

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
SEPTEMBER 11, 2019

A meeting of the Holyoke Gas and Electric Department was held on September 11, 2019 at 5:05 P.M. in the Department's offices. In attendance were Commissioners Hoey 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 5:05 PM.

MINUTES:

On a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-0 to approve the minutes from August 13, 2019.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Mr. Lavelle reviewed the draft July financial statements. He further reported that staff is currently preparing the 2020 operating and capital budgets with a target completion of November 1st. 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 September 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 and gave an update on the Division's modification to its safety management system and implementation of American Petroleum Institute's RP 1173. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Beauregard reviewed the September electric rate comparisons and noted that the Department was very competitive in all rate classes. He then reviewed the September 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 August and stated that continues to review additional battery storage proposals for further load reduction capability.

TRANSMISSION & DISTRIBUTION

Mr. Beauregard gave an update on the Holyoke 17L Substation construction and reported that the project is progressing on schedule. He stated that the cutover to the new second transformer is scheduled to be completed by the end of the week. He also gave an update on current capital and maintenance projects, reporting that the vacuum switches scheduled for replacement during the calendar year have all been completed. Mr. Beauregard also reported that HG&E dispatched four crews to Orlando Florida for the anticipated Hurricane Dorian relief and that the crews were sent home once it was determined that the storm would not make landfall in Florida. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Ducheney gave a brief report on hydro production activities. He stated that rubber dam #5 was recently repaired and that flash boards have been removed. He further reported that the fall canal drawdown is scheduled for September 21st through September 28th. 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.

MARKETING & COMMUNICATIONS

Ms. Sullivan reported that the 2019 Customer Survey results had been compiled and she reviewed the key findings of the survey. She also reminded the Commission that the November ballot would include a question asking if voters want HG&E to conduct a feasibility study for a gradual fiber-to-the-home network buildout. She stated that the October newsletter would include some information on the matter. She also gave an update on public outreach and education activities. There was a brief discussion on the matter.

NEW BUSINESS:

COMMERCIAL ENERGY ASSISTANCE REQUEST- WARWICK ASSOC, INC: Mr. Lavelle reported that the Department received a commercial energy assistance request in the amount of \$123,710, from the owners of 75 Appleton Street for the installation of energy efficient windows throughout the facility. He stated that the customer has taken advantage of the program in the past and has repaid all assistance. He further stated that the customer was current on all accounts and City taxes. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-0 to approve the assistance per the recommendation of management.

GAS SERVICE RATE ADJUSTMENTS: Mr. Lavelle recommended that the Commission approve the gas service rate adjustments as outlined in the September 5, 2019 memorandum from Brian Roy. He stated that the labor charges have not been adjusted since 2003 and that the current rates do not cover the fixed costs associated with technician labor costs. He stated that, even with the recommended adjustments, HG&E repair rates remain well below market. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-0 to approve the rate adjustments per the recommendation of management.

REBATE PROGRAM MODIFICATIONS: Mr. Lavelle recommended that the Commission approve modifications to the current appliance rebate program consistent with the recommendations in the September 5, 2019 memorandum from Mr. Beauregard. He stated that the modifications would add certain energy efficient air source heat pumps and air conditioning appliances to the existing HG&E rebate program that is administered by MMWEC through its MuniHelps program. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-0 to approve the rebate modifications per the recommendation of management.

BID AUTHORIZATIONS:

HADLEY STATION BOILER REPLACEMENT: Mr. Lavelle requested authorization to solicit bids for the replacement of the Hadley Station boiler. He stated that the existing unit is over sixty years old with a cracked shell and is beyond repair. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-0 to authorize the bid per the recommendation of management.

30 WATER ST PARKING LOT REPAVING: Mr. Lavelle requested authorization to solicit bids for the repaving of the parking lot at 30 Water Street. He stated that the existing surface has deteriorated significantly and that further deterioration could cause safety and access issues for the facility. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-0 to authorize the bid per the recommendation of management.

BIDS RECEIVED:

SALE OF BOWERS ST PARCEL: Mr. Lavelle recommended that the Commission award the bid for the Former Richardson Train Station property (2 Bowers Street and 12 Bowers Street) to Race Street Properties, LLC. He reminded the Commission that this was the third time in four years that an RFP has been issued for the sale of the property and that all prior attempts have yielded no bids, in spite of widely publicizing the RFP. He stated that two bids were received on the current solicitation and that Race Street Properties, LLC was the highest

eligible bidder meeting all requirements of the solicitation. He stated that the property will require significant investment and that a private entity, not subject to prevailing wages and municipal procurement requirements, would be able to implement significantly more improvements with available resources than a public entity. He further stated that Race Street Properties has described their plan to begin to improve the property immediately and to protect the building from the elements. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-0 to award the bid per the recommendation of management.

ENGINEERING SERVICES – FALL 2019 CANAL OUTAGE INSPECTION: Mr. Lavelle requested authorization for the expenditure of up to \$10,380 for engineering services required to perform canal and related facility inspections during the fall 2019 canal drawdown. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-0 to authorize the expenditure per the recommendation of management.

ELECTRICAL ENGINEERING SERVICES: Mr. Lavelle requested authorization for the expenditure of up to \$35,000 for engineering services required to develop a detailed design to replace poles on the Cobble Mountain 637 transmission line. He stated that the work is required for the ISO-NE NX-9 filing and that the expense would be fully reimbursed by the Springfield Water and Sewer Commission. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-0 to authorize the expenditure per the recommendation of management.

FIREBOX REPLACEMENTS: Mr. Lavelle requested authorization for the expenditure of up to \$14,780 to replace the fire alarm boxes at 99 Suffolk Street and 1 Canal Street. He stated that the existing boxes are at the end of their useful life and the technology is no longer supported. He stated that the new boxes are recommended and required by the Holyoke Fire Department. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-0 to authorize the expenditure per the recommendation of management.

RECONSTRUCTION OF MANHOLE NO. 75: Mr. Lavelle recommended that the Commission reject the one bid received for the Reconstruction of Manhole #75 and authorize a re-bid for the project. He stated that the bid price was significantly higher than the project budget and other vendors have since indicated an interest in bidding on the project if it is re-bid. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-0 to reject the bid and authorize a re-bid per the recommendation of management.

DIVE SURVEYS, INSPECTIONS, MAINTENANCE & REPAIRS ANNUAL CONTRACT – EXTENSION: Mr. Lavelle recommended that the Commission authorize a one-year extension of the Dive Surveys, Inspections, Maintenance & Repairs contract with Underwater

Construction Corporation (UCC), consistent with the terms of the existing contract. He stated that UCC's rates are approximately 25% lower than the only other bid received in 2018. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-0 to authorize the extension per the recommendation of management.

2019 VEHICLE REPLACEMENTS: Mr. Lavelle recommended that the Commission reject the bids received for annual vehicle replacements and authorize the expenditure of up to \$86,728, to purchase the vehicles through the State Bid contract. He stated that, after reviewing the bids, staff determined that the proposed lead times do not meet the Department's operation requirements and that similar vehicles could be procured through the State Bid list at a slightly lower cost and with a four week delivery. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-0 to reject the bids and authorize the expenditure per the recommendation of management.

COMMUNICATIONS:

09/06/19 – Draft Commission Meeting Minutes from 08/13/19
08/28/19 – JL/DD/Financial Statements, Balance Sheet July 2019
08/27/19 – JL/JJ/Commercial Energy Assistance Request – Warwick Assoc., Inc.
09/05/19 – JL/BR/Gas Service Work Rates Adjustment
09/05/19 – JL/BR/2020 Budget Year Rate Modifications
09/05/19 – BB/JZ/Air Source Heat Pump (Mini-split) Rebates
08/30/19 – PD/KT/Authorization to Bid – Hadley Station Boiler Replacement
08/30/19 – PD/SR/Authorization to Bid – 30 Water St Parking Lot Repaving
08/12/19 – JL/YD/Recommendation – Sale of Bower St Parcel
09/04/19 – PD/KT/Purchasing Approval: Fall 2019 Canal Outage Inspection
09/04/19 – PD/KT/Purchasing Approval: Design of Poles Replacement & Updating Prints – ISO NX-9 Filing
09/05/19 – BR/TS/Purchasing Approval: Gamewell Wireless Fireboxes
09/05/19 – JL/YD/Bid Recommendation – Reconstruction of Manhole No. 75
09/06/19 – JL/YD/Recommendation – Extension of Dive Surveys, Inspections, Maintenance & Repairs
09/06/19 – JL/YD/Bid Recommendation – 2019 Purchase of New Vehicles
09/06/19 – BR/MK/Purchasing Approval: Purchase Two (2) New Ford Transit Cargo Vans

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Thursday, October 3, 2019 at 5:00 P.M.

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

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

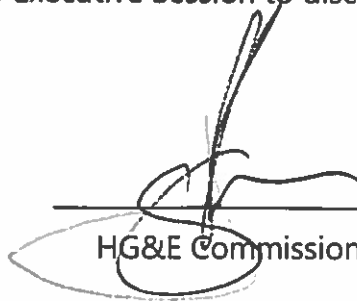
Mr. Lavelle recommended that the Commission enter into Executive Session to discuss strategy with respect to real estate.

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

ADJOURNMENT:

On a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-0 to adjourn the Meeting at 6:15 PM.

On a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-0, on a roll call vote, to enter into Executive Session to discuss strategy with respect to competition.



HG&E Commission