

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS VIRTUAL MEETING
FEBRUARY 25, 2021 AT 6:00 P.M.**

Present for the Board: Chair Gregory Dubreuil, Vice-Chair John Hine, Anne Awad, Peter McAvoy, Kurt Schenker (arrived 6:07)

Present for SHELD: General Manager Sean Fitzgerald, Financial Manager Michael Conchieri, Administrative Assistant Kim Mendoza, Sr. Engineer Mark Gilmore, Marketing & Customer Service Manager Kelly Frazier

Guests: SHELD Attorney Ben Coyle

The virtual meeting was called to order at 6:00 P.M. by Chair Dubreuil.

Minutes Approval:

1/28/2021 Open Session

Mr. Hine moved to approve the minutes of the Board of Commissioners virtual meeting of January 28, 2021 and it was seconded by Ms. Awad. McAvoy made a statement that he objected to the content of the minutes as he stated in an email earlier to the Board.

A vote was taken to approve the minutes of the Municipal Light Board virtual open session of January 28, 2021. Mr. Dubreuil, Mr. Hine, and Ms. Awad voted in favor; Mr. McAvoy opposed.

Manager's Report:

Outages:

There were no outages in the last month.

Fibersonic Update:

SHELD is approaching a major milestone of connecting 1,000 Customers. There are 830 connected customers with 100's in the queue. Currently, 3,000 customers have expressed interest. We appreciate our customers patience as we continue to construct and connect customers. SHELD crews and staff have done a remarkable job in the first 1.7 years by exceeding the planned schedule, and customer sales targets, while maintaining our electric business.

Mr. McAvoy asked what is being done to accelerate the project now that the Board voted to approve financing the project. Mr. Fitzgerald stated the plan was approved as a 5-year plan. We have recently gone out to bid for vendors to help in the construction in hopes of getting more competitive bids. The project is currently ahead of schedule. Mr. McAvoy asked Mr. Conchieri for a second time if he had ever heard of construction costs being reduced on projects. Mr. Fitzgerald stated that he thought there was a misunderstanding between Mr. McAvoy and Management on the underground construction. He said that originally SHELD received a quote

on construction from only one vendor. With the project out to bid we are hoping to get multiple bids with lower costs. SHELd also purchased its own trencher so that our crews could do more of the construction work and that would also save money. We believe there will be a reduction of the per foot costs to construct underground areas going forward.

Mr. McAvoy stated that SHELd is obligated to provide services to all and it should not be based on profit. Mr. Dubreuil and Mr. Hine agreed that the project is designed for everyone in South Hadley who wants fiber, to have fiber, excluding the MDUs (multi dwelling units which are a separate case) over a 5-year period while not undermining the financial plan. This is the plan that management is executing which was approved by the Board. Any deviation would require a vote of the Board to change it.

Ms. Awad stated that the DPU requires equal access to all ratepayers for electric and she was not sure if there was also language for fiber. This may need to be reviewed by legal.

Mr. McAvoy spoke up to ask why SHELd is paying for Ben Coyle to attend meetings; was it to keep him from saying the things he wanted to say. He also stated that instead of SHELd using ratepayer money to pay for Mr. Coyle to attend meetings that the money should be spent on fiber installation. He felt that he should be able to get Fibersonic now and that it was unfair to choose to delay installing fiber in his neighborhood just because it was more difficult and costly to construct. Mr. Hine addressed Mr. McAvoy's questions and stated that Mr. Coyle was there because Mr. McAvoy's behavior had become aggressive and abusive towards some SHELd staff and Board. Mr. Hine stated that if Mr. McAvoy were upset about SHELd spending money on legal counsel then he should look at the way he is communicating with the SHELd staff and other Board members. Mr. McAvoy defended his use of a stern voice in looking for openness and transparency from SHELd. Mr. Dubreuil warned that if the meeting continued in this fashion that he will call for a motion to adjourn the meeting at that point and continue with the additional agenda items in March.

COVID-19 Update:

There have been no changes to the way SHELd is operating at this time.

Public Comment:

Chair Dubreuil apologized for going out of order of the agenda. He asked if there were any public comments. Mr. Joel Patruno introduced himself and stated that he was running for the Board. After a brief discussion Mr. Dubreuil stated that the board meeting is not an appropriate platform for campaigning. Ms. Awad asked Mr. Patruno to reach out to Board members individually for information on the role of the Board. Mr. Schenker asked if there was any information Mr. Patruno had related to the meeting or agenda. Mr. Patruno said no and that he would contact board members as suggested.

November 2020 Financials:

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the financials for the month ending November 30, 2020.

Kilowatt hour sales for 2020 were down by 1% from 2019, or 1,129,000 kilowatt hours. Year-to-date operating revenues were up by 2% from 2019, or about \$303,000. The \$303,000 increase consisted of a decrease of \$137,000 in volume and an increase of \$439,000 in selling price. We had budgeted for a \$725,000 revenue increase; the actual was a \$423,000 decrease.

The 2020 kilowatt hour purchases were down by 2% from 2019, or 2,547,000. The 2020 cost of power sold was down by about 9% from 2019, or \$756,000. The \$756,000 consisted of a decrease of \$213,000 in kilowatt hour purchase volume and a decrease of \$543,000 due to a lower purchase price. We had budgeted for a cost decrease of \$240,000; the actual was a \$516,000 decrease.

There was an increase in revenue and a decrease in the cost of power; therefore, the net revenue of \$5,026,000 was up from 2019 by about \$1,294,000. There was an actual to budget decrease in revenue was more than the actual to budget decrease in cost of power; therefore, the actual net revenue was down from the budgeted amount by \$33,000.

All other 2020 operating expenses of \$5,306,000 on a combined basis, were up from 2019 by about \$735,000 and up from the budgeted amount by \$210,000.

November 2020 ended with a net YTD gain of about \$89,000, compared to the 2019 net YTD loss of \$30,000 and was less than the budgeted amount of a \$284,000 profit.

Mr. McAvoy had questions on the operating expenses, salary and wages and pensions and benefits that Mr. Conchieri answered for him and it was stated by Mr. Conchieri and Mr. Dubreuil that we are underbudget and have not done anything that was not already approved by the Board.

SHELD Power Supply:

Mr. Fitzgerald presented slides showing an overview of SHELD's power supply. The first slide showed the composition of South Hadley's power supply as 77% from nuclear, 7% from New York Power Authority hydro assets, 1% solar, and the remaining 15% from power purchased in wholesale market. The majority of our generation composition is carbon free and the nuclear debt service paid in full.

The next slides highlighted SHELD's over supply conditions which shows that SHELD is oversupplied in the shoulder months of April, May, September and October and during some hours overnight. The other slides showed the on peak supply and demand forecast and clean energy standard comparison which shows that South Hadley is exceeding the State's clean energy standard with 90% of our electric sales carbon emissions free. The solar slide showed the SHELD has over 1 megawatt of solar, with a dramatic increase in solar generation once the Mt. Holyoke College array went on line in 2018. We are the top one for two in the State for lowest carbon emissions.

Mr. Dubreuil suggested that we should look at a comparison with the investor-owned utilities (IOUs) because they cannot compare to SHELD and they are the ones who should be addressing

this issue. A discussion followed regarding the make-up of the other 15% of SHELD's energy supply. Mr. McAvoy asked pointed questions on the exact makeup, wanting exact percentages of each type of power source. Mr. Fitzgerald explained that MMWEC handles purchasing the hedge power for SHELD along with doing risk evaluations on the sources available to protect the municipalities. Mr. Fitzgerald stated that the regional composition is 31% Nuclear, 43% gas and fossil fuel and 16% renewables.

Mr. McAvoy stated to Mr. Fitzgerald that Mr. Fitzgerald was promoting and reenforcing nuclear power and asked Mr. Fitzgerald if that was a fair statement. Mr. Fitzgerald said it was not a fair statement and that he was not promoting nuclear, that he was communicating SHELD's energy portfolio positions that he manages. Mr. Fitzgerald stated that decisions on these assets was made long ago. Then Mr. McAvoy began questioning Mr. Fitzgerald on very specific aspects on the life of the two nuclear plants. Mr. Fitzgerald replied that the units have original licenses to operate for 40 years with life extensions of 20 years up to 2045 and 2050. Mr. McAvoy re-stated he is not a proponent of nuclear and does not want to see them extended beyond their designed life. Mr. McAvoy also wanted to know if they were going to discuss the email from Ferriter, Scobbo & Rodophele, Attorneys at Law regarding the nuclear contracts. Mr. Fitzgerald said he had included the email for informational purposes to address questions and comments Mr. McAvoy made at the last meeting regarding why SHELD cannot just walk away from the nuclear contracts.

Mr. McAvoy then stated that the attorney expenses for a legal opinion, on something he himself had stated at the last meeting, was an atrocious use of taxpayer money. Mr. Dubreuil reminded Mr. McAvoy that it would take an action by the board to attempt to change anything already in place. The conversation escalated as Mr. McAvoy continued to complain about the expenses being incurred for the two lawyers which he felt are unnecessary. Mr. McAvoy continued to express his very strong feelings and would not entertain Mr. Dubreuil's request to act in a respectful manner. Chairman Dubreuil stated that we all know your position and that Mr. McAvoy was doing nothing to advance his cause by bullying people. Chairman Dubreuil found it necessary to call for a motion to adjourn the meeting.

Adjourn:

On a motion by Mr. Hine and seconded by Ms. Awad the meeting was adjourned.

The open session ended at 6:55 P.M.


Anne Awad, Clerk

Approved: March 25, 2021

EXHIBIT A

List of Documents reviewed at the February 25, 2021 Municipal Light Board Meeting

1. Draft Open Session Minutes of the MLB January 28, 2021 meeting
2. November 2020 Financial Statement
3. SHELD Power Supply Slides
4. Legal Opinion from Ferriter, Scobbo & Rodophele, Attorneys at Law