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Peter D. Dion, General Manager

John J. Warchol, Chair
Philip Courcy, Secretary
Kenneth J. Chase, Jr.
Jennifer Kallay
Thomas Boettcher

WAKEFIELD MUNICIPAL GAS & LIGHT DEPARTMENT
BOARD OF GAS & LIGHT COMMISSIONERS MEETING
April 8, 2020

MINUTES

IN ATTENDANCE: Commrs. John J. Warchol, Chairman
Philip Courcy, Secretary
Kenneth J. Chase, Jr.
Jennifer Kallay
Thomas Boettcher

Peter Dion, General Manager, WMGLD

Mark Cousins, Financial Manager
Dave Polson, Engineering and Operations Manager
Sylvia Vaccaro, Office Manager
Michael McCarthy, General Counsel

PLACE: ZOOM MEETING

CALL TO ORDER: Commr. Warchol called meeting to order at 6:30 P.M. and informed the Board the meeting is being recorded. He then asked if there were any members of the public in the meeting that might wish to speak. There were no members of the public in attendance, so the meeting continued.

Chair Remarks: Nothing to report.

Commissioner Remarks: Commr. Kallay reported the grant application for the Municipal Vulnerability Preparedness was not awarded to the Town of Wakefield. However, it was received favorably, and they were encouraged to reapply in the Spring.

Given the current situation with the Corona virus, she does not know what the schedule will be but will move forward with the grant package as proposed last year.

Commr. Boettcher thanked Pete Dion and crew for addressing the Lakeside Street issue that was brought to our attention. He asked if Pete would discuss during his manager's report the impact, if any that Covid-19 has had on the wholesale energy market prices and its effect on WMGLD. He also noted that the nuclear capacity went down on March 31st and April 1st and inquired if it was due to demand response or planned maintenance. Pete responded that the market prices are holding or actually slightly down because we are in the shoulder season, as well as manufacturing is down. He also stated that the nuclear capacity was down due to planned spring outages.

Town Council Comments

Not in attendance.

Secretary's Report

Approval of minutes from the February 5, 2020 meeting was before the Board for approval.

No corrections were made.

A motion to approve the minutes of the February 5, 2020 meeting by Commissioner Courcy and seconded by Commissioner Boettcher.

Vote: The motion was approved unanimously.

General Manager's Report

Covid-19 Update

Pete Dion advised the Board that during his first week of February staff meetings he began discussing potential changes and policies to be implemented with the impending progression of the COVID-19 virus. The safe distancing policy began on March 10th. The Electric & Gas Departments were required to have only one person in a truck with the second individual following in their own vehicle. The office staff was instructed to observe a safe 6-foot distance with some staff being moved in order to achieve this. By March 12th the Electric crews were divided into two groups, allowing them to rotate. Paul Redmond, Electric Superintendent ensures there is no overlapping on job sites. If they have to be within 6 feet of each other to perform their job than every precaution is taken. The only inside calls they are responding to are emergencies.

The Gas department has temporarily suspended routine inside meter changes however, they are responding to inside emergency calls. Both departments have been issued gloves, as well as, N95 masks for their protection. On March 17 the

office was closed to the public and the staff was placed on staggered schedules. Currently there are two office staff members working remotely and two coming into the office.

This operating mode is working. Pete noted that every Tuesday morning he has a virtual meeting with each department to discuss concerns and provides updates. He further stated that this mode of operation will be in place until at least May 4, 2020. Once the restrictions are lifted, we may transition into a modified mode with staggered start times and keeping people separated. He also mentioned that he, Mark, Sylvia, Jim Brown and Paul have been in the office everyday making sure everyone is following the rules.

It was noted that WMGLD's parking lot was closed to the public after the other night's Town Council meeting, however customer's still can drive in and drop off payments at the box in front of the building.

Commr. Chase inquired if any extra cleaning was being performed. Pete replied that although there is less traffic in the building the cleaning crew is still wiping down common area surfaces and the building is being fogged with a disinfectant mist every Friday afternoon.

Commr. Courcy expressed his appreciation for the hard work and dedication of Pete and his team certainly, the inconvenience and being ahead of this situation.

Commr. Kallay also echoed the same sentiments and appreciation as Commr. Courcy.

Pete mentioned that the Department of Public Utilities (DPU) released guidelines yesterday that he had already enacted two weeks ago.

Commr. Kallay asked for clarification on a graph that was shared with the Board. Pete explained that the purpose of the graph was to illustrate a need to keep an eye on the financial impact the Corona virus may have on WMGLD from month to month. Municipals are talking to MMWEC about a contingency plan if collections do decline in terms of possibly delaying payment of power supply invoices. It is still too early to tell what impact it will have. The State has asked that utilities not send out any collection notices at this time, so the ability to collect is somewhat limited. He also stated that there has been an increase in calls from customers stating their inability to pay. He suggested that anyone on the Board that has conversations with the public about this to please tell them to communicate with WMGLD, so we can work with them to set up payment plans. The accounts that do get shut-off are the ones that do not communicate with us at all. Customers requesting payment plans will be referred to Kathy to set up the payment plans. Commr. Boettcher inquired if there were any state or federal programs that WMGLD may be eligible for if we find that non-payments are financially impacting WMLGD. Pete Dion stated that there are no programs now, but perhaps in future

legislation. At some point the state will release the restrictions on sending notices and collection efforts, so perhaps there may be some legislation in place at that time, but it is still too early to tell.

Commr. Boettcher also inquired if the DPU is allowing extensions for planned maintenance such as, replacing gas meters. Pete assured Commr. Boettcher that the DPU is reaching out to the Department daily. He stated that we are still finishing up with contractors on the 4 streets on dead main work and there may be a delay in cutting those customers over. The DPU does not want us going into homes right now so they clearly understand the impact that has.

Commr Kallay mentioned that WMGLD had finalized paving plans with DPW and wondered if this will alter those plans. Pete Dion stated that WMGLD was well ahead of DPW in this year's paving work. The impact on DPW may be money, if they get the full amount or some portion of what they need.

As far as, next year's plan we haven't stopped with the dead main work yet. There may be a lag on one or two streets. We are working on a few streets up off Broadway & Albion. We will communicate with DPW and see what meets with their schedule.

Commr. Warchol inquired about paving on Main Street by the lake. Pete Dion replied that there is a lot of water and sewer work that needs to be completed first. So, he believes the goal is to complete that work this year and pave next year. It is unclear if there will be an impact on this work due to the Corona virus but all the WMGLD work has been completed.

Commr. Warchol asked if anyone had any specific questions about the financials and dashboard documents. There were no specific questions.

Water Department Garage Solar Project

Both Pete Dion and Dave Polson commented that the delivery for the solar panels is still scheduled for the middle of April with installation to potentially begin in May and completed by the end of June. Pete stated that he hopes that the grant is not in danger and hopefully the state understands that there may be potential delays. Dave stated the vendor understands the timeframe and if we have a window where we can do the work we still try and get it completed.

Tree Trimming Program

Pete Dion commented that program tree trimming has been completed. There were several trees identified as removals. The process involves going to the customer's homes to ask for permission for trees on private property and getting the town's permission for trees in the public way. Requesting permission for the

homeowner's trees has been put on hold for now due to the current circumstances.

Update on Major New Customer Projects

Pete Dion and Dave Polson provided the following updates:

- Foundry Street Condo project is still moving forward.
- Harvard Mills has closed on the property and looking to restart the project. A temporary service will be installed in a while.
- Main street gas station underground service put on hold for now. We did hook-up a temporary overhead service for construction

Dave Polson stated that WMGLD is trying to perform work that requires a single person keeping staffing to a minimum, while trying to give contractors some power so they can continue their work.

Old Business

Project and Program Updates

Solar Program

Pete Dion stated that the last residential application was received at the end of February and there is now availability for 3 more residential projects. He also stated that hopefully we will be able to install the solar panels at the Water Department garage by the end of June.

Energy Efficiency Programs

Commr. Kallay inquired about the status of virtual audits.

Pete Dion explained that there was a conference call last week and the audit company stated that they will reach out to people who had applied for an audit and ask if they are interested in a virtual audit.

Electric Vehicle Charging Stations

The three charging stations are all up and running and are now starting to collect data. As of now, the Civic Center charger is the one with the most

use. The Level 3 charger has the least usage, but that may change once things get back to normal and the downtown becomes busy again. The whole idea of the first year was to collect data.

Commr. Boettcher asked if it was possible to see a sample of the data at next month's Board meeting. Pete Dion stated that the data will be shared next month.

National Grid 345 kV Project

Pete Dion stated that all construction has stopped temporarily. Dave Polson explained that the railroad project at Broadway is being postponed until June, however, the permitting process is continuing. The Mill River Crossing construction is closing, so to open the road back up to two lanes of traffic. We are not allowed the trenching on public right of way but can continue of private right of way

Legislative Discussion- H2863

Bill H2863 redrafted bill number is now Bill H4553. It matches the Net zero language of the governor's proposal and the Senate's bill. It is out of committee but has been on hold for the past few weeks. There are active bills that deal with the Corona Virus and Municipals that he will monitor to see if it will drill down to support for WMGLD as essential personnel as now it is for first responders, such as, police and fire.

FY 2019 Final Audit Report

Commr. Warchol requested to discuss Item #4 in the final audit. Mark Cousins stated that the only number we were waiting for was the pension number and had to wait on the completion of the Town's audit and that was the only change that was included in the Board packet that Pete sent out. The Board has already accepted the audit, and all agreed there was no need for a revote.

Strategic Planning

Commr Warchol began the discussion on a low-income rate, if it is needed, how it would be implemented, as well as, funded and the potential loss of revenue. He stated that the IOUs work with the DPU and state assistance agencies in determining eligibility. The process is that if someone is receiving assistance from the state, the state will contact the utility company and the utility will put them on the low-income rate. He said that we would have to approach the DPU on this process then asked for the Boards thoughts.

Commr. Kallay asked for clarification if we are talking about low income rates and/or enhanced incentives for low income. She stated that Massachusetts IUOs do offer enhanced low-income energy efficiency incentives. She said that people on the low-income rate would qualify for these incentives.

Commr. Boettcher asked if Pete would reach out to MMWEC and or DPU to see how other municipalities are implementing low income rate programs that may assist us in our design. He then asked for clarification on whether we are discussing low-income rates or a modifier to the EE program for low-income and the mechanics around that. Commr. Warchol stated that the discussion is for low-income rates. Discussion ensued as how best to proceed with the low-income rate during this challenging time.

Pete Dion stated that in terms of this discussion there will be a temporary and more immediate need that we will be dealing with in the next few months. Supporting people that are in a temporary low-income situation that normally would not have been. We do not want to make the long-term design of the rate based on a short-term issue. It was agreed that Commr. Warchol will contact the DPU and discuss low-income rates and how such programs are implemented and perhaps have them attend a future Board meeting.

Commr. Boettcher asked if there should be a discussion on a short-term program or table it for the next meeting. Pete Dion said it would be more valuable to discuss at next month's meeting or the meeting thereafter to see what if any impact the current situation will have.

Commr. Kallay wanted to advocate for a notice to the community stating that if they are having a hard time now to contact us

Pete Dion stated that he will communicate with the community to remind them if they are having a difficult time to contact us. The only time service is shut-off is when the customer stops communicating with us.

New Business

Winter Gas 2019- 2020 Supply Summary

Mark Cousins reviewed the Winter 2019-2020 Cost of Gas Summary with the Board.

Pete Dion clarified that we take gas from the Kinder-Morgan pipeline thru Kimball Lane in Wakefield and 3 take points from NGRID. On a normal day

our goal is to take 85% from the pipeline and 15% from NGRID, so there will always be a NGRID transportation charge.

The commodity side is part of Sprague's bill. There are two additional pieces. The additional piece are the 2 steps taken to cover our peak. The first layer is supply from the LNG facility in Everett and the second layer is the portable LNG on Kimball Lane. This is insurance so we are not subject to extremes, that could happen if we have an extended cold spell basically capping our high-end costs.

Commr. Kallay asked about the percentage that we are trying to hedge. Pete Dion explained that we hedge between 80-85% and are on the market for the rest. Long-term hedge up to peak capacity of 3000. We get into shorter term commitments as we come into the season with Everett and REV LNG. With REV LNG if we see a cold snap, we are in full control of the activation so can protect against upside risk. This was the second year of using portable LNG. It has been an effective tool, although a little expensive. We had a one-year deal the first year, during which we made a capital investment in infrastructure. This year we were able to negotiate a better deal and will continue to negotiate going forward. Given the market and the supply into this region I don't forecast not having some form of this supply type in our portfolio going forward.

Commr. Warchol asked how much lower this year's gas costs are for ratepayers versus last year.

Mark Cousins explained that we were down to \$0.79/ccf the beginning of March 2020 compared to March of 2019 which was \$0.99/ccf. Costs remained between \$0.75-\$0.79/ccf from April 2019 thru the summer. This year we maxed at \$1.05/ccf compared to last year at \$1.09/ccf. Pete stated that overall cost is down 15% compared to last year.

Commr. Warchol and Commr. Kallay spoke of conversations with resident Tony Manganiello about his ability to assist WMGLD with future gas supply purchases. Pete Dion stressed there are procurement strategies and use of our capacity that is highly confidential. Commr. Warchol stated if he is just looking to give a proposal than he can just give it to Pete. We are not paying him to give us a presentation. Commr. Kallay had conversation with him earlier about intent and if he wanted to contribute his thoughts that would be appreciated but there is no commitment. Any further engagement we should just reinforce there would be no payment for these services.

Pete Dion further explained that Daymark did an analysis about a year and a half ago that helped lead us to our peaking strategies that we are employing and if need be we would reach back to them.

Commr. Warchol will talk to Tony Manganiello for clarification and will follow up with Pete. Pete said perhaps he should forward his questions first, so we will have insight as to what he is looking to do.

Board Reorganizaiton

Commr. Warchol said he will put the Board reorganization on next month's agenda. Commr. Courcy said this was taken up at the Town Council meeting on Monday. He stated that given the election was delayed the Board can make the decision when they want to reorganize. Commr. Warchol stated that he will put it on the agenda for next month's meeting. Pete Dion stated that Commr. Boettcher would be secretary, if Commr. Courcy moves up to Chairman.

Review of 2020 Goals and Objectives

Commr Warchol suggested that the Board may want to look and see if there should be any adjustments to these goals and objectives because a lot of the routine work has had to stop on these projects. Pete Dion stated that we are probably looking at midyear, perhaps in June or July to see what operating mode we will be in.

Commr. Warchol said that Pete's review was delayed, so Pete and I will decide if it gets on next month's agenda. There was discussion as to how executive session would work during a virtual meeting.

Counsel McCarthy stated that although there may be some complications, you can go into executive session on zoom. You would have to open as a public meeting first then go into executive session and then come out of executive session. You are required to record these meetings.

Pete Dion stated that you can also have a waiting room on zoom that can be utilized when going into executive session.

Commr. Warchol stated that he will have a discussion with Pete regarding this.

Commr. Kallay noted that she will be investigating other ways in which the Board can be provided historical and current greenhouse gas emissions of its supply portfolio since the Resiliency grant was not awarded.

A motion to adjourn was made at 7:58 p.m. by Commr. Courcy and seconded by Commr. Chase.

Vote: Unanimously in favor of adjournment.