

Westfield Gas & Electric Municipal Light Board Regular Meeting Minutes May 13, 2021



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 Roman 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 #3 Commissioner, Dawn Renaudette
Ward #4 Commissioner, Francis L. Liptak (joined meeting in progress)
Ward #5 Commissioner, Joseph B. Mitchell
Ward #6 Commissioner, Robert C. Sacco
Appointed Commissioner, A. Edward Roman
Ward #1 Commissioner, Kevin M Kelleher
Ward #2 Commissioner, Ray Rivera

Absent:

Present: 7 Absent: 0

III. READING OF THE RECORD:

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

VOTED: To accept the minutes of the April 7, 2021 Regular Session Meeting of the Municipal Light Board as presented.

To accept the minutes of the April 7, 2021 Executive Session Meeting of the Municipal Light Board as presented, but not release to the public at this time.

IV. PUBLIC PARTICIPATION: - None

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 Westfield is Fantastic Community Mural program.
- b) **Acknowledgement- Westfield Boy Scout Troop 109** – Social media post acknowledging the donation of two truckloads of cans and bottles for their annual Bottle and Can Drive.
- c) **Acknowledgement – 2021 Mayor's Easter Egg Drive Through** – Letter from Mayor Don Humason thanking the WG+E for its continued support of this annual event that was held under different circumstances this year due to pandemic. The WG+E provided 2,000 stuffed Easter eggs for distribution to attendees.
- d) **Customer Complaint – 331 Valley View Drive** – Customer wrote of her frustration with online bill pay experience. Rather than using the no-fee direct online bill pay portal through WG+E, she processed her payment through a 3rd party provider which resulted in transaction charges.
- e) **Customer Compliment – 47 Old Stage Rd, Wendell, MA** – Customer wrote to express her gratitude for resolution of WCF problem, citing service provided as proactive and communicative.
- f) **Customer Compliment** – Customer residing at 472 Russellville Road emailed the General Manager expressing his gratitude for technical support offered by IT Support Technician Danny Rios.

VI. REPORTS FROM THE GAS & ELECTRIC:

A. Action Required Items

- a) **Whip City Fiber Hilltown Status Update** – Caitrin Ferriter, Director of Customer Service and Sales provided information via PowerPoint presentation of the ongoing partnership between the WG+E/WCF and the 20 Hilltown communities that were either unserved or underserved with internet connectivity. As newly established Municipal Light Plants, these communities are represented by volunteer board members who are actively engaged in tracking the forward movement of this long-awaited product. Managing their expectations takes time and effort and there are currently twelve towns

that are fully lit and connected with geoclusters of neighboring towns engineered to provide a level of redundancy for additional reliability. Manager Flaherty spoke of the recent decision to voluntarily move forward with the federal government's offering of the Emergency Broadband Benefit to those subscribers who meet qualifying parameters, based upon economic conditions or circumstances that may have been impacted by COVID. Eligible customers can save up to \$50 per month on their broadband bill. Commissioner Sacco questioned if there was an end date to this offering and it was explained that federal funding will cease 6 months after the pandemic is declared over.

- b) **State Sales Tax Audit.** The Manager reported that, on a weekly basis, commercial accounts that have been opened, reopened or 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) was revised. Small businesses that qualify for an exemption can 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 upon request. The WG+E notifies all commercial customers annually via a bill message to log onto the DOR MassTaxConnect Site and reapply for their qualifying exemption certificate if it's nearing their expiration date.

Commissioner Liptak joined the meeting in progress at 7:19PM.

- c) **Gas and Electric Price Projections for City.** Jay Kline, Director of Business and Energy Supply noted that projected FY2021 electric costs are expected to close out the year approximately \$142,000 or 6.9% above our original projections made in May 2020. These increased costs are attributable to the combined effects of hot summer temperatures in 2020 (reported to be the hottest summer in the past 30 years) and less than anticipated consumption reductions due to the COVID-19 pandemic. The updated estimate of FY 2021 gas consumption for the City is also higher than the original projection by about 3.9% or \$32,000. Despite a predicted reduction in consumption due to the pandemic, a very cold start to 2021 pushed natural gas consumption closer to historical levels. FY 2022 projections are based upon forward energy prices, normal weather and average consumption levels not affected by COVID-19.
- d) **Monthly Financial Reports.** Jay Kline stated that it had been a strong first quarter 2021 on the gas side with good demand. Through the month of March 2021, the Gas Division gain exceeds the original budgetary estimate by \$961K, while the Electric Division gain is currently \$28K above the original forecast. Time will tell with upcoming electric consumption based upon summer demand, but all indicators seem to have weather projections on track for a normal summer. The department just made a forward power purchase through 2023 today at an exceptional rate. On the telecom side of business, through the month of March, the \$193K gain trails the forecast by \$378K and reflects the ongoing timing difference between hilltown construction expense and associated billing

to the towns.

Manager Flaherty noted that termination notices went out this week and the June financials will reflect the impact in accounts receivable of the dollars in arrears. Two thousand letters were sent out and Commissioner Sacco asked for breakdown in WG+E vs. WCF to which Flaherty indicated that 1,600 customers were delinquent in their gas and/or electric accounts and the remaining 400 were Whip City Fiber accounts. Given the total amount in payments due, Commissioner Sacco estimated that the average delinquent residential WG+E bill is \$1,000 in arrears and WCF customer is \$140-\$150. Following the first sending of informational letters to all delinquent customers advising them of being put on 60-day notice before shut-off, 259 customers called to either make a payment or set up a payment plan. Again, Commissioner Sacco indicated that these delinquent customers make up approximately 7-8% of all customers and when terminations begin shortly, there will be an influx of activity surrounding shut-offs, payments, and reconnections. It was noted that the Department has been very proactive in notifying customers of the pending lift on the moratorium and Manager Flaherty indicated that the Customer Service staff has been scheduled to provide later hours of service and is ready to respond to the anticipated swell of customer inquiries and payments. The Department does charge a minimal \$25 reconnection charge for gas and electric shutoffs but does not impose any such fee for WCF terminations.

Mention was made of the \$500,000 of debt forgiveness that had already been authorized by the Board to assist our customers and it was questioned what else (if anything) we could do to assist those customers who have not yet contacted the WG+E to discuss their overdue accounts. Commissioner Sacco asked that the next Board meeting agenda include a report on the number of terminations that have occurred and the financial impact to Accounts Receivable.

B. Informational Items:

- a) **Utility Issues** was presented.
- b) **Utility News/Pulseline Articles** was presented.
- c) **Utility Courses Update** was presented.

VII. OLD BUSINESS: none

IX. NEW BUSINESS:

- a) **Potential EV Grant Opportunities – Municipal Locations.** Manager Flaherty briefed the MLB on recent discussions held with John Tourtelotte of Rivermore Energy. The Department is exploring state grant opportunities that would allow WG+E to place electric vehicle charging stations throughout the City. Keziah Bednarsky, Sr. Quantitative Supply Analyst, is in the process of preparing sixteen applications for grant monies to fund installation of EV charging stations at each of the public schools as well as three units at the airport and three different municipal parking lots. Manager Flaherty has discussed this probability with Superintendent Czaporowski, who is excited at the possibility and is strongly in favor of moving forward. Also, the plan is also to expand

the EV charging capacity at the Operations Center with access for four more vehicles. Commissioner Mitchell stated there is great interest on the IOU side (such as Eversource) to take advantage of these incentives and reduce emissions.

IX. EXECUTIVE SESSION:

On the motion of Commissioner Mitchell, seconded by Commissioner Renaudette, 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 or confidential, competitive-sensitive or other proprietary information, as noted on the agenda, and not to reconvene the Regular Session after adjournment from Executive Session.

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

Motion passed 7-0. 0 absent

Chairman Roman stated that the Municipal Light Board would be entering into executive session for the purpose of discussing trade secrets or confidential, competitive-sensitive or other proprietary information, as noted on the agenda, and would not reconvene the Regular Session after adjournment from Executive Session.

X. ADJOURNMENT

Chairman Roman declared the regular session portion of the meeting adjourned at 8:12 p.m.

A TRUE RECORD.

Attest:


A. Edward ROMAN, Chairman

**Documents Presented at
 REGULAR SESSION May 13, 2021**

Municipal Light Board Regular Session Meeting Minutes – April 7, 2021		May 13, 2021	
Municipal Light Board Executive Session Meeting Minutes – April 7, 2021		May 13, 2021	
Acknowledgement – Artworks of Westfield		May 13, 2021	
Acknowledgement – Boy Scout Troop 109		May 13, 2021	
Acknowledgement – Westfield Easter Egg Drive Through		May 13, 2021	
Customer Complaint – 331 Valley View Drive		May 13, 2021	
Customer Compliment – 47 Old Stage Rd		May 13, 2021	
Customer Compliment – 427 Russellville Rd		May 13, 2021	
State Sales Audit		May 13, 2021	
Gas & Electric Price Projections for the City	Susan M. Blumenthal Energy Supply Analyst	May 13, 2021	
March 2021 Financial Report	Jay Kline Business and Finance Manager	May 13, 2021	Annual and Quarterly Reports F4.5
Utility Issues	John W. Welch, Esquire	May 13, 2021	Gas/Electric Regulatory Issues – RGA 1.4, RGA 1.5
Utility Courses Update	Robin Krok HR Associate	May 13, 2021	WG+E Training and Development – AO 3.6
Utility News	Beth Burns HR Manager	May 13, 2021	Media Relations – CCA 1.6

Westfield Gas & Electric Municipal Light Board Executive Session Meeting Minutes May 13, 2021



whip city fiber

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

MINUTES

Executive Session of the Westfield Gas and Electric Light Department Commission convened at 8:14 p.m. following a roll call vote taken at the Commission Meeting for the purpose of discussing trade secrets, and competitively sensitive information or other proprietary information, as noted on the agenda, and not to reconvene the Regular Session after adjournment from Executive Session.

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

Absent: None

Present: 7 Absent: 0

Others:

Tom Flaherty, General Manager
Beth Burns, HR and Administrative Records Manager
Caitrin Ferriter, Director of Customer Service and Sales
Jay Kline, Director of Business and Energy Supply
John Leary, Director of Information Technology (participated remotely)
Mike Lee, Director of Operations (participated remotely)
Jack Welch, Esquire (participated remotely)

- a) **Competitive Business Update (Whip City Fiber)**— The Manager informed the Board that WG+E had recently provided the Town of West Springfield with a statement of work that included proposed costs to build out four fiber service areas (FSA). The proposals were intentionally very conservative with an estimated cost of \$500 per pole in make-ready costs. The most expensive FSA was in excess of \$500,000 and total for all four would be less than \$2M. Marketing efforts would come into play with eligible customers signing up online to determine which FSA moves forward based upon level of interest; however, the potential exists that all four could proceed as a pilot for the town.

To go ahead, the West Springfield City Council would have to vote to form a Municipal Light Plant (MLP) and this vote would move forward to a public vote on the ballot in November 2021. The City Council would also need to vote to create an enterprise fund that would allocate monies to start

building the pilot area(s). The proposed plan could have the pilots completed and customers connected by Summer 2022 and the second required vote to establish an MLP would appear on the November 2022 ballot. Manager Flaherty indicated that if the first vote in November 2021 did not pass, the entire process would stop, and West Springfield would forfeit approximately \$200,000 that they would have been expended in beginning the pole application process for the make-ready work.

Flaherty also informed the group that negotiations with West Springfield were approached differently than previous hilltown discussions in that the intent is to have one contract that encompasses engineering and design, project management, construction, installation, and signing a 10-year contract with WCF as the Internet Service Provider/Network Operator (ISPNO). The fee structure per customer would also be at a set rate for the first 2,700 customers thereby allowing West Springfield to meet their first year of debt service and, once 3,000 customers are online, the fee to WG+E would increase for any above and beyond that number.

Similar discussions have occurred with the Town of Agawam although they have already received a proposal from OTELCO, another broadband provider, who is offering 300 mps internet speed and the Town would have no control on the pricing offered to customers. The Department is providing a similar statement of work with four pilot FSAs located near the high school. Manager Flaherty stated that the town's Technical Committee is made up of differing opinions with some quite interested in the future of non-taxable revenue if they formed an MLP and the ability to have a local provider that is well-regarded is also a positive.

Certain to provide other likely interest in Whip City Fiber is the American Recovery Act that provides funding for building out municipal broadband even if there is existing service in the area. These funds must be expended by 2024 so any communities receiving this funding would need to act quickly. Also complicating this potential growth is that these communities would all be reaching for the same limited resources that exist for construction and installation.

b) *****

Adjourn

On motion by Commissioner Mitchell, seconded by Commissioner Rivera, and on the basis of the following roll call it was:

VOTED: To adjourn the Executive Session portion of the meeting and not to reconvene in Regular Session.

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

Motion passed 7-0. 0 absent

Chairman Roman declared the Executive Session of the Commission meeting adjourned at 9:21 p.m.

A TRUE RECORD.

Attest:



A. Edward Roman, Chairman