

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
MARCH 18, 2025

A meeting of the Holyoke Gas and Electric Department was held on March 18, 2025, at 5:04 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 Craven, Lisa Rogers, and Attorney John Ferriter.

CALL TO ORDER:

Chairman Hoey called the meeting to order at 5:04 P.M.

MINUTES:

On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the minutes from February 25, 2025.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reviewed the draft January 2025 financial statements. There was a brief discussion on the matter.

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 99% of winter ('24-'25) gas supply is locked in price and 13% of summer gas is also locked in price. He stated that current wholesale natural gas prices are approximately 38% higher than when the budget was set in October. He then reported that March unit sales are projected to be approximately 13% below plan due to a warmer than normal start to the month. He then reviewed the March natural gas rate comparisons, noting that the Department remains very competitive in all rate classes.

Mr. Roy gave a brief update on the LNG I&R project noting that a bid recommendation for the construction of the non-jurisdictional work, including the LNG vaporizer replacement, is later on the agenda. He stated that the current plan is to phase the work over both the 2025 and 2026 construction seasons to maintain system reliability. He then reported that distribution crews and planning to begin construction on Northampton Street, in the Bemis/Highlands section, in advance of the city's planned sewer separation work. He noted that there are currently no leaks on file, and he gave an 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 March electric rate comparisons and reported that the Department remains competitive in all rate classes compared to regional peers. He then reviewed the March 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 February peak occurred on February 18th, hour-ending 19, and that 4.365 MW were shed via Department load reducers. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Roy gave an update on maintenance and construction activities and noted that crews have begun prepping manholes along Sargeant Street for the 17L5 conductor replacement project and expect to complete the project by May 16th. He noted that 1184 of 2,400 (49%) planned AMI meter deployments have been completed to date and that the crews have removed the old poles and conductors along the railroad tracks due to completion of the 44P8 upgrades. HWP purchase. He also reported that staff recently attended an arc-flash seminar that was hosted by Westfield Gas & Electric.

Mr. Roy then reported that the City was notified by MassCEC that the city's application was selected for funding the cost to install on-street dual port level 2 EV chargers at three locations: 1) South Holyoke Homes (South East Street); 2) Race Street (adjacent to Cubit building); and 3) Pine Street (adjacent to YMCA). He stated that the grant would cover the cost of the chargers and any required infrastructure upgrades. He also reported that staff continues to work with City personnel on the design of the electrical upgrades for the city-owned flood stations (Stations 1-4) and noted that Convergent is planning to mobilize on March 24th to begin construction activities on the BESS at Cabot Street. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Roy noted that year-to-date hydro production continues to track approximately 20% below plan due to low water flows. He stated that the lower generation coupled with higher wholesale clearing prices for electricity are having a significant negative impact on budget. He did note that river flows have increased since the beginning of March. He then gave an update on Cobble Mountain Unit #3 rebuild activities and the City Unit #1 engineering status. He then gave an update on Cove Island property rental rates and reported that the spring canal outage is scheduled for March 25th through March 27th. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave an update on the status of sales activity and ongoing maintenance projects. There was a brief discussion on the matter.

CUSTOMER SERVICE

Ms. Rogers gave an update on NISC ERP system conversion and reported that federal fuel assistance funds for the current heating system have not been impacted by recent cuts and that as of March 1st, over \$340,000 in assistance has been received through the various fuel assistance agencies. There was a brief discussion on the matter.

MARKETING & COMMUNICATIONS

Ms. Sullivan gave an update on the various grant applications for FTTH and cybersecurity and gave an update on recent FTTH communications to the general public. She noted that the communications are intended to emphasize the fact that the Department is very interested in extending its fiberoptic network to all residents but, due to the difficult economics of a Holyoke project, grant support is required to protect customers from a large spike in utility rates should the project not succeed. She then gave an update on legislative activity related to Energy and Environmental Affairs (EEA) proposals to establish a Decarbonization Clearinghouse Program and a Large Building Energy Reporting Program, a Clean Heat Standard (CHS) and require all Municipal Light Plants (MLP's) to meet California emissions standards by January 1, 2025.

OLD BUSINESS: None

NEW BUSINESS:

SPONSORSHIP REQUEST – PROVIDENCE MINISTRIES: Mr. Lavelle reported that the Department received a sponsorship request from Providence Ministries in the amount of \$2,500 to support a community gala celebrating the 45th anniversary of Kate’s Kitchen. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the sponsorship per the recommendation of management.

COMMERCIAL ENERGY ASSISTANCE REQUEST – PROVIDENCE PLACE: Mr. Lavelle reported that the Department received a Commercial Energy Assistance Request from Providence Place in the amount of \$100,000 for the installation of energy efficient cooling towers to replace the existing system that is very inefficient and beyond its useful life. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the assistance per the recommendation of management.

BID AUTHORIZATIONS:

1894 TRANSMISSION LINE REBUILD: Mr. Lavelle requested authorization to solicit bids for a construction contractor to rebuild the 1894 Transmission Line that runs between Holyoke and North Canal Substations. He noted that the existing line was built around 1965 and is at the end of its useful life. He stated that construction is expected to begin in the fourth quarter of 2025 and that the project is PTF reimbursable. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the bid per the recommendation of management.

RUBBER BLADDER REPLACEMENT: Mr. Lavelle requested authorization to solicit bids for the fabrication and installation of replacement rubber bladders for the Hadley Falls Dam. He stated that existing bladders have been in service for almost twenty-five (25) years and recent inspections have shown that the bladders are nearing the end of their useful life. In addition, the manufacturer originally stated that the bladder life expectancy was twenty-five (25) years and now states that the life expectancy of the bladders is twenty (20) years. He stated that the plan is to solicit bids during the spring of 2025 with installation planned for low-flow periods during 2026 and 2027. He stated that the project is included in the five-year capital plan. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the bid per the recommendation of management.

BIDS RECEIVED:

FENCE MAINTENANCE, REPAIRS & INSTALLATIONS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the annual contract for Fence Maintenance, Repairs and Installations to Brodeur-Campbell Fence Co., Inc., the low bidder, meeting all requirements of the solicitation. Commissioner Marrero disclosed that he recently contracted Brodeur-Campbell for personal services and abstained from deliberations. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-0 to award the contract per the recommendation of management. Commissioner Marrero abstained from the vote.

LNG VAPORIZER REPLACEMENT: Mr. Lavelle recommended that the Commission award the contract for LNG Vaporizer Replacement to RH White, the low bidder meeting all requirements of the solicitation. He further recommended that the contract be contingently awarded subject to the satisfactory submittal of additionally requested project plan details from RH White. Commissioner Hoey disclosed that RH White is a client of his employer and abstained from deliberations. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was voted 2-0 to award the contract per the recommendation of management. Commissioner Hoey abstained from the vote.

FY2022 NGDISM GRANT PHASE 1 MAIN MATERIALS: Mr. Lavelle recommended that the Commission award the contracts for FY2022 NGDISM Grant Phase 1 Main Materials to the low bidder meeting all requirements for each item as detailed in the March 13, 2025, Bid Recommendation from Bill Sullivan, Sr. Gas Engineer. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to award the contracts per the recommendation of management.

GATEHOUSE EMERGENCY GENERATOR: Mr. Lavelle recommended that the Commission award the contract for the Gatehouse Emergency Generator to Kinsley Power Systems, the low and only bidder meeting all requirements of the solicitation. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to award the contract per the recommendation of management.

GAS LEAK SURVEYS ANNUAL CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one-year extension to the annual contract for Gas Leak Surveys with Omark Consultants, Inc., with all terms, conditions, and rates consistent with the existing contract. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the contract extension per the recommendation of management.

VEHICLE #73 REPLACEMENT: Mr. Lavelle recommended that the Commission award the contract for Vehicle #73 replacement to Marcotte Ford through the State contract #VEH110. He noted that the existing vehicle is a 2012 F-250 Pick-up truck that is at the end of its useful life and reasonable repair. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to award the bid per the recommendation of management.

COMMUNICATIONS:

03/13/25 – Draft Commission Meeting Minutes from 02/25/25

02/11/25 – JL/DD/Financial Statements, Balance Sheet & Summary Report – January 2025

03/10/25 – KC/MC/Sponsorship Request – Providence Ministries

03/11/25 – JL/MC/CEAP – Providence Place

02/24/25 – SR/SD/Authorization to Bid: Construction Contractor for 1894 Line Rebuild

02/27/25 – SR/RM/Authorization to Bid: Fabrication & Installation for Rubber Bladders Replacement

03/12/25 – JL/CW/Bid Recommendation – Fence Maintenance, Repairs & Installations Annual Contract

03/17/25 – JL/BR/Bid Recommendation – HG&E LNG Vaporizer Replacement

03/13/25 – CW/WS/Bid Recommendation – Construction Materials for FY22 NGDISM Grant-Phase 1

03/14/25 – JL/CW/Bid Recommendation – Gatehouse Emergency Generator

02/27/25 – JL/CW/Extension Recommendation – Gas Leak Surveys

03/13/25 – SR/KT/Purchasing Approval: Truck #73 Replacement

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, April 15th at 5:00 P.M.

Chairman Hoey recommended that the Commission enter Executive Session to discuss strategy with respect to executive compensation.

Chairman Hoey stated that the Commission would enter Executive Session and return to Regular Session.

On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted, on a roll-call vote, to enter Executive Session at 6:02 P.M.

Chairman Hoey reconvened the Regular Session at 6:33 P.M.

Commissioner Hoey asked Ms. McMahon what guidance was used for annual compensation adjustments for staff. Ms. McMahon stated that, based on recommendations from the Department's wage consultant, the overall salary/merit increase budget for 2024 is 4%, with individual adjustments based on actual 2024 performance according to the following: Below Expectations 0%-2%; Meets Expectation 3%-4.2%; and Exceeds Expectation 5%-6%. Commissioner Sutter made a motion that the Commission consider an adjustment to the Manager's base salary of 5.5% and a one-time performance recognition payment of 10% based on his performance. Commissioner Marrero seconded the motion. After a brief discussion on the matter, the Commission unanimously approved the motion. Mr. Lavelle thanked the Commission and acknowledged the efforts of the entire HG&E staff for the overall performance of the organization.

ADJOURNMENT:

On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted, on a roll-call vote, to enter Executive Session at 6:41 P.M.

HG&E Commission