

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
MAY 27, 2020

A meeting of the Holyoke Gas and Electric Department was held on May 27, 2020 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendent Beauregard; Acting Gas Superintendent Brian Roy; Brooke McMahan, 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:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes from April 29, 2020.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahan reviewed the draft March financial statements and reported that the audited 2019 financial statements are included in the meeting package. She stated that the audit went well and that Baker Tilly issued an unqualified audit opinion. There was a brief discussion on the matter.

Ms. McMahan then gave an update on potential budget impacts and cash flow due to the COVID-19 outbreak. 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 then reviewed the May rate comparisons and reported that the Department remains very competitive in all rate classes. Mr. Roy then gave an update on the Department's response to recommendations from the recent DPU audit of the LNG facility, and he noted that 78% of the recommendations have been closed out, and the remaining items are scheduled for completion by the end of the year. He then gave an update on the status of leak reductions and noted that proposals for non-pipeline solutions for capacity constraint relief are being reviewed by staff. He further noted that Distribution crews completed all required outside meter inspections and have removed 16% of the planned 1.1 miles of cast iron main pipe. He also reported that the Department received a third-party review of the Manufactured Gas Plant (MGP) remediation plan and discussed some recommendations from that report. He further reported that, due to the COVID-19 situation, all non-emergency work that requires access to a customer premise continues to be suspended until further notice, and that crews are only responding to emergency calls such as leak reports and no heat or no hot water calls. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Beauregard reviewed the May electric rate comparisons and reported that the Department remains competitive in all rate classes. He then reviewed the May mark-to-market report and noted that all transactions are within policy limits and that there are no red-flags outstanding with any counterparties. He then reported that the Department would be participating in MMWEC's summer peak load reduction program and would be renting two portable generators, similar to last year, to reduce the summer peak load in order to reduce transmission and capacity expenses. He also gave an update on the Citizens Energy Battery Storage project and a proposed 6.5 kW residential rooftop solar array on Fairfield Avenue. 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 crews have been working on the replacement of vacuum switches at the Holyoke Mall, and taking advantage of the temporary closing of the majority of the stores at the Mall to avoid scheduled outages at a later date. He also reported that crews completed planned maintenance on 12 instrument transformers at North Canal Substation and completed an infrared inspection of the entire transmission and distribution system. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Lavelle reported that hydro production is slightly ahead of plan year to date and that water flows have been favorable for the current month. He also reported that fish lifting operations are ongoing and that over 50,000 shad were lifted on Thursday, the highest daily count in over five years. He stated that 275,000 shad have been lifted to date this season. He further reported that contractors are slightly ahead of schedule on the Cobble Mountain governor replacement project, and that staff is reviewing a recent proposal from Voith for the overhaul of Hadley Falls Unit #2. 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 stated that staff continues to provide IT support for employees that are working remotely due to COVID-19, as well as supporting normal ongoing operations. He stated that all systems have operated nominally for both the commercial and enterprise networks. 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 further reported that, in order to continue to promote energy efficiency safely, the Department would be offering customers virtual energy audits that would not require an auditor to enter their home. She reported that the Departments Electric Vehicle incentive program website is near completion and she gave a demonstration of the draft website. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

AGENT AGREEMENT – HOLYOKE SOLAR COOPERATIVE: Mr. Lavelle reminded the Commissioners that they authorized the purchase of a new material handler vehicle (line truck) on November 19, 2019. He stated that given current cash flow concerns due to COVID-19, staff has reviewed various financing options for the vehicle and is recommending that the Commission approve an Agent Agreement with the Holyoke Solar Cooperative (HSC) whereby the HSC would obtain financing through PeoplesBank on behalf of the Department. He stated that this approach was cheaper than capital leases that were offered directly to the Department. Chairman Hoey asked if the purchase could be postponed due to the cash flow concerns. Mr. Lavelle stated that staff reviewed the postponement of the purchase and, based on planned capital projects and the need for the subject vehicle to complete those projects, it was determined that the vehicle purchase should be pursued. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the Agent Agreement substantially in the form presented by management.

BID AUTHORIZATIONS:

CANAL TRIMMING, BRUSH CUTTING & VEGETATION MANAGEMENT: Mr. Lavelle requested authorization to solicit bids for Canal Trimming, Brush Cutting and Vegetation Management for the annual maintenance requirements anticipated by the Department. 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:

TREE TRIMMING & VEGETATION MANAGEMENT ANNUAL CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Tree Trimming and Vegetation Management Annual Contract with All Reliable Services, Inc., on a month-to-month basis, for up to one year ending May 31, 2021. He stated that all terms and conditions would remain consistent with the terms of current contract and subject to a labor rate adjustment 14.3%. He noted that the proposed rates are consistent with the prevailing wages issued by MA- DLS on March 6, 2020. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the extension to the contract per the recommendation of management.

SPECIALTY CONSTRUCTION & FACILITIES MAINTENANCE ANNUAL CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Primary Specialty Construction and Facilities Maintenance Annual Contract with Garland Construction Corp., through June 30, 2021, with all terms, conditions and rates consistent with the existing contract. He further recommended that the Commission authorize a one year extension to the Secondary Specialty Construction and Facilities Maintenance Annual Contract with Gardner CIS, Inc., consistent with the existing terms and conditions and with labor rate increases ranging between 1% and 4%. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the extension to the contract per the recommendation of management.

LANDSCAPING SERVICES ANNUAL CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Landscaping Services Annual Contract with GTC Landscaping through June 30, 2021. He stated that all terms, conditions and rates would remain consistent with the terms of current contract. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the extension to the contract per the recommendation of management.

RE-CLOSURE WITH RE-CLOSURE CONTROLS: Mr. Lavelle requested authorization for the expenditure of up to \$31,651 for the purchase of a one site ready Eaton NOVA 15E re-closure and one ETN651R14 re-closure control for the current 17L2 upgrade project. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted award the contract per the recommendation of management.

COMMUNICATIONS:

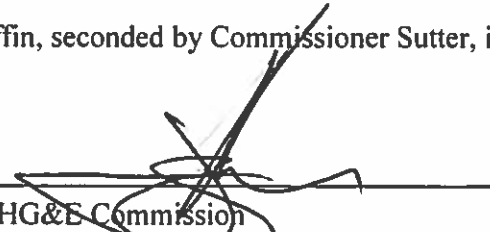
05/22/20 – Draft Commission Meeting Minutes from 04/29/20
03/30/20 – JL/DD/Financial Statements, Balance Sheet March 2020
05/27/20 – COMM/BM/Electric Bucket Truck/Material Handler
05/20/20 – PD/SR/Authorization to Bid – Canal Trimming, Brush Cutting & Vegetation Management
05/27/20 – COMM/BM/Purchase New Electric Bucket Truck/Material Handler
05/22/20 – JL/YD/Recommendation – Extension of Tree Trimming & Vegetation Management Annual Contract
05/19/20 – JL/YD/Recommendation – Extension of Specialty Construction & Facilities Maintenance Annual Contract
05/19/20 – JL/YD/Recommendation – Extension of Landscaping Services Annual Contract
05/19/20 – BB/CP/Purchasing Approval – Recloser with Recloser Control

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Wednesday, June, 17 2020 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 6:18 PM.


HG&E Commission