

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS' VIRTUAL MEETING
MAY 25, 2023, AT 6:00 P.M.**

Present for the Board: Chairman John Hine, Vice Chair Denise Presley, Paul Dobosh,
Ron Coutu (arrived 6:10) Absent: Kurt Schenker

Present for SHELD: General Manager Sean Fitzgerald, Financial Manager Michael Conchieri,
Administrative Assistant Kim Mendoza, Engineer Matt DelMonte

The virtual meeting was called to order at 6:00P.M. by Chairman Hine.

Minutes Approval:

04/27/2023 Open Session:

On a motion by Mr. Dobosh and seconded by Ms. Presley, it was unanimously

VOTED: To approve minutes of April 27, 2023, by a roll call vote: Ms. Presley-aye, Mr. Dobosh-aye, Mr. Hine-aye.

Public Comment:

There were none.

Manager's Report:

Outages:

There were two outages this past month, one on April 29th on Newton Street when a car hit a pole and damaged a transformer. The pole and transformer were replaced, impacting 8 customers for 3 hours and 45 minutes. The second outage occurred when a tree fell and damaged a pole and wires on Old Lyman Road. This tripped the circuit on Pittroff Ave impacting 589 customers. All except 121 customers had power back on within an hour. Their restoration time was 8 hours, after the outage was isolated, the pole was replaced, and conductors were repaired with the crews working overnight.

Fiber Update:

Fiberspring now has 1905 South Hadley customers. Mr. Fitzgerald listed the construction status of several streets. Several fiberhoods will be released for connection in July. He also listed the order of construction on the remaining fiberhoods through 2024 with the project still on schedule to be completed next year.

MMWEC Leadership Award:

SHELD received the 2023 Francis H King Award for its commitment to providing progressive public power services, cutting edge fiber development, MMWEC risk oversight and commitment to the ideals of public power. Mr. Fitzgerald congratulated the Board for its commitment to public power and their governance over SHELD.

March 2023 Financials:

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the financials for the month ending March 31, 2023.

Kilowatt hour sales of 28,471,000 for 2023 were down by 2.6 % from 2022 or 762,000 kilowatt hours. Year-to-date operating revenues of \$4,753,000 were up from 2022 by 23.95% or about \$919,000, consisting of a decrease of \$100,000 in volume and an increase of \$1,018,000 in selling price. This is a result of adjustments to cover the losses from 2022 and was from the increase in price. The adjusters have since come down 3-4 cents. We had budgeted for a \$235,000 revenue increase; the actual was a \$684,000 increase.

The 2023 kilowatt hour purchases of 28,024,000 were down by 4.85% from 2022, or 1.4 million. The 2023 cost of power sold of \$2,527,000 was down by 5.9% from 2022, or \$161,000, consisting of a decrease of \$130,000 in kilowatt hour purchase volume, and a decrease of \$31,000 in purchase price. We had budgeted for a cost decrease of \$153,000; the actual was a \$8,000 decrease.

The increase in revenue was more than the increase in the cost of power; therefore, the net revenue of \$3,054,000 was up from 2022 by \$1.4 million. The actual net revenue was up from the budgeted amount by \$766,000.

All other 2023 operating expenses of \$2,168,000 on a combined basis, were up from 2022 by about \$629,000 and up from the budgeted amount by \$93,000. March 2023 ended with a net YTD gain of about \$1,059,000, compared to the 2022 net loss of \$422,000 and was up from the budgeted amount of a \$298,000 profit.

Old Lyman Road for Battery Storage:

Mr. Fitzgerald stated that as discussed in last month's meeting, SHELD has an opportunity to construct a 3 to 5 MW battery storage project in South Hadley through the MMWEC battery storage program. There is a potential second potential location for a battery storage project on Old Lyman Road. SHELD's engineer Matt DelMonte provided details on the property for discussion.

SHELD owns an 8.5acre parcel with access from 64 Old Lyman Rd and 89 Lyman Terrace with another 2 acres to the north of area shown on map. There is already a 75' easement for Eversource transmission lines on the property. There is close access to the three-phase distribution line on Old Lyman Road and it is level. There are some wetlands that would need delineation. There could be about a 300' buffer to surrounding homes at this site. The units would have a slatted fence and tree plantings around it leaving a pleasant site to surrounding homes. There would be little traffic in and out once it was built. Besides a wetland delineation, we would need approval from the Conservation and Planning Boards to move forward. Delorean, who will install the battery storage unit and SHELD staff, prefer this site to the Granby Road site. SHELD management is looking for approval from the Board to investigate this site for battery storage.

Ms. Presley motioned, and Mr. Coutu seconded, it was unanimously VOTED: That the Board approves SHELD management to pursue this site for the battery storage project, by roll call vote: Mr. Dobosh, Mr. Coutu-aye, Ms. Presley-aye, Mr. Hine-aye.

Old Business:

There was none.

New Business:

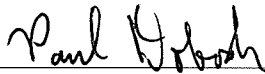
Ms. Presley inquired about the progress of the Titans Pier river crossing project. Mr. Fitzgerald stated that the new poles were up, and the electric and fiber wires were strung across the river successfully. The next step was to tie in both ends to the distribution systems to energize it for electric and fiber redundancy with Holyoke HG&E.

Adjourn to Executive Session:

Mr. Hine stated that the Board was going to adjourn to executive session pursuant to M.G.L. c. 164, § 47D, is for purposes of discussing trade secrets, confidential, competitively sensitive, or other propriety information pertaining to fiber projects.

On a motion by Mr. Coutu, seconded by Mr. Dobosh the meeting was unanimously VOTED: to move to executive session and not return to open session by roll call vote: Ms. Presley-aye, Mr. Dobosh-aye, Mr. Coutu-aye, Mr. Hine-aye.

The open session ended at 6:42 P.M.



Paul Dobosh, Light Board Clerk

Approved: June 22, 2023

EXHIBIT A

List of Documents reviewed at the May 25, 2023, Municipal Light Board Meeting

1. Draft Open Session Minutes April 27, 2023
2. March 2023 Management Financial Report
3. Old Lyman Road Property Site PowerPoint