

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
FEBRUARY 16, 2021

A meeting of the Holyoke Gas and Electric Department was held on February 16, 2021 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Beauregard and Roy; Kirk Jonah, Lisa Rogers and Attorney John Ferriter.

CALL TO ORDER:

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

Chairman Hoey noted that remote participation in the Commission meeting by Commissioners was authorized by an Executive Order issued by Governor Baker on March 12, 2020 and is required due to the COVID-19 pandemic.

MINUTES:

Mr. Lavelle presented the minutes from January 13, 2021 for approval. On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Mr. Lavelle reviewed the draft December financial statements and reported that the 2020 audit is ongoing and expected to be completed by the end of March. 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 stated that approximately 99% of winter supply has been locked in price and that 28% of summer supply is locked in. He then reviewed the February natural gas rate comparisons and reported that the Department remains very competitive in all rate classes. He then gave an update on the status of leak reductions, cast iron main replacements and bare steel service replacements. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Beauregard reviewed the February electric rate comparisons and reported that the Department remains competitive in all rate classes. He then reviewed the February Mark-to-Market report and reported that all transactions are within policy limits. He also presented the year-end solar production report and gave an update on peak load reduction activities and an update on the Citizens and Convergent Energy Battery Storage projects. He further gave an update on the results of the recent Forward Capacity Auction (FCA-15) results and the NEPOOL RNS load reconstitution issue. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Beauregard reported that all non-emergency field work that requires access to a customer premise continues to be suspended until further notice due to the COVID-19 outbreak. He then reported that staff is in process of completing required 2020 year-end reports and also beginning work to complete all 2021 project commitments . There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Lavelle reported that February hydro generation was slightly below plan due to low water flows, but that year-to-date generation is slightly ahead of plan. He then gave an update on the Chemical Station re-habilitation work and reported that those two units have been returned to service. He further reported that the Spring canal outage has been scheduled for March 23rd to March 25th. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave an update on the status of sales activity, capital projects and help desk activity. There was a brief discussion on the matter.

CUSTOMER SERVICE

Ms. Rogers gave an update on receivable collection efforts and online service sign-ups. There was a brief discussion on the matter.

MARKETING AND COMMUNICATIONS

Mr. Lavelle reported that staff continues to provide updates to employees regarding operational changes and required precautions to minimize risks related to the COVID-19 outbreak. He then gave an update on Fiber-to-the-Home communication strategy. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

CONTRACT LIGHTING/OFF-STREET LIGHTING RATE ADJUSTMENTS: Mr. Lavelle recommended that the Commission approve adjustments to the Contract Lighting and Off-Street Lighting rates consistent with the recommendations in the February 11, 2021 memorandum from Jonathan Zwirko, Energy Resources Coordinator. He stated that the average increase amounted to 5.97% and is being proposed to account for increased labor and material costs associated with the purchase, installation and maintenance of the lights. He further stated that the rates have not been adjusted since 2016. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the rates per the recommendation of management.

BID AUTHORIZATIONS:

VEHICLE #29 BACKHOE REPLACEMENT: Mr. Lavelle requested authorization to solicit bids for the replacement of Vehicle #29, a Gas Division backhoe to replace the existing 2003 backhoe that is well beyond the end of its useful life. 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:

JACKSON ST. PARKING LOT & DRIVEWAY REPAVING: Mr. Lavelle recommended that the Commission award the contract for the Electric Station Parking Lot and Driveway Repaving to JL Construction Corporation, the lowest qualified bidder meeting 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 contract per the recommendation of management.

2021 ELECTRIC LINE CONTRACTOR ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for the Electric Line Contractor Annual Contract to Asplundh Construction, the lowest qualified bidder meeting 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 contract per the recommendation of management.

FENCE MAINTENANCE, REPAIRS & INSTALLATIONS CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Fence Maintenance, Repairs, and Installations Annual Contract with Brodeur-Campbell Fence Co., Inc., with all labor rates and all other terms and conditions remaining the same as the existing contract. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extension per the recommendation of management.

EXCAVATIONS & RESTORATIONS ANNUAL CONTRACT- EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Excavations and Restorations Annual Contract with JSC Construction, LLC, subject to a 3% increase in labor rates and all other terms and conditions remaining the same as the existing contract. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extension per the recommendation of management.

PURCHASE APPROVAL – 2021 ANNUAL ASSOCIATION MEMBERSHIPS: Mr. Lavelle requested authorization for the expenditure of up to \$97,785.93 for annual association dues and membership fees. He stated that over \$21,000 of that figure relates to mandatory dues related to the FERC Project 2004 license and that many of the other memberships have savings associated with them through discounting training and education made available through those memberships. 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 – ALCATEL LUCENT PHONE SYSTEM MAINTENANCE & SUPPORT: Mr. Lavelle requested authorization for the expenditure of up to \$80,939.75 for five (5) years of Alcatel Lucent Phone System Maintenance and Support. He stated that the existing maintenance and support contract expired on January 1st and the new contract is required to keep critical utility phone systems operating properly. 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 – SPRYENGAGE CUSTOMER PORTAL & NOTIFICATIONS MODULES: Mr. Lavelle requested authorization for the expenditure of up to \$39,200 for the purchase of SpryPoint's SpryEngage Customer Portal and Notifications modules in order to improve communications with customers and streamline customer information management. He stated that the recommended modules would replace the current notification system, Everbridge, and result in an annual cost savings of approximately \$18,000. 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 - GAS REGULATOR STATION SAFETY UPGRADES: Mr. Lavelle requested that the Commission authorize the expenditure of up to \$37,738 for the purchase tertiary safety support equipment from Powell Controls for four (4) separate regulator stations in the gas distribution system. He stated that the upgrades were recommended by recent audits and findings from the Dynamic Risk review of the State's gas distribution company systems. 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:

02/11/21 – Draft Commission Meeting Minutes from 01/13/21
02/09/21 – JL/DD/Financial Statements, Balance Sheet December 2020
02/11/21 – BB/JZ/Rate Recommendation – Off-Street/Contract Lighting Schedule
02/08/21 – BB/JZ/2021 Annual Association Membership Requests
01/15/21 – JL/CW/Authorization to Bid – Vehicle #29
01/22/21 – BB/SL/Bid Recommendation – Jackson St. Parking Lot & Driveway Repaving
02/11/21 – BB/CP/Bid Recommendation – Electric Line Contractor Annual Contract 2021
01/25/21 – JL/CW/Recommendation – Extension of Fence Maintenance, Repairs & Installations Annual Contract
02/01/21 – JL/CW/Recommendation – Extension of Excavations & Restorations Annual Contract
02/08/21 – BB/JZ/2021 Annual Association Membership Requests
01/28/21 – KJ/PV/Purchasing Approval: HG&E Enterprise Telephone System Support 2021-2025
02/12/21 – JL/KS/Purchasing Approval: HG&E Outage Notification System & Customer Portal
02/12/21 – BR/MK/Purchasing Approval: HG&E Regulatory Station Tertiary Over-Pressure Protection Equipment

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Wednesday, March 17, 2021 at 5:00 P.M.

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted, on a roll call vote, to enter into Executive Session at 5:50 PM to discuss strategy with respect to collective bargaining and personnel matters. Chairman Hoey stated that the Commission would return to Regular Session after the Executive Session.

Chairman Hoey re-convened the Regular Session at 6:11 PM.

Upon returning from Executive Session, Mr. Lavelle reported that management has reached agreement with the union on terms for a three (3) year extension to the current collective bargaining agreement subject to wage adjustments of 3%, 2.75%, and 2.75% for years 2021, 2022, and 2023 respectively. He stated that the negotiated increase amounts to an average increase of 2.83% per year of the contract term is in line with the recommendation from the Department's compensation consultant recommendation and also in line with union increases already negotiated by other Massachusetts municipal utilities for 2021 and 2022. There was a discussion on the recommended terms for the contract extension and the Commission was in agreement that the terms were fair to both sides given the market conditions. On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it

was unanimously voted to authorize the Manager to execute the three (3) year extension to the collective bargaining agreement consistent with the terms presented to the Commission.

ADJOURNMENT:

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

HG&E Commission