

**MINUTES OF GAS & ELECTRIC COMMISSION MEETING**  
**REGULAR SESSION**  
**JULY 16, 2019**

A meeting of the Holyoke Gas and Electric Department was held on July 16, 2019 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Beauregard and Duchenev; 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 PM.

**MINUTES:**

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes from June 18, 2019.

**REPORTS & RECOMMENDATIONS OF MANAGER:**

**Financial Report:**

Ms. McMahon reviewed the draft May financial statements. She also reported that Fitch recently announced that they have upgraded the bond rating for Massachusetts Clean Energy Cooperative Corporation from A+ to a AA-. 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 July 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. Beauregard reviewed the July electric rate comparisons and noted that the Department was very competitive in all rate classes. He then reviewed the June 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 May and stated that staff is reviewing additional battery storage proposals for further load reduction capability. There was a brief discussion on the matter.

Mr. Beauregard then reported that the Department, through MMWEC, sold its share in Wyman Power Plant as of July 19, 2019. He stated that MMWEC has maintained a minority interest in the plant, on behalf of HG&E and several other municipals for over many years, and that the majority owner, Nextera, made an offer to buy out the minority owners. He stated that any future decommissioning obligation that the Department would have had for that unit has been extinguished with the sale of the entitlement. There was a brief discussion on the matter.

### **TRANSMISSION & DISTRIBUTION**

Mr. Beauregard gave an update on the Holyoke 17L Substation construction and reported that the second transformer is on schedule for delivery by the end of June. He stated that Phase 2 of the project is on schedule for completion in early November. He also gave an update on capital and maintenance projects and reported that manhole inspections have been completed, and that all infrared inspections of the overhead transmission and distribution lines have been completed. There was a brief discussion on the matter.

Mr. Lavelle reported that the Municipal Electric Association of Massachusetts (MEAM) is working with MMWEC and Energy New England on the passage of House Bill H2863, "An Act relative to greenhouse gas emissions for municipal lighting plants". He stated that the bill is in response to several other bills that have been filed that would not recognize certain carbon-free resources that MLP's had invested in prior to the 2008 Global Warming Solutions Act and would also undermine the local control that municipal light plant communities have enjoyed for over one hundred years. He stated that H2863 would require MLP's to have 80% of the energy sold at retail be sourced from carbon free resources, similar to the requirement for investor-owned utilities, but would recognize the investments made in carbon-free resources by the MLP's, thus resulting in a significant savings for MLP ratepayers. There was a discussion on the matter.

### **ELECTRIC PRODUCTION**

Mr. Duchenev gave a brief report on hydro production activities. He then gave an update on various ongoing capital improvement and maintenance activities. 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.

Mr. Lavelle reported that NERC issued an alert today that requires utilities to evaluate and report to NERC regarding potential supply chain security risks associated with the use of certain electronic equipment sourced from suppliers from the Peoples Republic of China. He stated that the alert was issued pursuant to Section 889 of the National Defense authorization Act of 2019 and targets several vendors. He reported that the Department is not aware of any

products in its network from the suppliers identified in the alert. There was a brief discussion on the matter.

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**BID AUTHORIZATIONS:**

**2019 VEHICLE REPLACEMENTS:** Mr. Lavelle requested authorization to solicit bids for the replacement of two vehicles for the Gas Division. He stated that Vehicle #6 was recently totaled when it was hit by a 3<sup>rd</sup> party, at no fault of the employee driving the vehicle. He further stated that Vehicle #13 is a 2010 van with 104,000 miles and is scheduled for replacement. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the bid per the recommendation of management.

**CHEMICAL HYDRO NO. 2 WICKET GATE ASSEMBLIES:** Mr. Lavelle requested authorization to solicit bids for the replacement of the Chemical Hydro Unit #2 wicket gate assemblies as part of the overhaul for that unit. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the bid per the recommendation of management.

**BIDS RECEIVED:**

**ENGINEERING SERVICES – CHEMICAL HYDRO NO. 2 WICKET GATE ASSEMBLIES:** Mr. Lavelle requested authorization for the expenditure of up to \$12,500 for engineering services required to develop fabrication drawings for the Chemical Hydro Unit #2 wicket gate assemblies. He stated that Kleinschmidt Associates submitted the low bid for the services and they have done similar work for the Department for City Units #2 and #3. 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.

**GAS LEAK SURVEYS ANNUAL CONTRACT:** Mr. Lavelle recommended that the Commission award the contract for Gas Leak Surveys to Omark Consultants, 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.

## **POWER PIPING SYSTEMS & HVAC MAINTENANCE, INSTALLATIONS & REPAIRS**

**ANNUAL CONTRACT - EXTENSION:** Mr. Lavelle recommended that the Commission authorize a one year extension to the Power Piping Systems and HVAC Maintenance Installations and Repairs Contract with Harry Grodsky & Co, Inc., consistent with the extension provisions in the contract. All other terms and conditions of the contract remain the same and rate increase of approximately 4% (11% on Sundays and Holidays, but the services are rarely used during these times). The proposed wage increases are significantly lower than the second lowest bid from two years ago, and prevailing wages have increased from between 1% and 8% during the same period. 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.

**REPLACEMENT OF WEDGE WIRE PANELS – BYPASS INTAKE RAMP:** Mr. Lavelle recommended that the Commission award a sole source contract for the Bypass Intake Ramp Wedge Wire Panel Replacement to Atlantic Fluid Technology, the only respondent capable of meeting the project requirements. 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.

**CYBER SECURITY TRAINING:** Mr. Lavelle requested authorization for the expenditure of up to \$6,610 for cybersecurity training services as part of the Department's ongoing training efforts for all employees to increase awareness and mitigation of cybersecurity threats. 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.

**SPILL RESPONSE & HAZARDOUS WASTE ANNUAL CONTRACT:** Mr. Lavelle recommended that the Commission award the contract for Spill Response and Hazardous Waste to Allstate Power Vac, 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.

## **COMMUNICATIONS:**

07/12/19 – Draft Commission Meeting Minutes from 06/18/19

06/26/19 – JL/DD/Financial Statements, Balance Sheet May 2019

07/09/19 – JL/MK/Authorization to Bid – 2019 Department Vehicle Replacements

07/10/19 – PD/SR/Authorization to Bid – Chemical Hydro No. 2 Wicket Gate Assemblies

07/10/19 – JL/YD/Bid Recommendation – Gas Leak Surveys Annual Contract

07/10/19 – JL/YD/Recommendation – Power Piping Systems & HVAC Maintenance, Installations &

Repairs Annual Contract – Extension

06/28/19 – PD/RM/Recommendation – Replacement of Wedge Wire Panels in Bypass Intake Ramp

07/09/19 – KJ/AJ/Purchasing Approval: Cyber Security Awareness Training Subscription Renewal

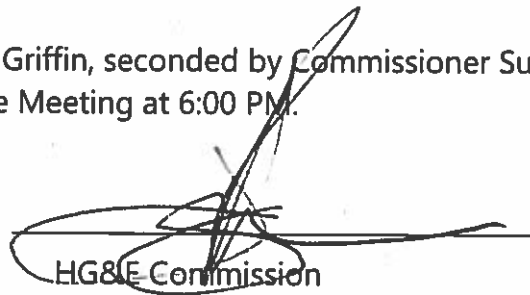
07/12/19 – JL/YD/Bid Recommendation – Spill Response & Hazardous Waste Annual Contract (Rebid 2)

**NEXT MEETING DATE:**

It was agreed that the next Commission meeting would take place on Tuesday, August 13, 2019 at 5:00 P.M.

**ADJOURNMENT:**

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 6:00 PM.



HG&E Commission