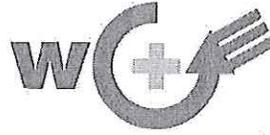


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Westfield Gas & Electric Municipal Light Board Regular Meeting Minutes February 3, 2016



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

The meeting was called to order at 5:45 p.m.

I. Call to Order

II. ROLL CALL was taken as follows:

Present: Ward #1 Commissioner, Kevin M. Kelleher
 Ward #2 Commissioner, Ray Rivera
 Ward #3 Commissioner, Jane C. Wensley
 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 Liptak, seconded by Commissioner Wensley, it was unanimously:

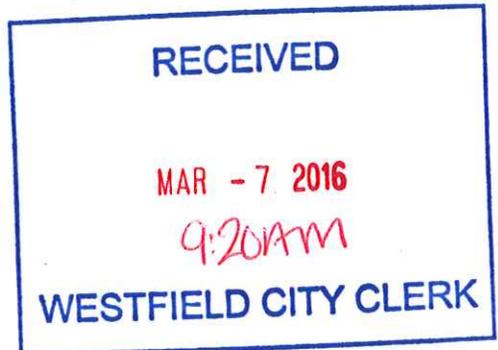
VOTED: To accept the minutes of the January 20, 2016 Regular Session Meeting of the Municipal Light Board as presented; and

To accept the minutes of the January 20, 2016 Executive Session Meeting of the Municipal Light Board as presented, but not release to the public at this time.

V. EXECUTIVE SESSION:

On the motion of Commissioner Wensley, 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 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.

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

Motion passed 7-0. 0 absent

Chairman Flaherty 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 WG+E's 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. Topics to be discussed that are noted on the agenda include Northeast Direct Pipeline and Whip City Fiber.

The meeting recessed at 5:52 p.m.

The meeting reconvened at 7:05 p.m. following the Executive Session

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

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

The Chair called for a brief recess at 7:06 p.m.

The Chair reconvened the meeting at 7:15 p.m.

VI. PUBLIC PARTICIPATION: Barbara Rokosz, 272 Lockhouse Rd. addressed the MLB and asked for clarifications regarding the PVEC project. Her questions included when the upcoming ISO-NE auction would be held, if Calpine was successful when would pipeline construction begin, where would it take place, who would pay for the installation and did Calpine still owe the WG&E costs for prior installations. The General Manager answered all questions by stating that Calpine did still owe the WG&E money and, if successful in the auction, there would be no construction until this was paid. He also stated that if the pipeline was constructed it would begin in May for one phase and 2017 for the second phase and that Calpine would pay for all expenses incurred by the WG&E.

VII. COMMUNICATIONS RECEIVED BY GAS AND ELECTRIC:

- a) Acknowledgement -- American Lung Association -- Letter from Dan Liptak, Sharon Marcyoniak, Amy Caruso, and Lou Liptak- thanking WG+E for sponsorship of the 5th Annual Wine, Cheese and Chocolate Tasting to benefit lung cancer research. This year the event was attended by approximately 100 people and raised more than \$4,400 for the American Lung Association.

- b) Acknowledgment - Westfield Soup Kitchen - Letter from Cheryl Richards, Secretary of Our Community Table- thanking the WG+E for its support since 2004 with their programs including the bill insert program.
- c) Acknowledgement- Westfield Youth Lacrosse – Letter from Scott Gordon Oliver, President of the Westfield Youth Lacrosse – thanking WG+E for its generous donation to Westfield Youth Lacrosse.
- d) Customer Compliment – 70 East Silver St. – Via e-mail from Michael Cabot to the Manager– thanking WG+E and the MLB for their time and consideration regarding his property 70 East Silver Street. The Manager pointed out that this was the gentlemen that attended the meeting of December 2, 2015.
- e) Customer Compliment – 262 Sackett Rd – Via e-mail from Sheldon and Roberta Titcomb, a tree had fallen on Sackett Road and when they called the dispatcher they were told it would be 4-5 hours to restore power because the tree had taken down a utility pole and wires. Their correspondence was thanking the WG+E for turning what was supposed to be a 4-5 hour project into a 2 ½ hour project.

VIII. REPORTS FROM THE GAS & ELECTRIC:

A. Action Required Items

- a) **Monthly Lost Time Report.** Manager Howard reported that there were no new work related injuries resulting in lost time during the month of January 2016.
- b) **2016 City Paving Schedule Request.** The Manager presented the annual letter forwarded to Mark Cressotti, City Engineer, requesting information as to any planned overlay and/or infrastructure work that may impact WG+E facilities or plans in 2016.
- c) **Greenway Project Status Update.** The Manager reported that Columbia Greenways Project has three phases, a northern section (Westfield River Bridge), central section (Westfield River to East Silver Street) and southern section (East Silver Street to Southwick Town line). These limits are modified as funding opportunities present themselves to the City. In 2015 WG+E was able to provide assistance to the City by bracing a distribution pole during the excavation and installation of the pedestrian pass-through between Hedges Avenue and Taylor Avenue; worked closely with the site contractor during construction of the Main Street Access ramp and retaining wall saving the city an estimated \$250,000 as reported by the City engineer. Regarding the esplanade overlooking the Westfield River, WG+E was called upon to relocate and bury existing facilities located within the zone of construction and to provide permanent electric and gas service to the newly constructed concrete viewing area. The focus for 2016 will be in the area adjacent to the Westfield River. Construction of a trellis at the new esplanade is planned and the WG+E has been asked to offer assistance during this phase of construction. WG+E personnel shall continue to attend monthly meetings to ensure coordination between all City departments.

- d) **2015 Electric Services Installed.** The Manager presented a report which showed 39 new electric services installed in 2015. Of these, 33 were residential and 6 were commercial customers. Over the last ten years, an average of 47 electric services has been installed annually.
- e) **2015 Gas Services Installed.** The Manager provided a report with respect to gas services installed in 2015 and noted that 118 services were completed. Of them, 111 were residential and 7 were commercial customers. This is a decrease of 12% over the amount of services installed in 2014. Over the last 10 years, an average of 134 gas services has been installed annually.
- f) **2015 Capital Electric Projects Report.** The Manager provided a report relating to Capital Electric Project results for 2015. Projects that were not completed were due primarily to weather constraints, funding availability, or external schedules, as noted in the report. All electric capital additions and upgrade projects performed by WG+E during the calendar year were noted on the report. The WG+E had a very full and successful year with its capital projects.
- g) **2015 Capital Gas Projects Report.** As with the electric projects, all the gas projects were addressed in a timely manner and projects that were not completed were due primarily to weather constraints, funding availability, or external schedules, as noted in the report. Where the budget for individual projects was exceeded by 20%, a note indicated the reason. Again, the Manager emphasized a very successful year with natural gas capital projects.
- h) **2016 Capital Gas & Electric Construction Plans.** The Manager presented an overview of potential capital electric and gas projects anticipated for 2016. As in the past, projects can be impacted on occasion by the City's schedule of work as discussed previously in the letter to the city engineer. The 20 projects were listed in order of priority.
- i) **2015 Traffic Light Report.** The Manager reported WG+E continues to provide prompt inspection, maintenance and repair services, including emergency response, for all municipally owned traffic lights within the City of Westfield. The decrease in labor and material in 2015 is primarily attributable to the redesign and equipment upgrades of the traffic light system during the downtown reconstruction projects, resulting in more reliable operations. In the five-year reporting period outlined above, the cost for traffic light repairs performed by WG+E in-house personnel has totaled \$147,924. WG+E estimates that this same work, if performed by an outside regional contractor, would have cost approximately \$254,429, therefore saving Westfield's taxpayers \$106,505 in additional cost.
- j) **2015 Gas Leak Management Annual Report.** The Manager reported that locating, controlling, and eliminating gas leaks throughout the distribution systems is critical to safe and efficient operations. WG+E remains in compliance with state and federal regulations for leak management. WG+E performed 5,458 outside leak surveys during 2015. One hundred and fifty nine (159) of these leaks were due to reported outside gas odor complaints received from customers, the remainder were scheduled leak

inspections. Of the 159 odor complaints, 66% resulted in positive findings. Likewise there were 268 inside gas leaks reported of which 48% resulted in positive findings and were immediately repaired. A chart accompanied the report showing an end of year status for both 2014 and 2015. This report is consistent with the quarterly report the DPU requires.

- k) **2015 Drug & Alcohol Testing Annual Report.** The Manager reported that employees with either a commercial driver's license (Federal Motor Carrier Safety Administration) or those working on, or associated with, gas pipelines (Department of Transportation CFR Part 199) are subject to random drug and alcohol tests. During the year a number of employees were tested and WG+E was in compliance with federal and state testing requirements.
- l) **DPU Termination Regulations.** The Manager indicated that this is an annual report for reference purposes and that there have been no changes to the regulations from the Massachusetts Department of Public Utilities. The Manager puts forth the process annually to the MLB to which WG+E must comply prior to the upcoming termination season.
- m) **Monthly Financial Reports.** Finance Manager Jay Kline noted that the monthly and year-to-date purchased power expenses and net income figures presented in this report reflect actual amounts. The MLB should also note that we anticipate additional P/L adjustments related to the OPEB actuarial study and potentially the assumption of the pension liability. He then reported that through twelve months of 2015, the Gas Division gain exceeds the original budgetary estimate, while the Electric Division gain is below the original forecast. These year-end NI estimates reflect the combined impact of contributions to capital reserves and stabilization funds, revenue deferrals, the MMWEC Reserve and Contingency return and interest income. As a result of record December temperatures, NYMEX futures dropped to multi-year low of \$1.75/MMBtu in mid-December, while delivered gas prices averaged \$2.23/MMBtu for the month. Remarkably, delivered gas traded at \$1.09/MMBtu on December 24th. The full impact of these December temperatures and resultant demand reduction will be reflected in the January 2016 financials. Initial year over year estimates project January gas and electric revenue significantly below 2015 levels. The Manager stated that over one half of the deferred income from 2015 was used in January alone to offset the above average temperatures and corresponding below average consumption. The deferral can be viewed as a short term stabilization method as the money is returned to the customer knowing this winter would be a challenging one. The below average consumption of natural gas, while beneficial to the customer, causes an under collection of distribution revenues that cover those expenses. The Manager also indicated that the Cost of Service Study (COSS) vote taken by the MLB will show benefits to the weather extremes, both gas and electric, that we have seen. Commissioner Sacco indicated that, in particular with the natural gas side, it is difficult to have a hard stop of December 31st with the financials. Commissioner Roman indicated that there were substantial variances between the November and December numbers. He had a chance to speak with the Finance Manager and was satisfied with the explanations provided.

B. Informational Items:

- a) Utility Issues. Report was presented and accepted.
- b) Utility News/Pulseline Articles was presented.
- c) Utility Courses Update - 2016 Seminars and Workshops were presented.

IX. OLD BUSINESS: None

X. NEW BUSINESS: None

XI. ADJOURNMENT

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

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

Chairman Flaherty declared the regular session portion of the meeting adjourned at 7:58 p.m.

A TRUE RECORD.

Attest:


Thomas P. Flaherty, Chairman

**Documents Presented at
REGULAR SESSION - February 3, 2016**

Name of Document	Author		Strategic Plan
Draft Regular Session Minutes of the Municipal Light Board - January 20, 2016			
Draft Executive Session Minutes of the Municipal Light Board - January 20, 2016			
Acknowledgement - American Lung Association	Dan Liptak, Sharon Marcyoniak, Amy Caruso, and Lou Liptak.		
Acknowledgement - Westfield Soup Kitchen	Cheryl Richards, Secretary of Our Community Table	January 10, 2016	
Acknowledgement - Westfield Girls Lacrosse	Scott Gordon Oliver, President of the Westfield Youth Lacrosse		
Customer Compliment - 70 East Silver Street	Michael Cabot of 70 East Silver Street	January 20, 2016	
Customer Compliment - Sackett Road	Sheldon and Roberta Titcomb of 262 Sackett Road	January 14, 2016	
Monthly Lost Time Report	Beth Burns, HR Coordinator/Records Manager	February 3, 2016	Communications/Customer Service/Community Affairs Information Brief
Columbia Greenways Project Status Report	Thomas M. Broderick, Utility Supervisor	February 3, 2016	Communications/Customer Service/Community Affairs Coordination & Relations with Other Utilities CCA-3.1
2015 Annual Traffic Light Report	Thomas W. Balukonis, Information Technology and Telecommunications Superintendent	February 3, 2016	Communications/Customer Service/Community Traffic Light Repair, CCA-4.2
2015 Gas Leak Management Annual Report	Patrick M. Levesque, Utility Supervisor	February 3, 2016	Gas Utility Business Gas Leak Control GUB-6.1
Drug & Alcohol Testing Annual Report	Beth Burns, HR Coordinator/Records Manager	February 3, 2016	Administration and Organization Drug & Alcohol Testing Program AO-3.5
DPU Termination Regulations	A. Paton Billing & Collections Manager	January 22, 2016	Residential Termination Regulations Department of Public Utilities Consumer Division
December 2015 Financial Report	T. Fouche, Accounting Manager	January 26, 2016	Financial Annual & Quarterly Reports F-4.5
Electric Services Installed 2015	Michael S. Lee, Utility Supervisor	February 3, 2016	Electric Service Installation EUB-3.1
Gas Services Installed 2015	Patrick M. Levesque, Utility Supervisor	February 3, 2016	Gas Service Installation GUB-3.3
2015 Capital Gas Project Report	Dana Bein, Operations Superintendent	February 3, 2016	Gas Upgrade & New Projects GUB-3.1, GUB-3.2, GUB-3.3
2016 Gas & Electric Construction Plan	Patrick M. Levesque, Utility Supervisor	February 3, 2016	New, Upgrade & Reconstruction Project EUB-3.1, EUB-3.2, EUB-3.4, EUB-3.6, EUB-3.9
Utility Issues	John W. Welch	February 3, 2016	Regulatory and Government Affairs Gas/Electric Regulatory Issues RGA-1.4, RGA-
Utility News/Pulse Line	Beth Burns, HR Coordinator/Records Manager	February 3, 2016	Communications/ Customer Service/Community Affairs Media Relations- CCA-1.6
Utility Courses Update- 2016 Seminars/ Workshops	Beth Burns, HR Coordinator/Records Manager	February 3, 2016	Administration and Organization WG&E Training & Development, AO-3.6