



Westfield Gas & Electric Municipal Light Board Regular Meeting Minutes May 6, 2020

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 In accordance with Governor Baker's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting law, G.L. Chapter 30A, Section 20, and the Governor's March 15, 2020 Order imposing strict limitations on the number of people that may gather in one place, this meeting of the Municipal Light Board will be conducted via remote participation. The notice for this meeting invited members of the public who wish to listen to the meeting to do so by calling in telephonically to any of the numbers provided in the meeting notice. This virtual meeting will be audio recorded and, per the WG+E MLB Video Policy, the recording will be available on the WG+E website within one week. The Chairman asked if anyone, other than the Municipal Light Board, was recording the meeting. Hearing none the Chairman welcomed the public that may be listening to the meeting.

II. ROLL CALL was taken as follows:

Present:

Ward #1 Commissioner, Kevin M Kelleher	(Participated Remotely)
Ward #2 Commissioner, Ray Rivera	(Participated Remotely)
Ward #3 Commissioner, Dawn Renaudette	(Participated Remotely)
Ward #4 Commissioner, Francis L. Liptak	(Participated Remotely)
Ward #5 Commissioner, Thomas P. Flaherty	(Participated Remotely)
Ward #6 Commissioner, Robert C. Sacco	(Participated Remotely)
Appointed Commissioner, A. Edward Roman	(Participated Remotely)

Absent:

Present: 7 Absent: 0

III. READING OF THE RECORD:

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

VOTED: To accept the minutes of the March 4, 2020 Regular Session Meeting of the Municipal Light Board as amended.

To accept the minutes of the March 4, 2020 Executive Session Meeting of the Municipal Light Board as presented, but not release to the public at this time.

IV. PUBLIC PARTICIPATION:

Bridget Matthews-Kane, Ward 3 City Councilor, addressed the MLB concerning her advocating that WG+E adopt a behavior-based energy efficiency program as a way to lower costs for residents in Westfield. During these financially challenging times, we use every tool possible to save residents money on their energy bills. The concept is to compare a customer's energy consumption to other similar WG+E customers, in order to encourage them to change their habits, reduce their consumption and save on their energy bills. The behavior-based program can help to lower our customers' overall cost of living. Councilor Matthews-Kane indicated that studies show between 7-10% savings are attainable, but a more realistic figure may be close to 2%. She indicated that she would forward a link to the report she was referencing to both the MLB and the Manager.

V. COMMUNICATION RECEIVED BY THE GAS AND ELECTRIC

- a) **Acknowledgement- Artworks of Westfield** – A note from Bill Westerlind, President thanking WG+E for its support of their programs.
- b) **Acknowledgement- Kiwanis Club of Westfield** – Letter from Frank Sposito, President, thanking WG+E for its donation at the Westfield Kiwanis Club's 51st Annual TV Auction.

VI. REPORTS FROM THE GAS & ELECTRIC:

A. Action Required Items

- a) **Quarterly Power Line Publication** – A copy of the quarterly PowerLine publication was provided to the MLB. The PowerLine was sent out with utility bills during the month of April. The Manager discussed the spring PowerLine, which included discussion on the challenges everyone is facing, including WG+E, during the COVID-19 pandemic. Mention was made regarding how a portion of WG+E operations are being affected. The Powerline also indicates that WG+E recognizes these are trying times and the economic climate has created financial hardships for many of our customers. In an effort to help customers manage that burden WG+E has suspended shut offs for non-payment and is committed to working with those customers affected. Lastly, as always, the Powerline shows how low WG+E's rates compared to the state average. Commissioner Liptak asked how employees are operating during the pandemic and if

there have been any layoffs. The Manager indicated that there have been no layoffs and that many administrative employees are working remotely from home. Some of the construction and field workers report to separate staging areas in order to provide social distancing. Commissioner Kelleher inquired as to how the service techs are operating. The Manager stated that before sending a technician to someone's home, Dispatch checks with the Westfield Fire Department to make sure there are no actual cases of COVID-19 at the residence they are called to service. Those techs go to a home and practice social distancing and wear appropriate personal protective equipment. The Manager also indicated the number of service calls were down, due to the passing of the heating season and our efforts to limit work in customer homes to only emergency repairs. Chairman Sacco inquired as to when Whip City Fiber would be starting its installations. The Manager indicated that it is being considered and will be discussed later during the meeting. Commissioner Kelleher noted that it appears Whip City Fiber installations were starting again in the Hilltowns. The Manager answered affirmatively and indicated that the five towns where installations have now resumed, have extremely low numbers of confirmed COVID-19 cases. As such, risk to the homeowner and the employees entering their homes are much lower than locally, where the number of confirmed cases is much higher.

- b) **State Sales Tax Audit.** The Manager reported that, on a weekly basis, commercial accounts that have been transferred to a new business/customer are reviewed. The tax status on each account is verified. Various businesses, based on such items as number of employees, annual revenues, or non-profit status have various forms and instructions used to renew sales tax exemptions regarding gas and electric service. As of January 2019, the process used to file a Small Business Energy Exemption Certificate (ST-13) had been revised. Small businesses that qualify for an exemption apply online for an exemption certificate through the DOR's MassTaxConnect application. The DOR provides the customer with an exemption certificate, a copy of which is filed with WG+E. Manufacturers (ST-12) and Nonprofit/Charities (ST-5) are provided exemption forms through the WG+E "Welcome Packet". Existing customers requesting a new service shall be forwarded ST-12 and ST-5 exemption forms upon request.
- c) **WG+EV Status Update** – The Manager reported that WG+E partnered with Energy New England (ENE) to create an electric vehicle awareness and education program in December 2019. The program will feature the rollout of a website designed and maintained by ENE, which is being customized under WG+E's direction. WG+E revised its existing EV charger rebate structure and will be implementing a monthly bill credit to incent residential EV owners to charge their vehicle during off-peak hours. The WG+EV team prepared the internal processes necessary to move customers through the program. WG+E's third party rebate processor, The Center for EcoTechnology (CET), is prepared to process both the rebates and the monthly bill credits. The team wrote new instructions for program applications, finalized the verification data required by customers for approval, and created a process flow between ENE, WG+E, and CET. The Manager indicated electric vehicles are becoming more prevalent and we anticipate many participating customers in the months ahead. Commissioner Rivera asked if WG+E was helping customers with the cost of vehicle chargers. The Manager stated that rebates are available for level 2 chargers under this program. Chairman

Sacco asked how the credit is calculated and the Manager indicated it's a standard credit of \$10 per vehicle per month for up to two vehicles per household.

- d) **Gas and Electric Price Projections for City.** The Manager noted that projected FY2020 electric costs are expected to close out the year approximately \$121,000 or 5.6% below our original projections made in May 2019. These savings are attributable to the combined effect of mild summer temperatures and assumed consumption reductions due to the COVID-19 pandemic. The updated estimate of FY 2020 gas consumption for the City remains close to our original projection with a variance of less than 1%. FY 2021 projections are based upon forward energy prices, normal weather and average consumption levels. If this plays out, we'd expect 2021 expenditures to be slightly above last year's levels, however the pandemic may dampen energy consumption. Commissioner Rivera inquired as to whether some of the schools had completed any energy conservation measures while they're closed down. Finance Manager Jay Kline indicated that some lighting work was done, but we haven't heard back from the City as to if it has been completed.
- e) **Proposed 2020 Capital Project & Reconstruction Budget.** The General Manager presented a report on the Proposed 2020 Capital Budget of \$7,738,000, which is consistent with the Strategic Planning budget submitted for approval last fall. The budget lists several planned projects by cost center. Funding sources for the capital budget involving net income and depreciation components was explained thoroughly. Although the COVID-19 pandemic may hamper some of our efforts, we fully expect it to be a good and productive year. Chairman Sacco inquired if the fiber budget includes existing fiberhoods or new fiberhoods. The Manager indicated a combination of both and there may be 1 new fiberhood this year. Chairman Sacco indicated that with everyone locked in their houses that WG+E should try to do all houses within the City, but he does understand the financial ramifications of such a buildout.
- f) **Annual ILOT Report.** The Manager presented the FY2021 in lieu of tax report. WG+E's plant value decreased slightly from the prior year as did the commercial tax rate, contributing to the ILOT cash payment to the City decreasing in FY 2021 by approximately \$23,000. It was noted that the total of cash and city benefits provided to the city previously calculated at over \$2 million continues to maintain WG+E as the single largest "taxpayer" in the City of Westfield. The WG&E ILOT cash contribution is within the City's top 4 taxpayers, exceeded only by Westfield MA Landlord LLC, C&S, and the East Main St Strip Mall. Commissioner Roman indicated he was in agreement with the ILOT formula and the vote in that MLB had previously removed the cap on the ILOT. Commissioner Flaherty expressed his agreement with Commissioner Roman.

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

VOTED: that that based upon the in-lieu-of-tax contribution formula vote taken at the June 9, 2004 and amended at the May 16, 2007 and October 2, 2013, and May 3, 2017 Municipal Light Board

meetings, the following ILOT calculations and recommendation for FY 2021 is as follows;

1. That the Municipal Light Board determines the FY 2021 ILOT payment to the City of Westfield in the amount of \$626,074.
2. The ILOT is based upon 70% of the book value of the general plant as contained in the DPU Annual Report for the most recent fiscal year for gas and electric accounts 389 to 399, multiplied by the current commercial tax rate, (\$37.11 per \$1,000).
3. The actual ILOT cash payment to the City is then calculated by reducing the ILOT, as calculated above, to reflect the amount for non-statutory goods and services voluntarily provided by WG&E to the City, including traffic light maintenance at an agreed upon annual amount of \$60,000.
4. that the ILOT cash payment of \$566,074 for the City's fiscal year 2021 be made by monthly payments of \$47,173 commencing on or after July 1, 2020 and that the manager is hereby authorized to take any other action he deems necessary or advisable to carry out the purposes of this vote.

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

- g) **Gas Service Reliability Benchmarking Report.** Operations Manager Mike Lee presented a report relating to emergency response time for the Gas Servicemen. During 2019, our Utility Service Technicians responded to a total of 1,984 gas service-related calls, with an average of 165 calls per month. This represents approximately 16% more calls than the previous year. The average response time for emergency calls was 16 minutes, while all other calls averaged a response time of 33 minutes. In 2019, our technicians arrived at 49% of all emergency calls within 15 minutes, and they arrived at 90% of these calls within 30 minutes. As has been the norm, the service area of WG+E does a great job and the quick response time is well below the industry average. Commissioner Liptak asked if there is a policy with respect to customers with

radon gas. Mike Lee indicated there is not, WG+E tests for combustible gases. Chairman Sacco noted a 16% increase seems to be a lot. Mike Lee indicated that it was a significant increase, and WG+E has been more aggressively promoting itself and its services, which may have led to greater demand.

- h) **Cast Iron Abandonment Report.** The Operations Manager reported that WG+E is responsible for providing natural gas service in a safe and reliable manner. In accordance with the Commonwealth of Massachusetts' Cast Iron Replacement Regulations, WG+E set priorities regarding replacement of high risk, low pressure cast iron mains and bare steel services. WG+E implements a risk-based replacement plan that factors in age, leak frequency, and propensity for damage while addressing the reconstruction needs of the gas distribution system. In 2019, the WG+E gas main reconstruction consisted of cast iron and bare steel services replacement in the following streets: Belmont St., Deepwoods Dr., Ellsworth St., Franklin St., Holyoke Rd., Kellogg St., Laura Dr., Lincoln St., Orange St., Reed St., Western Ave., and Western Circle. Approximately 16,877 feet (9.8%) of existing cast iron pipe and 5,317 feet (5.4%) of existing bare steel pipe services was abandoned and replaced last year. The Manager and Operations Manager indicated that there may be an attempt in 2020 to do more cast iron abandonment than originally anticipated. Commissioner Kelleher asked if work on Prospect Street is outside the area that was recently repaved. Mr. Lee indicated that the planned work is on the tree belt, beyond the new pavement. There are no plans to excavate in the area of new pavement.
- i) **Call Center Year End Report.** Business and Finance Manager Jay Kline reported that the WG+E Call Center, as is the norm, performs great customer service work and in 2019 the Call Center handled 28,697 calls for a monthly average of 2,391 calls. Call Center activity has ranged from 26,000 to 32,000 calls annually over the last five years. The IVR volume continues to grow and the Department continues to steer customers to this industry standard automated approach in an effort to eliminate the potential for fraudulent activities that human involvement with such transactions, such as credit card usage, could possibly introduce. Mr. Kline indicated that an attempt to focus the call center group on core issues rather than processing payments. All customer service clerks have Surface Pros with work from home capabilities and as such, our customer service efforts have not been largely affected by the pandemic.
- j) **Annual Insurance Report.** Mr. Kline presented the Annual Insurance Report. The report indicates that total insurance premiums for 2020 are projected to be largely commensurate with the prior year with the exception of property insurance. He indicated the market is driven by the California fires and bankruptcy issues which recently occurred. This year's premium is \$50,000 more than the prior years due to the insurance industry's concerns about underlying these risks. Chairman Sacco inquired as to why California issues impact insurances here. Mr. Kline indicated that the insurance industry as a whole, does look at those issues and considers those risks. Commissioner Roman agreed, stating that since it was a natural disaster, insurance companies tend to react quickly and increase rates over the short term, which impacts everyone, even though the risk may not be directly tied to their area.

- k) **Monthly Financial Reports**. Business and Finance Manager Jay Kline noted that the monthly and year-to-date purchased power expenses and net income figures presented in this report estimated amounts. Through the month of March 2020, the Gas Division gain exceeds the original budgetary estimate by \$1.1M, while the Electric Division gain is currently \$452k more than the original forecast. The market has been under pressure from an oversupply issue for several years. With the collapse of oil prices, analysts are calling for a rapid slowdown in domestic oil production and with that a large reduction in ancillary natural gas production. Market participants envision bankruptcies and consolidation as debt laden drillers try to survive in this low price and low demand environment. Energy Supply continues to view this pricing opportunity to reduce open market power and gas exposure at attractive levels. Commissioner Rivera inquired as to if there were any consumption reductions WG+E is experiencing at local businesses versus residential due to COVID-19. Mr. Kline indicated residential loads have held up well. The commercial side has seen some degradation of loads and we expect that will continue, unless a hot summer drives load back up. Chairman Sacco asked if the financial numbers included the deferrals from last year. Jay Kline indicated they did. Commissioner Flaherty asked if the deferrals were in the budget and Jay Kline indicated they were, which helps support the gains. The Manager indicated that if you were to back out the deferrals, net income would be more reflective of our original targets.

B. Informational Items:

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

VII. OLD BUSINESS:

- a) **City Council OML – Judgment** – The MLB discussed a recent Open Meeting Law decision that impacted the Westfield City Council. In that members of the City Council, who were not members of the Subcommittee, participated fully in the discussions, the Attorney General's Open Government division found the City Council to be in violation of the Open Meeting law. Counsel discussed at the November 2019 Joint meeting of the Human Resource Subcommittee and MLB an Attorney General decision involving the Town of Wayland. The AG found a violation, as it did with the City Council meeting, when the subcommittee has a meeting and quorum of the board is present and participate in the discussion there should be a notice of a meeting of the entire MLB. It would be a violation of the Open Meeting law, if four or more members of the MLB were present at a subcommittee meeting and fully participated in that subcommittee meeting in that it would be a quorum of the MLB deliberating on a matter within its jurisdiction. If the other members of the MLB are present at a duly noticed subcommittee meeting and only participated during public participation, and not otherwise during the meeting, then the Subcommittee notice is sufficient. However, if a quorum of the MLB is present and interacting, other than during public participation, the best practice would be to notice

a joint meeting of the MLB as well as the subcommittee, and based on that discussion, the MLB has been in compliance with the Open Meeting law.

- b) **COVID-19 Update** - The Manager provided a report on WG+E's response to the Covid-19 pandemic. He noted that WG+E has a long history of responding to various emergency situations and planning its response to others that may present themselves at any given moment. In 2019, our Incident Management and Recovery Plan document was updated and reformatted to provide readily accessible information to be available to responding personnel during emergency situations. The Manager indicated the reports that were provided show many of the steps WG+E has taken in response to the COVID-19 pandemic and that the management team and all employees have done a great job. Commissioner Kelleher asked were any WG+E employees were impacted by COVID-19 by positive test. The Manager responded that a few had tested positive or had to self-quarantine due to exposure to others that had tested positive, but all have recovered. Commissioner Rivera asked if the Department has been taking temperatures and other proactive measures that are being done in some public buildings and in particular, the jail. The Manager indicated we're reviewing appropriate screening protocols to be used once employees are being brought back to the workplace. Commissioner Flaherty inquired as what was being done to help the School Department with respect to providing internet access for students in the City that did not have the internet access. The Manager indicated that WG+E had been asked by the Superintendent Czaporowski to look into establishing wireless hot spots at four or five key locations, but after the design discussion the Superintendent wasn't in favor of hot spots because of a concern of students congregating in these areas and would prefer a wired solution. WG+E has looked at the feasibility of providing service within areas which are built out and only require service drops. Commissioner Flaherty indicated 35 students are without internet in the City. The Manager indicated roughly one third of these students could be serviced once the number of local COVID cases drop and the Governor releases restrictions. The School Department has also had some discussion with Comcast to provide Internet service where their infra structure is available.

VIII. NEW BUSINESS:

- a) **Customer Arrears** - The Manager indicated that Commissioner Rivera had requested this item be placed on the agenda. Commissioner Rivera noted that WG+E had suspended shutoffs but when the shutoff suspension ends, people may still be struggling financially. The Commissioner asked if there was a program like Westfield Warm to help. The Manager indicated that WG+E understands the hardships many are facing and is working with the affected customers. WG+E encourages our customers to contact our credit and collections group and start a discussion about what can be done to work through each situation. WG+E is making an effort to keep its rates low and may look at adding a program similar to Westfield Warm, but will monitor the situation and try and tailor our efforts toward a solution that works for many affected customers. Chairman Sacco asked if there are guidelines that Customer Service uses when they take these calls. The Manager indicated that Customer Service coaches customers on a case by case basis, tailored to the customer's situation and encourages them to pay at least a portion of their bills. Chairman Sacco and Commissioner Rivera indicated we may want to take a more

formalized and proactive approach. Commissioner Liptak indicated it should wait until the Manager sees a definite need to do something. Commissioner Flaherty agreed with Commissioner Liptak. Jay Kline indicated a team is monitoring the situation in an effort to ensure nobody is taking advantage of the situation and any potential funds would go to those that are really in need. The Chairman asked to keep this matter on the June agenda.

IX. EXECUTIVE SESSION:

On the motion of Commissioner Liptak, seconded by Commissioner Rivera 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 the purchase, exchange, lease or value of real property in that an open meeting may have a detrimental effect on the negotiating position of WG+E, as noted on the agenda and not 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 the purchase, exchange, lease or value of real property in that an open meeting may have a detrimental effect on the negotiating position of WG+E, as noted on the agenda, and would not reconvene the Regular Session after adjournment from Executive Session.

X. ADJOURNMENT

Chairman Sacco declared the regular session portion of the meeting adjourned at 8:21 p.m.

A TRUE RECORD.

Attest:


Robert C Sacco, Chairman

**Documents Presented at
 REGULAR SESSION May 6, 2020**

Municipal Light Board Regular Session Meeting Minutes – March 4, 2020			
Municipal Light Board Executive Session Meeting Minutes – March 4, 2020			
Acknowledgement – Artworks of Westfield	Bill Westahead, President	April 12, 2020	
Acknowledgement – Kiwanis Club of Westfield	Frank Posito, President	March 15, 2020	
Quarterly Power Line Publication	Anthony J. Contrino, General Manager		
Status Report: State Sales Tax Audit	A. Paton, Customer Accounts/Collections Manager	April 16, 2020	Communications/Customer Service/ Community Affairs State Tax Exemption CCA-2.5
WG&EV Status Update	K. Behlke, Quantitative Energy Supply Analyst	May 6, 2020	Electric Utility Business Alternative Fueling Stations (AFS) EUB-11.0
Gas and Electric Price Projections for the City of Westfield for FY 2020 and FY 2021	Anthony J. Contrino, General Manager		
Proposed 2020 Capital Project and Reconstruction Budget	Jamie Naughton, Senior Accountant	April 8, 2020	2020 Key Capital Projects
Gas Service Reliability Benchmarking Report	Pat Levesque, Utility Supervisor	April 8, 2020	Communications/Customer Service/ Community Affairs Operations Customer Service CCA-2.8
Cast Iron Abandonment Program Report	Greg Freeman, Utility Supervisor	April 8, 2020	Gas Utility Business Gas Distribution Reconstruction - GUB-3.2
Call Center Year-end Report	Lisa Stowe, CX + Marketing Communications Manager	March 20, 2020	Communications/Customer Service/ Community Affairs Call Center Report, CCA-2.4
Annual Insurance Report	Timothy Fouche, Accounting Manager	April 8, 2020	Financial Insurance Programs & Risk Management, F-5.1
March 2020 Financial Report	T. Fouche, Accounting Manager	May 6, 2020	Financial Annual & Quarterly Reports
Utility Issues	John W. Welch	May 6, 2020	Regulatory & Governmental Affairs Gas/Electric Regulatory Issues, RGA-1.4; RGA1.5
Utility News/Pulse Line	Beth Burns, HR Coordinator/Records Manager	May 6, 2020	Communications/Customer Service/ Community Affairs Media Relations – CCA-1.6
Utility Course Update 2020 Seminars/Workshops	Beth Burns, HR Coordinator/Records Manager	May 6, 2020	Administration and Organization WG+E Training & Development, AO-3.6
City Council OML – Judgment	Massachusetts AG	February 13, 2020	
COVID-19 Update	Anthony J. Contrino, General Manager	April 8, 2020 May 6, 2020	