

**MINUTES OF GAS & ELECTRIC COMMISSION MEETING**  
**REGULAR SESSION**  
**APRIL 2, 2019**

A meeting of the Holyoke Gas and Electric Department was held on April 2, 2019 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendent Beauregard; Acting Gas Superintendent Brian Roy, Kirk Jonah, Brooke McMahon, Jim Jackowski, Terry Sweeney and Attorney John Ferriter.

**CALL TO ORDER:**

Commissioner Hoey called the meeting to order at 5:00 P.M.

**MINUTES:**

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes from March 12, 2019.

**REPORTS & RECOMMENDATIONS OF MANAGER:**

**Financial Report:**

Ms. McMahon reviewed the draft February financial statements. There was a brief discussion on the matter.

**DIVISION REPORTS:**

**GAS DIVISION**

Mr. Roy reported that wholesale natural gas procurements continue consistent with the hedging plan for the current 12-month procurement window. He also gave an update on planned maintenance and capital projects for the current year. He then reported that the Massachusetts Department of Public Utilities (DPU) recently released new requirements for natural gas leak classifications and reporting and stated that staff was reviewing the requirements and would implement a plan to ensure compliance. He further reported that the Department recently received an independent engineering review of the Department's intermediate pressure regulator stations which found that all stations were designed in compliance with applicable requirements. There was a brief discussion on the matter.

**ELECTRIC DIVISION**

**Power Supply:**

Mr. Beauregard reviewed the April rate comparisons and noted that the Department was very competitive in all rate classes. He then reviewed the April mark to market report for power supply and natural gas supply and stated that all transactions are within policy limits. He then gave a brief update on load reduction activities through March. There was a brief discussion on the matter.

## **TRANSMISSION & DISTRIBUTION**

Mr. Beauregard gave an update on the Holyoke 17L Substation construction and noted that the transfer of the station load to the new transformer was scheduled for April 15<sup>th</sup>. He stated that the demo of the existing plant would be completed by the end of May and that Phase 2 of the project is on schedule for completion in early November. There was a brief discussion on the matter.

## **ELECTRIC PRODUCTION**

Mr. Lavelle reported that hydro production is approximately 5% ahead of plan year-to-date. He also reported that the recent canal draw-down and inspections went according to plan without any significant findings. There was a brief discussion on the matter.

## **TELECOMMUNICATIONS**

Mr. Jonah gave a brief update on commercial sales and ongoing projects. There was a brief discussion on the matter.

**OLD BUSINESS:** None

## **NEW BUSINESS:**

**SPONSORSHIP REQUEST – HOLYOKE ROTARY CLUB:** Mr. Lavelle reported that the Department received a sponsorship request from the Holyoke Rotary Club for the Positively Holyoke 2019 Summer Concert Series to be held during the summer. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the sponsorship as requested.

**CORNELIUS J. MORIARTY, JR. CADET ENGINEERING SCHOLARSHIP:** Mr. Lavelle recommended that the Commission authorize the advertising for Cornelius J. Moriarty, Jr. Cadet Engineering Scholarship applications. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the advertisement per the recommendation of management.

**BID AUTHORIZATIONS:** None

## **BIDS RECEIVED:**

**2019 UTILITY LINE MATERIAL:** Mr. Lavelle recommended that the Commission award the contracts for Utility Line Material to the lowest responsible and eligible bidder for each item meeting all requirements of the solicitation, as identified on the March 27, 2019 memo from Chi Wong, and revised on April 1, 2019 by Brian Beauregard. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to award the contracts per the recommendation of management.

**FENCE MAINTENANCE, REPAIRS & INSTALLATIONS ANNUAL CONTRACT:** Mr. Lavelle recommended that the Commission award the contract for Fence Maintenance, Repairs and Installations to Brodeur-Campbell Fence Co., Inc., the lowest responsible and eligible bidder meeting all requirements of the solicitation. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to award the contract per the recommendation of management.

**PURCHASE OF PLASTIC NATURAL GAS PIPE:** Mr. Lavelle recommended that the Commission award the contract for Plastic Natural Gas Pipe to Performance Pipe, the lowest responsible and eligible bidder meeting all requirements of the solicitation. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to award the contract per the recommendation of management.

**PURCHASE APPROVAL – PROFESSIONAL SERVICES – PIPELINE SAFETY MANAGEMENT SYSTEMS (PSMS) PLAN:** Mr. Lavelle requested authorization for the expenditure of up to \$69,000 for professional services required to formalize the Department’s Pipeline Safety Management Plan. He stated that the Department, through the Northeast Gas Association, is working with all of the natural gas distribution companies in the state to standardize the implementation of the American Petroleum Institute (API) Recommended Practice 1173. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the expenditure per the recommendation of management.

**PURCHASE APPROVAL – PROFESSIONAL SERVICES – CATHODIC PROTECTION:** Mr. Lavelle requested authorization for the expenditure of up to \$102,506 for professional services required to ensure compliance with state and federal regulations relating to corrosion control of the Department’s natural gas facilities. He stated that the work involves inspections and testing of the cathodic protection systems throughout the distribution system. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the expenditure per the recommendation of management.

**PURCHASE APPROVAL – SERVERS, NETWORK STORAGE DEVICES AND SOFTWARE LICENSING:** Mr. Lavelle requested authorization for the expenditure of up to \$418,780.09 to replace the Department’s existing eight IBM blade chassis and servers, and existing two network storage servers, which are at the end of their useful life. He also stated that the upgrade includes updating the VMware licensing from a Standard product to and Enterprise product. He stated that the items were included in the 2019 budget and operating plan. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the expenditure per the recommendation of management.

**COMMUNICATIONS:**

- 03/29/19 – Draft Commission Meeting Minutes from 03/12/19
- 03/27/19 – JL/DD/Financial Statements, Balance Sheet February 2019
- 03/18/19 – JL/KS/Sponsorship Request – Holyoke Rotary Club
- 03/29/19 – COMM/JL/2019 Cadet Engineering Scholarship
- 04/01/19 – BB/CW/Bid Recommendation – 2019 Utility Line Material
- 03/29/19 – JL/YD/Bid Recommendation – Fence Maintenance, Repairs & Installations Annual

Contract

03/29/19 – JL/YD/Bid Recommendation – Purchase of Plastic Natural Gas Pipe

03/29/19 – BR/MK/Purchasing Approval: Professional Services – Pipeline Safety Management Systems

03/22/19 – BR/RB/Purchasing Approval: Professional Services – Cathodic Protection

03/15/19 – ED/TM/Purchasing Approval: Purchase of Servers & Storage – Suffolk St & Walnut St Server Rooms

**NEXT MEETING DATE:**

It was agreed that the next Commission meeting would take place on Tuesday, April 30, 2019 at 5:00 P.M.

Mr. Griffin recommended that the Commission enter into Executive Session to discuss strategy with respect to Compensation.

Chairman Hoey announced that the Commission would return to Regular Session.

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted, on a roll call vote, to enter into Executive Session.

Upon return from Executive Session, Chairman Hoey re-convened the Regular Session of the meeting at 6:12 P.M.

Commissioner Griffin recommended that the Commission consider an adjustment to the Manager's salary as it has been one year since the effective date of the his last adjustment. He stated that all other Department employee salary adjustments were effective on or about April 1st. He further stated that the Department's wage consultant performed a salary market assessment and reports that the average salary employee wage adjustment in the market is approximately 3%, with high performers earning up to 5% wage increases. Commissioner Griffin then recommended that the Commission consider a 5% wage adjustment for the Manager based on his performance and the market assessment. There was a brief discussion on the matter.

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to increase the Manager's salary by 5% effective the payroll period on or about April 1st.

**ADJOURNMENT:**

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 6:14 P.M.



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HG&E Commission