the Finance Manager and Senior Quantitative Risk Analyst for providing the information, it was agreed to update the stabilization overview annually.

#### **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 not reconvene the Regular Session after adjournment from Executive Session

Roman	"aye"
Kelleher	"aye"
Rivera	"aye"
Renaudette	"aye"
Liptak	"aye"
Mitchell	"aye"
Sacco	"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 other proprietary information and would not reconvene the Regular Session after adjournment from Executive Session.

The meeting recessed at 8:23pm.

The meeting reconvened at 8:24pm.

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

**VOTED:** To amend adjournment of going to Executive session and reconvene the Regular session after adjournment from Executive Session to ratify and confirm all positive votes taken in Executive Session.

Roman	"aye"
Kelleher	"aye"
Rivera	"aye"
Renaudette	"aye"

Liptak	"aye"
Mitchell	"aye"
Sacco	"aye"
Motion passed 7-0	0-absent

The meeting recessed at 8:25pm.

The meeting reconvened at 9:30pm.

On a motion by Commissioner Renaudette, seconded by Commissioner Liptak, it was unanimously:

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

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

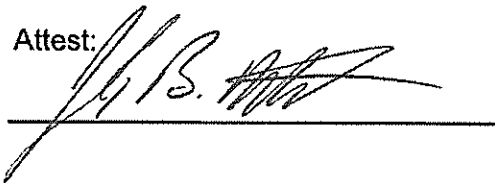
## XII. ADJOURNMENT

On the motion made by Commissioner Sacco 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 9:30pm.

A TRUE RECORD.

Attest:



Joseph B. Mitchell, Chairman



	Documents Presented at REGULAR SESSION September 6, 2023 Meeting		
Municipal Light Board Regular Session Meeting Minutes -September 6, 2023			
Municipal Light Board Executive Session Meeting Minutes September 6, 2023			
Acknowledgement-Genesis Spiritual Life & Conference Center			
Acknowledgement- John J. Pellam III ,81 Broadway			
Customer Compliment-Jacob Jordan, 110 Powell Road, Cummington			
Customer Compliment- Jonathon Fiore, 12 Morris Street			
Customer Compliment-Andrew Brach, 36 Indian Ridge Road			
Customer Compliment-Lisa Strycharz, 45 Pauline Lane			
Customer Compliment-Cole Labonte, 321 Montgomery Road			
Customer Compliment- Sarah Boudreau, 277 Falley Drive			
Customer Concern- Susan Davignon, 56 Christopher Drive			
MDU Installation Management	Technical Sales Executive- Steve Kolek	10/4/2023	Telecom Sales MDU installation Management
2024 MLB Commission Meeting Schedule	General Manager, Thomas P. Flaherty	10/4/2023	Regulatory & Governmental Affairs Gas/Electric Regulatory Issues, RGA -
Quarterly Power Line Publication	Laura Dorman, Marketing Specialist	10/4/2023	
Recorded MLB Meeting Quarterly Report	Internal and External Department Communication	10/4/2023	Administration and Organization Employee Workforce AO-3.6
Coordination with City Departments	Michael Lee, Director of Operations	10/4/2023	Communications Communications/Customer Service/
Monthly Financial Reports	Jamie Naughton, Finance Manager	9/6/2023	Financial Notes Monthly Financial Statements F- 25
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

