

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
AUGUST 13, 2019

A meeting of the Holyoke Gas and Electric Department was held on August 13, 2019 at 5:10 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendent Duchenev; Acting Gas Superintendent Brian Roy; Kate Sullivan, Jim Jackowski, Terry Sweeney and Attorney John Ferriter.

CALL TO ORDER:

Commissioner Hoey called the meeting to order at 5:10 PM.

MINUTES:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes from July 16, 2019.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Mr. Lavelle reviewed the draft June financial statements. He also reported that Moody's recently announced that they have affirmed the A+ bond rating for Massachusetts Clean Energy Cooperative Corporation. There was a brief discussion on the matter.

DIVISION REPORTS:

GAS DIVISION

Mr. Roy reported that wholesale natural gas procurements continue generally consistent with the hedging plan for the current 12-month procurement window. He reviewed the August natural gas rate comparisons and reported that the Department is competitive in all rate classes. He then gave an update on planned gas distribution maintenance and capital projects for the current year. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Lavelle reviewed the August electric rate comparisons and noted that the Department was very competitive in all rate classes. He then reviewed the August mark-to-market report and stated that all contracts are within policy limits and that there are no red flags with current counter-parties. He then gave a brief update on load reduction activities through June and stated that continues to review additional battery storage proposals for further load reduction capability.

TRANSMISSION & DISTRIBUTION

Mr. Lavelle gave an update on the Holyoke 17L Substation construction and reported that the project is currently on schedule and within budget. He stated that the cutover to the new second transformer is scheduled for mid-September with project completion on target for early November. He reported that staff is reviewing options to update or relocate engineering offices currently located at the Electric Station and that a recommendation would be forthcoming. He further reported that the new 2000 Amp service to the Riverside Station data center has been completed and that the second pod is scheduled to be placed in service by September. He also gave an update on current capital and maintenance projects. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Ducheney gave a brief report on hydro production activities. He stated that the Principal Deputy Director of the US Fish and Wildlife Service, Margaret Everson, and several of her regional and national colleagues visited Hadley Falls Station on July 31st and that the regional representatives gave high praise to HG&E for its fish passage efforts and facilities. There was a brief discussion on the matter.

TELECOMMUNICATIONS

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

OLD BUSINESS:

REAL ESTATE – RICHARDSON TRAIN STATION: Mr. David White of Race Street Properties attended the meeting. Race Street Properties submitted a bid for the Train Station pursuant to the recent Request for Proposals (RFP) issued by the Department and Mr. White gave a brief description of his plan for redevelopment of the property should the bid be awarded to Race Street Properties. There was a brief discussion on the matter.

NEW BUSINESS:

CERTIFICATE OF CORPORATE VOTE: Mr. Lavelle stated that on rare occasions the Department receives requests from customers or vendors for a Certificate of Corporate Vote that certifies that the HG&E employee signing a contract has proper authorization. He stated that staff has usually been able to convince the customer or vendor that proper authorization is granted to the Manager (and his designee) through Chapter 164, Section 56, but it often takes some time to satisfy these requests, and it would be more efficient in certain cases to have a certificate of corporate vote on record. He recommended that the Commission approve certificates for the Manager, Director of Finance and Accounting, and Procurement and Contracts Manager. He presented forms of Certificates to the Commission and requested

that the Commission approve the certificates and authorize the Secretary to sign. He stated that Attorney Ferriter reviewed the certificates prior to submittal. Chariman Hoey questioned whether there should be some limitation on the signature authority delegated by the Manager. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the Certificate of Corporate Vote for the Manager, and that General Counsel would revise the Certificates for the Director of Finance and Accounting and Procurement and Contracts Manager and re-submit to the Commission for approval.

SPONSORSHIP REQUEST – HOLYOKE POLICE DEPARTMENT SENIOR CITIZENS

CHRISTMAS BUS TRIP: Mr. Lavelle reported that the Department received a sponsorship request in the amount of \$1,500 for the HPD Senior Citizen Christmas Bus Tour and recommended that it be approved. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the request.

RESIDENTIAL ENERGY ASSISTANCE REQUEST- 295-297 OAK STREET: Mr. Lavelle reported that the Department received a residential energy assistance request in the amount of \$9,981.38, from the owners of 295-297 Oak Street for home insulation and he recommended that it be approved. On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the assistance as requested.

RESOLUTION IN SUPPORT OF H.2863 AND CARBON-FREE ENERGY: Mr. Lavelle reported that the forty one municipal light plants (MLP's) in the State, including HG&E, have been working with various public power agencies to propose legislation to create a municipal clean energy standard that would allow the MLP's to meet established rigorous greenhouse gas emissions standards, while maintaining the local control and decision-making authority that has been the hallmark of the MLP business model for well over a century. He stated that House Bill, H. 2863, was drafted with that intent and was sponsored by Rep. Tom Golden, the Chair of the Telecommunications, Energy and Utilities Committee, and co-sponsored by Sen. Anne Gobi, Chair of Environment, Natural Resources and Agriculture Committee. He also reported that the bill was co-signed by fifty four (54) state legislators.

Mr. Lavelle then stated that H.2863 would set the minimum percentage of non-carbon emitting energy sold by each MLP to all retail customers as follows: (1) seven percent by 2021; (2) forty percent by 2030; (3) sixty percent by 2040; and (4) eighty percent by 2050.

He then stated that, although the bill has broad support in the legislature, the MLP's are being encouraged to approve a resolution in support of the bill and to send that resolution to the legislature. He presented a proposed resolution for consideration. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the resolution as presented.

BID AUTHORIZATIONS: None

BIDS RECEIVED:

CHEMICAL UNIT #2 GENERATOR REHABILITATION: Mr. Lavelle recommended that the Commission award the bid for the Chemical Station Unit #2 Generator refurbishment to Leppert-Nutmeg, Inc., the lowest 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 bid per the recommendation of management.

NATURAL GAS VALVES & PIPE ROLLER GUIDES: Mr. Lavelle requested authorization for the expenditure of up to \$52,476 for the purchase of 12" steel valves and 12" adjustable pipe roller guides required for the replacement of an existing 12" cast iron gas main on Lyman Street. He stated that the work is part of a MassDOT project to replace the bridge over the second level canal and that it is fully reimbursable by the State. 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.

OIL SAMPLING & DISPOSAL SERVICES: Mr. Lavelle requested authorization for the expenditure of up to \$30,000 for oil sampling, analysis, and equipment disposal services required for outdated electrical equipment throughout various Department locations. 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.

CIENA PROFESSIONAL SERVICES & BLUE PLANET MCP NETWORK MANAGEMENT

SYSTEM (NMS): Mr. Lavelle requested authorization for the expenditure of up to \$47,505 to purchase Ciena Blue Planet MCP Network Management System (NMS) with five (5) years of support, and Ciena Professional services required to install Blue Planet MCP and upgrade five (5) Ciena 6500 optical nodes from Integration Partners under Mass State Contract #ITT50. 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.

REPLACE UPS AT WALNUT DATA CENTER: Mr. Lavelle requested authorization for the expenditure of up to \$18,707 to purchase a replacement UPS for the Walnut Street Data Center. He stated that the existing UPS has been in service since 2011, is beyond its useful life, and that this recommendation is consistent with the normal replacement plan for this device. 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.

MAIN OFFICE ACCESS CONTROL & SECURITY SYSTEM: Mr. Lavelle requested authorization for the expenditure of up to \$28,705 to replace the access control and security system for the main office. He stated that the current access control and security system is almost twenty five (25) years old and is at the end of its useful life. He further stated that the recommended access control and security system is the same system used at other Department facilities and will standardize access control across facilities. 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.

CIENA SELECT SUPPORT: Mr. Lavelle requested authorization for the expenditure of up to \$133,319 to purchase three years of Ciena Select Support for the Department's Optical and Metro E Business Transport switches. He stated that the current support contract expired on August 1st, and that the renewal is required to maintain access to vendor support and current software releases on the vital network equipment. He stated that there are 29 devices that currently fall under the vendor support and that the services would be purchased from Integration Partners under Mass State Contract #ITT50. 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.

RUBBER BLADDER REPAIRS: Mr. Lavelle requested authorization for the expenditure of up to \$7,337 for the repair of Rubber Dam Bladder #5 by PRC Industrial of Portland, ME. He stated that the bladder was damaged by debris recently and attempts to repair in-house have been unsuccessful. 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:

08/09/19 – Draft Commission Meeting Minutes from 07/16/19
07/26/19 – JL/DD/Financial Statements, Balance Sheet June 2019
08/02/19 – COMM/JL/Certificate of Corporate Vote
07/29/19 – JL/JJ/Sponsorship Request – HPD Annual Senior Citizen Holiday Celebration
08/09/19 – JL/JJ/Residential Energy Assistance Request – 295-297 Oak Street
08/01/19 – COMM/JL/H.2863 Support Solution
08/07/19 – JL/YD/Bid Recommendation – Chemical Unit No. 2 Generator Rehabilitation
08/09/19 – BR/MK/Purchasing Approval: Valves & Adjustable Pipe Roller Guides
08/02/19 – BB/CP/Purchasing Approval: Sampling, Analyzing & Disposal of Outdated Electrical Equipment
08/06/19 – TH/MB/Purchasing Approval: Ciena Blue Planet MCP NMS
08/02/19 – TH/EG/Purchasing Approval: Symmetra UPS – Walnut Datacenter
08/08/19 – YD/BR/Purchasing Approval: Access Control & Security System – Main Office
08/07/19 – KJ/TH/Purchasing Approval: Ciena Select Support – 3yr Renewal

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Wednesday, September 11, 2019 at 5:00 P.M.

Mr. Lavelle recommended that the Commission enter into Executive Session to discuss strategy with respect to real estate.

Chairman Hoey stated that the Commission would not return to Regular Session.

ADJOURNMENT:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 6:20 PM.

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



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HG&E Commission