

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
NOVEMBER 19, 2024

A meeting of the Holyoke Gas and Electric Department was held on November 19, 2024, at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Sutter and Marrero; Manager Lavelle; Superintendents Steve Roy and Brian Roy; Brooke McMahon, Kirk Jonah, Kate Sullivan, and Attorney John Ferriter.

CALL TO ORDER:

Chairman Hoey called the meeting to order at 5:15 P.M.

MINUTES:

On a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes from September 24, 2024.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reviewed the draft September 2024 financial statements. She then presented the 2025 Operating and capital budgets for approval and stated that the budgets are the same as those discussed at the staff budget meeting on October 30th. She noted that the operating budget estimates total revenue (excluding investment income) of approximately \$94 Million; total operating expenses of approximately \$88 Million and total capital expenditure of approximately \$29.4 Million. There was a discussion on the budget and Commissioner Marrero suggested that staff should develop a clearer message regarding current strategy with respect to expanding the reach of the fiber optic network to city residents. Commissioner Hoey agreed and stated that we should more clearly articulate the fact that the Department will continue to look for opportunities to expand the network to reach residents where it makes economic sense, and that we will continue to pursue grant opportunities to help with extending the network. After further discussion on the matter, and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to approve the budget as presented.

DIVISION REPORTS:

GAS DIVISION

Mr. Brian Roy reported that wholesale natural gas purchases continue consistent with the hedging plan for the current 12-month procurement window and noted that 74% of winter ('24-'25) gas supply is locked in price. He then reported that the Purchased Gas Adjustment (PGA) has been seasonally adjusted as of the November billing cycle to \$0.64/ccf and that the interruptible rate PGA was adjusted to \$1.32/ccf. He noted that due to an increase in the current wholesale market prices, the PGA is approximately 20% higher than the winter 2023-2024 PGA. He stated that even with the adjustment, HG&E's residential gas rate is projected to be the lowest in the region and all other rate classes remain competitive. He then reported that November unit sales are projected to be down approximately 5% below plan due to mild weather and he reviewed the November natural gas rate comparisons, noting that the Department remains very competitive in all rate classes.

Mr. Roy reported that distribution crews continue with work to replace the main at Manor House Court and a new backfeed installation at Cleveland Street. He noted that crews would then move to Whiting

Farms Road to replace a coated steel main. He also reported that main and bare steel service replacements are progressing according to plan and that there are currently no leaks on file. He then gave an update on ongoing DPU audits, and he reported that the DPU issued new regulations in October that will impact operating procedures. He also reported that staff conducted an emergency drill last week with Holyoke and Southampton police and fire personnel as well as HG&E responders and he noted that the exercise was well received by all participants. He then gave a brief update on the PSMS implementation, and the PHMSA grant process. There was a brief discussion on the matter.

ELECTRIC DIVISION

POWER SUPPLY

Mr. Steve Roy reviewed the November electric rate comparisons and reported that the Department remains competitive in all rate classes compared to regional peers. He then reviewed the November Mark-to-Market report and reported that all transactions are within policy limits. He also gave an update on peak load reduction activities and noted that the October peak occurred on October 29th, hour-ending 19, and that 5.2 MW were shed via Department load reducers. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Roy reported that 14 of 39 commitments have been completed to date, and that the remaining projects are on schedule for completion by the end of the year. He noted that crews are currently working at University Park Apartments replacing the under-ground primary conductor with an estimated completion date of December 16th. He reported that 11 of 24 new capacitors have been installed and that the new access road near Tokeneke Road is 50% complete and noted that completion of that project will allow the removal of approximately 1 mile of pole line along the railroad tracks. He then noted that the MIT-LL UPS project is substantially complete with the exception of a few punch-list items that are outstanding. He also reported that services have been energized for EV chargers at the Pride station on Dwight Street (2 level-2 chargers) and at the D' Hotel and Suites (6 level-2 chargers). He also gave a brief update on several other ongoing electric distribution and transmission projects. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Roy stated that November hydro production is approximately 67% below plan due to low river flows and he noted that the fishway has been shut down for the season. He then gave an update on capital projects, including the Hadley Falls Unit #2 rehabilitation project and Cobble Mountain maintenance activities. He also gave a brief update on the status of current grant applications. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave an update on the status of sales activity and ongoing maintenance projects. He reported that the new 200Gb network equipment is operating nominally with no reported open issues. There was a brief discussion on the matter.

MARKETING & COMMUNICATIONS

Ms. Sullivan gave an update on several state and federal grant applications that have been submitted including the MBI Residential Retrofit Grant, EPA Community Change Grant, and the DOE RMUC Cybersecurity Grant. She then gave an update on upcoming community outreach and discussed current Green Team activities including the evaluation of existing incentive programs. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

HOLIDAY DISCOUNT: Mr. Lavelle recommended that the Commission approve an additional 10% Holiday Discount for the December billing, as it has historically done, for all residential and commercial customers on non-contract rates. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was voted 2-0 to approve the additional 10% discount, consistent with management recommendation. Commissioner Marrero abstained from voting.

SPONSORSHIP REQUEST – HOLYOKE POLICE DEPARTMENT SENIOR HOLIDAY EVENT: Mr. Lavelle reported that the Department received a sponsorship request from the Holyoke Police Department requesting that the Department continue its Sponsorship of the annual Senior Holiday event. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to approve the sponsorship as requested.

MASSACHUSETTS OPEN MEETING LAW GUIDE: Chairman Hoey reported that Mayor Garcia recently convened a meeting of all City boards and commissions in an effort to ensure that board members are aware of required compliance, and resources to ensure compliance, with, among other things, the Open Meeting Law and State Ethics Commission requirements. He stated that an Open Meeting Law Guide was presented to all members and that each member is required to sign the acknowledgement statement in the guide and submit that form to the Mayor's office. It was agreed that the Commissioners would review the guide, sign the acknowledgement page, and send it to the Manager who will forward the acknowledgements to the Mayor's office.

BID AUTHORIZATIONS:

HADLEY STATION SERVICE & GATEHOUSE EMERGENCY GENERATOR: Mr. Lavelle recommended that the Commission authorize the solicitation of bids for the procurement of two (2) new Hadley Station service transformers and one (1) emergency generator for the Gatehouse. He stated that the new equipment is required to replace existing units that are aging and do not have sufficient capacity to accommodate the increased load from the new gatehouse actuator system. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to authorize the bids per the recommendation of management.

BIDS RECEIVED:

GENERAL CONTRACTOR WORK ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the annual contract for General Contractor Work to JSC Construction, LLC, the lowest bidder meeting all requirements of the solicitation. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to award the bid per the recommendation of management.

OVERHEAD CRANES & HOISTS INSPECTIONS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission reject all bids for Overhead Cranes & Hoists Inspections and authorize a re-bid. He stated that the apparent low bidder submitted a defective bid bond and that the

next lowest bidder's price was 35% higher than the apparent low bidder. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to reject the bids and authorize a re-bid per the recommendation of management.

GAS ROTARY METERS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the annual contract for Rotary Meters to DBI Inc. (dba Utilities and Industries), the lowest bidder meeting all requirements of the solicitation. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to award the bid per the recommendation of management.

UNIFORM SUPPLY & SERVICE ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the annual contract, for a seven (7) year term, for Uniform Supply and Service to Cintas Corporation, the lowest bidder meeting all requirements of the solicitation. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to award the bid per the recommendation of management.

LANDSCAPING SERVICES ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the annual contract for Landscaping Services to GTC Landscaping, the lowest bidder meeting all requirements of the solicitation. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to award the bid per the recommendation of management.

TREE TRIMMING & VEGETATION MANAGEMENT ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the annual contract for Tree Trimming to Asplundh Tree Expert, the lowest bidder meeting all requirements of the solicitation. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to award the bid per the recommendation of management.

WOOD POLES ANNUAL CONTRACT: Mr. Lavelle recommended that, on behalf of HG&E and NEPPA member utilities, the Commission award the bid for wood poles (CCA with climbing additive treated) to Koppers Utility and Industrial Products, the low bidder meeting all requirements of the solicitation. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to award the bid per the recommendation of management.

INSULATION, ASBESTOS & LEAD ABATEMENT ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the bid for Insulation, Asbestos & Lead Abatement to Atlantic Contracting & Specialties, LLC, the low bidder, meeting all requirements of the solicitation. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to award the bid per the recommendation of management.

SOLID WASTE & RECYCLING SERVICES ANNUAL CONTRACT – EXTENSION: Mr. Lavelle recommended that the Commission authorize a second one-year extension to the annual contract (No. 21-41) for Solid Waste Recycling Services with Casella Waste, subject to a 10% increase in rates due to rising landfill costs, and other terms and conditions remaining the same. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extension per the recommendation of management.

SPILL RESPONSE & HAZARDOUS WASTE ANNUAL CONTRACT – EXTENSION: Mr. Lavelle recommended that the Commission authorize a one-year extension to the annual contract (No.

24-02) for Spill Response & Hazardous Waste Services with Environmental Services., Inc., under the same terms, pricing, and conditions. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extension per the recommendation of management.

GAS CONSTRUCTION CONTRACTOR ANNUAL CONTRACT – EXTENSION: Mr. Lavelle recommended that the Commission authorize a one-year extension to the annual contract (No.23-01) for Gas Construction Contractor Services with Kudlic Bros., Inc., subject to a 2% increase in rates with other terms and conditions remaining the same. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extension per the recommendation of management.

FIBER OPTIC INSTALLATION, SPLICING, TERMINATION & TESTING ANNUAL CONTRACT – EXTENSION: Mr. Lavelle recommended that the Commission authorize a second one-year extension to the annual contract (No. 23-03) for Fiber Optic Installation, Splicing, Termination & Testing Services with Collins Electric Company, subject to a 2% increase in rates with other terms and conditions remaining the same. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extension per the recommendation of management.

ROAD REPAIRS ANNUAL CONTRACT – EXTENSION: Mr. Lavelle recommended that the Commission authorize a second one-year extension to the annual contract (No. 22-03) for Road Repair Services with JSC Construction, LLC, subject to a 4% increase on labor and equipment rates with other terms and conditions remaining the same. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extension per the recommendation of management.

HYDRAULIC STRUCTURES’ MAINTENANCE & REPAIRS ANNUAL CONTRACT – EXTENSION: Mr. Lavelle recommended that the Commission authorize a second one-year extension to the annual contract (No. 23-02) for Hydraulic Structures Maintenance & Repairs Services with Westside Enterprises, Inc., subject to a 3.02% increase in rates, as detailed in the November 7, 2024, memorandum from Purchasing Coordinator Chi Wong, with other terms and conditions remaining the same. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extension per the recommendation of management.

ELECTRIC LINE CONTRACTORS ANNUAL CONTRACT – EXTENSION: Mr. Lavelle recommended that the Commission authorize a one-year extension to the annual contract for Electric Line Contractors (No. 24-04) with Asplundh Construction, LLC, subject to a 3.85% increase on labor rates and a slight increase in equipment rates with other terms and conditions remaining the same. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extension per the recommendation of management.

ELECTRIC METERS ANNUAL CONTRACT – EXTENSION: Mr. Lavelle recommended that the Commission authorize a one-year extension to the annual contract (No. 22-28) for Electric Meters with AvCom, Inc., subject to the same pricing, terms, and conditions as the existing contract. After a brief discussion and on a motion from Commissioner Marrero, 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 annual contract for Excavation and Restoration Services (No. 22-07) with JSC Construction, LLC, subject to an 8% increase on labor rates with other terms and conditions remaining the same. He stated that the 8% increase is deemed reasonable when comparing the increase in applicable prevailing wage rates (approximately 4%) and comparing the applicable rates to the same rates in other existing contracts (i.e., General Contract and Hydraulic Structure Repairs) where the proposed rates are below the same rates in the other contracts. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extension per the recommendation of management.

PURCHASE APPROVAL – FINANCIAL AUDIT SERVICES: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$107,300 for professional financial auditing services required to conduct full financial audit services for the Department, Holyoke Solar Cooperative, Massachusetts Clean Energy Cooperative, and the OPEB Trust. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to authorize the expenditure per the recommendation of management.

PURCHASE APPROVAL – NAVILINE SOFTWARE MAINTENANCE & SUPPORT: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$81,277 to purchase annual software maintenance and support services from Superior, LLC to support Naviline, the Department’s ERP system. He noted that 2025 is expected to be the final year of support required for Naviline due to the Department’s planned conversion to NISC ERP system. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to authorize the expenditure per the recommendation of management.

PURCHASE APPROVAL – VEEAM DATA PLATFORM ADVANCED UNIVERSAL LICENSE & VEEAM BACKUP FOR MICROSOFT OFFICE 365 LICENSE RENEWALS: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$74,849 for the renewal of the licenses and support services for the Veeam Data Platform Advanced Universal and Veeam Backup for Microsoft Office 365 applications from Insight for a three (3) year term. He stated that the applications provide software backup window, increases flexibility in how data is backed-up, provides the ability to script test the Department’s backups in a sandbox environment against multiple servers to improve the reliability of the backup and provides more visibility into the Department’s VM server environment for enhanced data backup. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to authorize the expenditure per the recommendation of management.

PURCHASE APPROVAL – PROFESSIONAL SERVICES – OWNER’S ENGINEER LNG I&R PROJECT PHASE 1: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$209,425 to contract with ODIN EPC, Inc. for Owner’s Engineering/Project Management (OPM) services required for Phase 1 of the LNG I&R project. He noted that the Project Engineering Firm responsible for the design, Sanborn Head & Associates, has advised that ODIN and Campose EPC are the only firms in the region with the required experience for the OPM services and Campose declined to bid based on their current workload. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to authorize the expenditure per the recommendation of management.

COMMUNICATIONS:

- 09/25/24 – Draft Commission Meeting Minutes from 09/24/24
- 10/29/24 – JL/DD/Financial Statements, Balance Sheet & Summary Report – September 2024
- 10/21/24 – JL/LR/Holiday Discount
- 10/02/24 – JL/KC/Sponsorship Request – HPD Senior Holiday Event
- 11/18/24 – COMM/JL/Open Meeting Law Guide
- 11/14/24 – SR/KT/Authorization to Bid – Hadley Station Service Transformers & Gatehouse
Emergency Generator
- 11/14/24 – JL/CW/Bid Recommendation – General Contract Work Annual Contract
- 11/15/24 – JL/CW/Bid Recommendation – Overhead Cranes & Hoists Inspections Annual Contract
- 11/14/24 – JL/CW/Bid Recommendation – Gas Rotary Meters Annual Contract
- 11/14/24 – JL/CW/Bid Recommendation – Uniform Supply & Service Contract
- 11/13/24 – JL/CW/Bid Recommendation – Landscaping Services Annual Contract
- 11/07/24 – SR/VO/Bid Recommendation – Tree Trimming & Vegetation Management
- 11/05/24 – SR/VO/Bid Recommendation – Wood Poles Annual Contract
- 10/22/24 – JL/CW/Bid Recommendation – Insulation, Asbestos & Lead Abatement Annual Contract
- 10/21/24 – JL/CW/Recommendation – Extension of Solid Waste & Recycling Services Annual
Contract
- 10/24/24 – JL/CW/Recommendation – Extension of Spill Response & Hazardous Waste Annual
Contract
- 10/25/24 – JL/CW/Recommendation – Extension of Gas Construction Contractor Annual Contract
- 11/06/24 – JL/CW/Recommendation - Extension of F.O. Installation, Splicing, Termination & Testing
Annual Contract
- 11/07/24 – JL/CW/Extension Recommendation – Road Repairs Annual Contract
- 11/07/24 – JL/CW/Extension Recommendation – Hydraulic Structures’ Maintenance & Repairs
Annual Contract
- 11/12/24 – JL/CW/Extension Recommendation – Electric Line Contractors Annual Contract
- 11/12/24 – JL/CW/Extension Recommendation – Electric Meters Annual Contract
- 11/14/24 – JL/CW/Extension Recommendation – Excavations & Restorations Annual Contract
- 11/15/24 – JL/BM/Purchasing Approval: 2024 Financial Statement Audit
- 11/04/24 – JL/DD/Purchasing Approval: Superion Naviline Software Renewal
- 11/15/24 – KJ/ED/Purchasing Approval: 3-Year Veeam Data Platform Advanced License
- 11/14/24 – BR/RB/Purchasing Approval: LNG I&R Project Phase 1 OPM Services

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Wednesday, December 18th at 5:00 P.M.

ADJOURNMENT:

On a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 6:18 P.M.

HG&E Commission