

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
JULY 15, 2020

A meeting of the Holyoke Gas and Electric Department was held on July 15, 2020 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; Brooke McMahon, Kirk Jonah, Kate Sullivan, 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 April 29, 2020 and June 17, 2020 for approval. He stated that the April 29, 2020 minutes were already approved, but upon further review it was discovered that the minutes did not reflect the vote taken on the PILOT payment to the City. On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes from June 17, 2020 and the April 29, 2020 minutes as amended.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon introduced Bethany Ryers from BakerTilly, HG&E's outside auditor. Ms. Ryers was the lead auditor for the 2019 review and gave the Commission an overview of the audit process and findings. Ms. Ryers stated that HG&E staff was well prepared and very cooperative throughout the audit. Ms. Ryers reported that her firm issued an unmodified opinion on HG&E's audit which is the highest review that is issued. There was a brief discussion on the matter.

COVID-19 Updates:

Mr. Lavelle gave a brief update on current staffing configurations due to COVID-19. He also reported that the main office remains closed until further notice and that sanitizing stations have been installed in the lobby and glass partitions have been installed at all customer service stations in anticipation of re-opening the lobby at a future date. Ms. McMahon gave an update on capital and operating expenditures as well as cash flow projections. There was a brief discussion on the matter.

Ms. McMahon then reviewed the draft May financial statements and gave an update on outstanding receivables and cash flow status. 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 natural gas futures prices have been increasing for the past few months and have the potential to increase higher for the winter season. He stated that the increase is largely due to declining production of associated gas and predictions of heavy demand for the coming winter. He stated that currently staff has secured 37% of anticipated winter gas requirements at a fixed price. Mr. Roy then reviewed the July rate comparisons and reported that the Department remains very competitive in all rate classes. He then gave an update on the Department's response to recommendations from the recent DPU audit of the LNG facility, and he noted that 88% of the recommendations have been closed out, and the remaining items are on schedule for completion by the end of the year. He then gave an update on the status of leak reductions, cast iron main replacements and bare steel service replacements. Mr. Roy also reported that staff submitted a Stay of Enforcement request to the DPU related to corrosion system inspections and meter replacements as work in both areas is behind plan due to the inability to get into customer premises due to COVID-19 guidelines established by the DPU. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Beauregard reviewed the July electric rate comparisons and reported that the Department remains competitive in all rate classes. He then reviewed the July Mark-to-Market report and reported that all transactions are within policy limits and that there are no red flags with any counterparties. Mr. Beauregard then presented a forecast for transmission rates and Forward Capacity Market (FCM) rates through 2025. He then gave an update on peak load reduction activities and an update on the Citizens Energy Battery Storage project. 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 stated that staff continues to be very busy supporting infrastructure requests from various cultivation customers who are in various stages of permitting with their operations. He further reported that, since the last commission meeting, staff completed the planned commitment to install 800 AMI meters at various customer sites. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Ducheny reported that water flows continue to be very low and that hydro production was behind plan for the month of June, but is still slightly ahead of plan year to date. He also reported that fish lifting operations schedules have changed and are now operating Monday through Friday with approximately four lifts per day. He further reported that the Cobble Mountain governor replacement project was completed ahead of schedule and that both units have been returned to service. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave an update on help desk activity as well as sales and ongoing projects. He also reported that staff successfully completed the migration of the employee email platform from to a new vendor as the prior vendor was no longer supporting the system. There was a brief discussion on the matter.

MARKETING AND COMMUNICATIONS

Ms. Sullivan reported that staff continues to provide updates to employees regarding operational changes and required precautions to minimize risks related to the COVID-19 outbreak. She then gave an update on website and newsletter updates that include communications on HG&E's clean energy collaboration with multiple parties. She also gave an update on energy efficiency statistics and discussed customer communications during the June 29th power outage due to a severe storm. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

COMMERCIAL ENERGY ASSISTANCE REQUEST – ALLYN ENTERPRISES, LLC: Mr. Lavelle recommended that the Commission approve a commercial energy assistance request, in the amount of \$10,000, for the owners of 480 Hampden Street for the installation of energy efficient gas-fired heating and cooling equipment. 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.

BID AUTHORIZATIONS: None

BIDS RECEIVED:

WALNUT STREET LOWER ROOF REPLACEMENT: Mr. Lavelle recommended that the Commission award the contract for the Walnut Street Lower Roof Replacement to DP Carney Construction, the lowest qualified 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.

JUNIPER IP AGGREGATION ROUTER: Mr. Lavelle requested authorization for the expenditure of up to \$76,826 for the purchase of a Juniper MX104 IP Aggregation Router off of the Massachusetts Statewide Contract #MAITT50. He stated that the router is required to support new business requirement as well as to add redundancy to the existing system. 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.

VEHICLE #11 ENGINE REPLACEMENT: Mr. Lavelle requested authorization for the expenditure of up to \$32,251 for the replacement of the engine on Vehicle #11 He stated that the vehicle is a gas distribution line truck that was purchased in 2012 and is vital to completing planned work in the division. He stated that the engine is beyond repair and beyond the warranty period. 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.

RELIEF VALVE – LNG VAPORIZATION SYSTEM: Mr. Lavelle requested authorization for the expenditure of up to \$7,253 for the purchase of a pressure relief valve from Mercer Valve Co., Inc.

He stated that the valve would provide secondary overpressure protection in the event that the existing pressure regulator downstream of the LNG vaporization system should fail. 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:

07/06/20 – Draft Commission Meeting Minutes from 04/29/20

07/10/20 – Draft Commission Meeting Minutes from 06/17/20

06/25/20 – JL/DD/Financial Statements, Balance Sheet May 2020

06/26/20 – JL/LR/Commercial Energy Assistance Request – Allyn Enterprises, LLC

07/08/20 – JL/CW/Bid Recommendation – Walnut St Lower Roof Replacement

07/09/20 – TH/JC/Purchasing Approval – Juniper MX104 IP Aggregation Router

07/08/20 – BR/RB/Purchasing Approval – Overpressure Protection Relief Valve

07/10/20 – BR/WS/Purchasing Approval – Vehicle #11 Engine Replacement

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Wednesday, August 19, 2020 at 5:00 P.M.

Mr. Griffin recommended that the Commission enter into Executive Session to discuss personnel matters.

Chairman Hoey announced that the Commission would return to Regular Session.

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted, on a roll call vote, to enter into Executive Session.

Upon return from Executive Session, Chairman Hoey re-convened the Regular Session of the meeting at 7:02 P.M.

Commissioner Griffin recommended that the Commission consider an adjustment to the Manager's salary as it has been one year since the effective date of the his last adjustment and that his performance has exceeded expectations for the past year. He stated that all other Department employee salary adjustments were effective on or about April 1st. He further stated that the Department's wage consultant performed a salary market assessment and reports that the average salary employee wage adjustment in the market is approximately 3%, with high performers earning up to 5% wage increases. Commissioner Griffin then recommended that the Commission consider a 3% wage adjustment to the base salary and one-time performance recognition for the Manager based on his performance and the consultant market assessment. There was a brief discussion on the matter.

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to increase the Manager's salary by 3% effective the payroll period on or about April 1st and grant one-time 7% performance recognition for exceeding expectations.

ADJOURNMENT:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 7:05 PM.

HG&E Commission