

whip city fiber

Westfield Gas & Electric Municipal Light Board Regular Meeting Minutes June 3, 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. PLEDGE OF ALLEGIANCE

IV. READING OF THE RECORD:

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

VOTED: To accept the minutes of the May 6, 2020 Regular Session Meeting of the Municipal Light Board as presented.

To accept the minutes of the May 6, 2020 Executive Session Meeting of the Municipal Light Board as presented, and not release to the public at this time.

V. PUBLIC PARTICIPATION:

Brent Bean, City Council President and liaison to the Gas & Electric spoke. Councilman Bean wished to thank the Westfield G+E and express the appreciation of the Council to the MLB for its ILOT vote late month. The funds are much needed especially at these times. He indicated that the City Council is currently working on the City budget and, with the projected 10% decrease in state funding, the ILOT funds are much appreciated. Councilman Bean also addressed the broadband and internet access via Whip City Fiber to the downtown area especially in Commissioner Rivera's Ward 2. Chairman Sacco inquired if the MLB members want to have increase of broadband on the agenda for more discussion. It was mentioned that discussion will likely result in what's been heard before, based on Whip City Fiber's financial constraints at this time.

Bridget Matthews-Kane, Ward 3 City Councilor, addressed the MLB concerning her desire to have every citizen of Westfield have Whip City Fiber available to them and in particular Ward 3. She indicated residents are currently having to pay for more expensive internet access with subpar services.

VI. COMMUNICATIONS RECEIVED BY GAS AND ELECTRIC: None

VII. REPORTS FROM THE GAS & ELECTRIC:

A. Action Required Items

- a) **Human Resources Quarterly Status Report.** The Manager reported that as requested by the MLB, a quarterly update was provided to the MLB reflecting personnel transactions that have occurred since last reporting. During the reporting period there was an IT Support Technician hired, one (1) promotion and two (2) retirement, resignation or terminations, as noted on the report provided.
- b) **Quarterly Gas and Electric Rate Comparisons.** The Manager presented a report with respect to the first quarter 2020 Residential Rate Comparisons. WG+E electric customers, on average, paid 16.75% below the State of Massachusetts average based on 750 KWh/month and, for natural gas customers, on average paid nearly 11.5% below the State of Massachusetts average for this period. Manager Contrino indicated

that the rates are very competitive and WG+E strives to control expenses to keep rates low. Commissioner Rivera indicated that the rates look good and asked if they are publicized to the public. The Manager indicated that such information is reported in the PowerLine, WG+E's web site and Facebook page. Commissioner Roman indicated the residents don't often realize how low WG+E rates are especially when compared with surrounding communities.

- c) **Energy Stabilization Funds Quarterly Report.** The Manager spoke to a report relating to the Rate Stabilization Funds. During the first quarter of 2020 WG+E continued to make a \$25,000 monthly contribution to the electric fund. No withdrawals were made from the Electric Rate Stabilization Fund during the first quarter. Other activities included a principal payment from the Southwest Cooperative and the interest credit. WG+E made a \$25,000 monthly contribution to the gas stabilization fund. There were no withdrawals made from the Gas Rate Stabilization Fund during the first quarter. The only other activity was the interest credit. In 2020, the Energy Supply Division planned to build the account with a monthly credit in the range of \$25,000 to \$75,000, if possible. The WG+E's goal is to fund these accounts, as recommended by Standard & Poor's, to a minimum of four months operating expenses. The Manager indicated that in April the gas monthly contribution was raised to \$75,000 and he is looking to continue that contribution for the remainder of the year. Even with this level of contribution, WG+E is able to keep rates low to meet its financial targets. The Manager praised his coworkers in the Department, saying their team effort has yielded these positive results. Chairman Sacco indicated that the deposits look good and further clarified that deposits are needed to make contributions to meet certain industry standards and to build a rainy day fund should there be a natural disaster or other item that would cause unanticipated catastrophic expenditure of funds. The Manager indicated that WG+E is working toward these targets because unlike the investor owned utilities, WG+E does not have access to a line of credit and therefore needs the funds on hand, as the Chairman indicated, to cover unexpected catastrophic events. Commissioner Kelleher noted that WG+E has done well in building the Gas Stabilization Fund in that it has only been in existence for a few years.
- d) **Release of Executive Session Minutes.** The Manager reported that the Open Meeting Law requires that the public body, or its chair or designee, shall, at reasonable intervals, review the minutes of executive sessions to determine if the provisions of this subsection warrant continued non-disclosure. Since that time, discussion occurred with regard to releasing the minutes of Executive Session meetings in redacted form to ensure the confidentiality of sensitive issues. The last release of Executive Session minutes occurred at the MLB meeting held March 4, 2020. As decided previously, these reviews will occur quarterly. The Manager indicated that certain portions of the most recent minutes could be released, copies of which are contained in the MLB packet.

After review of the minutes to be released by the MLB, on motion by Flaherty, seconded by Commissioner Rivera, it was unanimously:

VOTED: that the Westfield Gas & Electric Municipal Light Board
determines that the following portions of the Executive Session

minutes may be released to the public:

November 6, 2019 - Item b) Management Guild Contract.
December 4, 2019 -Item a) Management Guild Contract.
January 22, 2020 - Item a) Guild Management Contract.
February 5, 2020 - Item a) Guild Management Contract
March 4, 2020 - Item a) Guild Management Contract

that the General Manager is hereby authorized and directed to take any actions he deems necessary or advisable to carry out the purposes of this vote in compliance with M.G.L.c. 30A §22.

- e) **Gas Customer Energy Credit Program.** Business and Finance Manager Jay Kline reported that the Energy Credit Program was again offered to WG+E natural gas heating customers during the 2019-2020 winter period. This program is designed to encourage customers to utilize conservation measures over the winter in order to reduce natural gas use. Customers that reduce consumption during the winter months by a minimum of 10% (adjusted for degree days) over the previous winter period are awarded a \$50 credit applied to their WG+E account. The participation level for this past winter decreased over the previous year. During this past winter season, ten (10) customers or 34% of the participants, managed to reduce their heating consumption compared to last winter. The Manager is following the recommendation within the report to again offer the program for the 2020/2021 winter season. Mr. Kline indicated that this past year they hadn't been able to build much interest in the program and are looking at the falloff rate of those participant that may participate one or two years but have less participation in the following years. WG+E is considering increasing the incentive for future participants as well as a fall push for more publicity of the program to drive greater participation.
- f) **Monthly Financial Reports.** The Business and Finance Manager noted that the report reflected actual amounts and financials look good. Through the month of April 2020, the Gas Division gain exceeds the original budgetary estimate by \$1.4M, while the Electric Division gain is currently \$400k more than the original forecast. Gas had a strong month compared to budget and did not see much drop of consumption compared to 2019. With respect to electric rates, we're looking to a warm summer for the revenues to track to budget. Commissioner Roman indicated that he had email communications with Mr. Kline earlier and that the financials are in good shape so far this year. Chairman Sacco discussed Whip City Fiber expanding into other neighborhoods even though there are not sufficient funds to do the expansion that the City Council has been discussing. The Manager indicated that WCF was trying to avoid additional borrowing and instead, allow active FSAs to generate sufficient funding to allow expansion into unserved neighborhoods. In that each division within WG+E must stand on its own, it cannot use the Gas or Electric funds to build fiber. WG+E has already borrowed \$17.5 million for the current build. The Manager indicated he expects to be able to build out 3-4 FSAs next year. This year's focus has been to increase customer participation rates in currently served FSAs to realize additional revenues which can be used to expand in other

neighborhoods. Commissioner Rivera asked about building out hotspots within lower income areas, as the Westfield Public Schools had inquired about. The Manager indicated that WG+E has spoken with the school Superintendent and the schools had decided against wireless hotspots. He indicated the schools are now looking at hotspots once again. There will be further communication with the WPS to identify areas in which they would like to see hotspots installed and WG+E will look into the viability of installing them. Commissioner Flaherty indicated that in February the MLB had discussions that determined additional expansion would be put on hold during 2020, which would allow the business to develop the funding needed for incremental expansion in 2021, following an update to the business plan. He is looking for an updated plan for Whip City Fiber so they could show future direction for this offering and also recognize the success this business unit has had. The Manager indicated that the WCF updated plan will be completed after Strategic Planning in the fall.

B. Informational Items:

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

VIII. OLD BUSINESS:

- a) Financial Audit DPU Report Update The Manager and Finance Manager informed the MLB of the status of the actuarial reviews of both OPEB and retirement areas. As stated at previous meetings, these need to be completed by others outside the Department before the audit, essentially already complete except for this information, can be finalized and used to finalize the annual Department of Public Utilities (DPU) report. The DPU has deferred the submission deadline for the annual DPU Report until September 2020. Mr. Kline indicated he had discussions with Howard Cheney and that the audit is complete with the exception of the pension liability. Due to Covid-19, the Retirement Board hadn't been able to meet but recently met and finalized their statement. The information has now been sent to PERAC for their review and following that, information will then be sent back to the City's Auditors, who will then apportion the numbers to their respective departments. Subsequent to this the information will be sent to WG+E to be included in the audit, after which Meyers Brothers Kalicka will issue the audit. While we had been hoping to bring this process to a conclusion soon, it is looking less likely that July action on the audit will be possible. We may choose to call a special meeting once the process reaches completion.
- b) Customer Arrears. The Manager spoke to information provided regarding the current status of customers' accounts as requested by the MLB at last month's meeting. The Accounts Receivable tables included in the report reflect outstanding balances as of April 30 and May 19. The total balance due in each category is impacted by the timing of billing cycles over the course of the month as well as daily customer payment activity. To date, residential and commercial balances in arrears remain manageable, however,

we do anticipate these balances to increase considerably even as the economy begins to open. In a normal year, the department writes off approximately \$400k to bad debt. As can be seen in the two tables provided within the report, residential receivables exceeding 90 days past due increased by \$100,000 during the timeframe and we expect longstanding customers that had previously not fallen into arrears are now being impacted by the Covid-19 issue. WG+E is trying to help its customers in many ways including keeping rates low, delaying the recommencement of customer shutoffs, establishing payment plans for affected customers and directing commercial customers to federal stimulus programs that provide low interest loans. Commissioner Rivera indicated that at last month's meeting there had been discussions of the Covid-19 pandemic's impacts on customers' ability to pay. Commissioner Kelleher requested the matter be kept on the agenda for future discussions. The Chairman asked if there were no objections the new business item Customer Discounts could be discussed at the current time in that the topics are interrelated. Commissioner Flaherty indicated that he was interested in providing customer discounts for residential, small commercial and municipal accounts. He inquired of Mr. Kline as to if commercial revenue is limited to small commercials and Mr. Kline indicated that it does pick up everything except the large customers. Commissioner Flaherty is looking to provide approximately \$1 million to residential and small commercial ratepayers. There was discussion as to whether or not a discount should go to all customers or be restricted to those that apply for the credit. The Manager indicated customer service has been working with those customers who truly need the assistance. WG+E is prepared to offer assistance, and will identify which vehicles to use. Jay Kline indicated without shut offs which usually end in April, WG+E gets an influx of money when the shut off moratorium ends. Until moratorium ends it is unknown how many people truly need the help. Commissioner Rivera indicated he felt we should look at payment history and shouldn't just give everyone the discount but it should be tailored to individuals. Chairman Sacco indicated that he wants to make money available and some who don't have a need may still apply for available funding, but in any case the WG+E should be proactive not reactive. Commissioner Renaudette agreed with the Chairman that WG+E should be proactive and could benefit more people. Commissioner Roman indicated he agrees with the approach, but he doesn't want to penalize people that need the help because some customers may game the system. It was requested that Jay Kline and the Manager put a recommended program together for consideration.

- c) **COVID-19 Update.** The Manager provided information regarding WG+E's activities and efforts that occurred since last month's update. On May 18th Governor Baker released his reopening plan for Massachusetts, consisting of four distinct phases. Within the plan, numerous safety standards and requirements have been placed upon businesses that are allowed to operate. Those essential businesses that have remained in operation were given one week to establish compliant protocols. In response to the Governor's requirements, WG+E has provided its employees the necessary documentation and training and is posting adequate signage throughout the Department's facilities regarding social distancing, hygiene, acceptable staffing levels and cleaning protocols. A link for the on-line COVID-19 training had been provided to each Board member and the Manager reminded the Board to have their training completed by Friday June 12th. Employees have been given instruction on their need to self-certify their health prior to

coming to work, and the procedures to be followed in the event they become symptomatic during the workday. The Elm Street lobby, which has been closed since March 17th, will remain closed for the time being yet customers will still be able to call and speak to one of our employees, as has been the case throughout this pandemic. In anticipation of reopening in the future, plexiglass has been installed at the customer service counters, signage has been posted and floor markings will be placed to help manage foot traffic. It is our hope that these circumstances have helped many customers that have historically paid their bills in person, to finally make the switch to automated modes of payment. Terminations due to non-payment remain on hold and our Customer Service group continues to coach affected customers toward budget and payment plans. Department staff continues to participate in City Emergency Management conference calls, which had been moved from daily, to weekly to now every other week. Fiber installations within Westfield will recommence on June 8, 2020. Most administrative personnel that are working from home will continue to do so for the time being, as their remote work capabilities have been proven. Commissioner Kelleher asked for clarification regarding what employees do as to self-certifying their health prior to coming to work. The Manager indicated that employees certify they do not have a fever and are not exhibiting Covid-19 symptoms and are otherwise healthy when reporting to work. Otherwise if they are having any symptoms they are to stay home and contact their doctor.

- d) **Behavioral-Based Energy Efficiency.** At the May MLB meeting, Bridget Matthews-Kane, Ward 3 City Councilor, addressed the Board and asked the WG+E to consider instituting a behavior-based energy efficiency program. The Chair requested that this matter be placed on this month's agenda for discussion. Commissioner Renaudette asked if WG+E had the capability to provide this type of program to its customers. The Manager indicated comparative consumption information could be provided to customers, however WG+E may not possess all the customer data that larger investor owned utilities typically have, which can affect the program deliverables. Jay Kline stated we can look at building an in-house model to look at house sizes and occupancy data if we can obtain it, in order to provide a proper comparison. There has been discussion with Oracle who has a program in use and can provide a presentation to WG+E to discuss their program. Commissioner Renaudette indicated she was wondering if there was a possibility WG+E could implement such a program on any scale. Jay Kline indicated that WG+E is looking to utilize its energy conservation program as a means to communicate with customers and assured the MLB that the issue is not on the backburner and is being discussed. Commissioner Rivera asked if WG+E can communicate with customers when they use peak power and its impact. The Manager indicated that peak events are communicated to customers in an effort to solicit the help of end users toward keeping WG+E's power costs down. The matter will remain on the agenda for next month.

IX. NEW BUSINESS:

- a) **Customer Discounts.** Discussed during Old Business agenda item b) Customer Arrears.

X. EXECUTIVE SESSION:

On the motion of Commissioner Flaherty, 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 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.

Sacco	"aye"
Roman	"aye"
Kelleher	"aye"
Rivera	"aye"
Renaudette	"aye"
Liptak	"aye"
Flaherty	"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.

XI. ADJOURNMENT

Chairman Sacco declared the regular session portion of the meeting adjourned at 8:17 p.m.

A TRUE RECORD.

Attest:


Robert C. Sacco, Chairman

**Documents Presented at
 REGULAR SESSION June 3, 2020**

Municipal Light Board Regular Session Meeting Minutes – May 6, 2020			
Municipal Light Board Executive Session Meeting Minutes – May 6, 2020			
Human Resources Quarterly Status Report – 2 nd Quarter 2020	Beth Burns, HR Coordinator/Records Manager	June 3, 2020	Administrative/Organization Employee Workforce AO-3.6
Quarterly Electric Rate Comparison	J. Kline, Business and Finance Manager		
Quarterly Gas Rate Comparison	J. Kline, Business and Finance Manager		
Electric Rate Stabilization Fund – First Quarter 2020	J. Naughton, Senior Accountant	June 3, 2020	Financial Electric Rate Stabilization Fund Management F-6.1
Electric Gas Stabilization Fund – First Quarter 2020	J. Naughton, Senior Accountant	June 3, 2020	Financial Gas Rate Stabilization Fund Management F-7.1
Gas Energy Savings Credit Program Results	K. Behlke, Quantitative Energy Supply Analyst	June 3, 2020	Marketing Gas Energy Savings Credit Program M-3.1
April 2020 Financial Report	T. Fouche, Accounting Manager	June 3, 2020	Financial Annual & Quarterly Reports
Quarterly Power Line Publication	Anthony J. Contrino, General Manager		
Utility Issues	John W. Welch	June 3, 2020	Regulatory & Governmental Affairs Gas/Electric Regulatory Issues, RGA-1.4; RGA1.5
Utility News/Pulse Line	Beth Burns, HR Coordinator/Records Manager	June 3, 2020	Communications/Customer Service/Community Affairs Media Relations – CCA-1.6
Utility Course Update 2020 Seminars/Workshops	Beth Burns, HR Coordinator/Records Manager	June 3, 2020	Administration and Organization WG+E Training & Development, AO-3.6
Financial Audit & DPU Report Update	T. Fouche, Accounting Manager	June 3, 2020	Financial Annual & Quarterly Reports F-4.5
Customer Arrears – COVID-19 Pandemic Response Planning	J. Kline, Business and Finance Manager	June 3, 2020	Financial Manage Risk to Receivables F-8.6
COVID-19 Update	Anthony J. Contrino, General Manager	June 3, 2020	Administrative and Organization Emergency Situation Management, AO-4.3