

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
FEBRUARY 4, 2020

A meeting of the Holyoke Gas and Electric Department was held on February 4, 2020 at 5:29 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Beaugard and Duchenev; Acting Gas Superintendent Brian Roy; Brooke McMahon, Kirk Jonah, Terry Sweeney and Attorney John Ferriter.

CALL TO ORDER:

Commissioner Hoey called the meeting to order at 5:29 PM.

MINUTES:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes from January 7, 2020.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reported that the draft December 2019 financial statements were just completed and are being reviewed by staff. She stated that those statements would be presented at the next meeting. 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 February natural gas rate comparisons and reported that the Department is competitive in all rate classes. Mr. Roy then gave an update on a recent meeting that the Department of Public Utilities (DPU) held with the State's gas distribution companies. He stated that the DPU outlined a plan for its organizational structure and its oversight focus for the coming year. He further reported that the State released the Dynamic Risk Phase I report which summarizes the findings of Dynamic Risks' review of the natural gas systems in the State. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Beaugard reviewed the February electric rate comparisons and noted that the Department is very competitive in all rate classes. He then reviewed the February 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 January. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Beauregard gave an update on various ongoing capital and maintenance projects and he reported that staff completed scheduled maintenance of pad-mount transformers and testing on the 1657 transmission line. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Duchenev gave a brief report on hydro production activities. He stated that year-to-date hydroelectric production is slightly ahead of plan, and that staff is in process of preparing for planned maintenance and capital projects for the year. He also gave an update on the re-licensing of City Units #1-#3, the surrender of the licenses for the Albion and Nonotuck units, and the decommissioning of Beebe Holbrook E&F wheels. There was a brief discussion on the matter.

TELECOMMUNICATIONS

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

OLD BUSINESS: None

NEW BUSINESS:

RESIDENTIAL ENERGY ASSISTANCE REQUEST – 1 DAY AVENUE: Mr. Lavelle reported that the Department received a residential energy assistance request from the owners of 1 Day Avenue, in the amount of \$9,982, for the installation of home insulation and he recommended that it be approved as requested. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the assistance per the recommendation of management.

SPONSORSHIP REQUEST- CITY OF HOLYOKE FIREWORKS: Mr. Lavelle reported that the Department received a sponsorship request from the Mayor to support the City's Fourth of July Fireworks display. He recommended that the Commission approve the sponsorship in the amount of \$20,000, the same level that the Department has supported for the past several years. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the sponsorship per the recommendation of management.

SPONSORSHIP REQUEST- HOLYOKE SAINT PATRICK'S PARADE: Mr. Lavelle reported that the Department received a sponsorship request from the Holyoke Saint Patrick's Parade Committee to support the 2020 Parade activities. He recommended that the Commission approve the sponsorship in the amount of \$10,000 as requested. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the sponsorship per the recommendation of management.

SPONSORSHIP REQUEST- HOLYOKE ROTARY CLUB: Mr. Lavelle reported that the Department received a sponsorship request from the Holyoke Rotary Club to support the 2020 Summer Concert Series. He recommended that the Commission approve the sponsorship in the amount of \$2,500, as requested. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the sponsorship per the recommendation of management.

BID AUTHORIZATIONS:

SALE OF SURPLUS EQUIPMENT: Mr. Lavelle requested authorization to solicit bids for the sale of surplus hydroelectric equipment associated with the Beebe Holbrook E&F Station which is being decommissioned. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the bids per the recommendation of management.

CONCRETE PLUGS- BEEBE HOLBROOK E&F STATION: Mr. Lavelle requested authorization to solicit bids for the installation of concrete plugs at the intakes of the Beebe Holbrook E&F Station which is being decommissioned. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the bids per the recommendation of management.

BIDS RECEIVED:

HYDRAULIC TURBINE MECHANICAL MAINTENANCE & REPAIRS ON CALL ANNUAL CONTRACT- EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension of the annual contract for Hydraulic Turbine Mechanical Maintenance & Repairs (Contract No.19-02) with O'Connor Corporation consistent with the existing terms and conditions of the contract and with labor rate adjustments of 3%. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the extension per the recommendation of management.

WASTE MANAGEMENT SERVICES CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension of the annual contract for Waste Management Services (Contract No.17-46) with Republic Services, Inc., consistent with the existing terms and conditions of the contract and subject to an adjustment to the per ton disposal fee from \$64.50 to \$84.00. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the extension per the recommendation of management.

EXCAVATIONS & RESTORATIONS CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension of the annual contract for Excavations and Restorations (Contract No.19-06) with JSC Construction, LLC, consistent with the existing terms and conditions of the contract and with labor rate adjustments of 3%. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the extension per the recommendation of management.

GAS CONSTRUCTION CONTRACTOR ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for Gas Construction Contractor to Kudlic Bros., Inc., the lowest eligible bidder meeting all requirements for the solicitation. 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.

2020 UPSTREAM FISH & EEL PASSAGE ACTIVITIES: Mr. Lavelle requested that the Commission authorize the expenditure of up to \$375,837 for annual requirements to comply with FERC License 2004 Upstream Fish Passage requirements. He stated that the majority of the cost, \$175,000, is associated with radio tagging and reporting activities for shortnose sturgeon. He stated

other costs included in the request include: \$109,079 for biological oversight and reporting; \$43,758 for fish counting and data collection services; \$29,000 for fishway staffing; and \$18,500 for public safety and security. 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.

ENGINEERING SERVICES – 2020 FERC PROJECT 2004 ACTIVITIES: Mr. Lavelle requested that the Commission authorize the expenditure of up to \$64,576 for engineering services required for various 2020 Hydro Division FERC 2004 Project activities. He stated that the projects include: Ongoing monitoring and compliance reporting for FERC, NOAA, MADEP and other agencies regarding project activities; canal facility inspections for the annual drawdown activities; and various civil and structural maintenance and improvement projects for project 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.

LARGE DIAMETER PLASTIC PIPE (4", 6" AND 8"): Mr. Lavelle requested that the Commission authorize the expenditure of up to \$29,757 for plastic pipe required for anticipated annual gas distribution system maintenance and capital activities. He stated that the recommended vendor, Charter Plastics, is the least expensive viable alternative. 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 – 2020 ANNUAL ASSOCIATION MEMBERSHIPS: Mr. Lavelle requested authorization for the annual association memberships as identified on the January 29, 2020 memorandum from Jonathan Zwirko. 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.

DIAPHRAGM GAS METERS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for Diaphragm Gas Meters to Honeywell- Elster American Meter Company, LLC the lowest eligible bidder meeting all requirements for the solicitation. 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.

PURCHASE APPROVAL – PROPERTY INSURANCE PREMIUM: Mr. Lavelle requested authorization for the expenditure of up to \$310,961 for the Department's annual property insurance premium through Marsh USA, Inc. He stated that the recommended premium is approximately 11% higher than the expiring premium due to a combination of higher rates and higher asset values due to the addition of the 17L Substation. He stated that just over half of the premium was locked in at last year's rates due to a multi-year agreement that was negotiated with two of the three underwriters. He stated that the third underwriter, AEGIS, increased their rate by approximately 5.2% due to market conditions. 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:

01/31/20 – Draft Commission Meeting Minutes from 01/07/20

01/08/20 – JL/LR/Multi-Residential Energy Assistance Request – 1 Day Avenue

01/22/20 – JL/KC/Sponsorship Request – City of Holyoke Fireworks

01/16/20 – JL/KC/Sponsorship Request – Holyoke St. Patrick’s Committee
01/31/20 – JL/KC/Sponsorship Request – Holyoke Rotary Club
01/24/20 – PD/SR/Authorization to Bid – Sale of Surplus Equipment
01/08/20 – PD/RM/Authorization to Bid – Installation of Concrete Plugs at Beebe Holbrook ‘E & F’
01/29/20 – JL/YD/Extension of Hydraulic Turbine Mechanical Maintenance & Repairs On Call Annual Contract
01/29/20 – JL/YD/Extension of Waste Management Services Contract
01/29/20 – JL/YD/Extension of Excavations & Restorations Annual Contract
01/31/20 – JL/YD/Gas Construction Contractor Annual Contract
01/24/20 – YD/RM/2020 Upstream Fish & Eel Passage Activities
01/17/20 – YD/PD/2020 Sole Source Authorization Request for Hydro Division – Professional Services
01/29/20 – JL/BM/Purchasing Approval: Large Diameter Plastic Pipe
01/29/20 – BB/JZ/2020 Annual Association Membership Requests
01/29/20 – RL/BR/Diaphragm Gas Meters Annual Contract
02/03/20 – JL/BM/Purchasing Approval: Property Insurance Renewal

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, February 25, 2020 at 5:00 P.M.

Mr. Lavelle recommended that the Commission enter into Executive session to discuss strategy with respect to legal matters. Chairman Hoey stated that the Commission would not reconvene the Regular Session following the Executive Session and that no votes would be taken in Executive 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.

H&E Commission

