

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS VIRTUAL MEETING
JUNE 25, 2020 AT 6:00 P.M.**

Present for the Board: Gregory Dubreuil, John Hine, Anne Awad, Peter McAvoy, Kurt Schenker arrived 6:05

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

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

Minutes Approval:

5/27/2020 Open Session

On a motion made by Mr. Hine and seconded by Ms. Awad, it was unanimously

VOTED: To approve the minutes of the Electric Light Department Board of Commissioners meeting of May 27, 2020.

5/27/2020 Executive Session

On a motion made by Mr. Hine and seconded by Ms. Awad, it was unanimously

VOTED: To approve the minutes of the Board of Commissioners Executive Session of May 27, 2020 and not to release.

Public Comment:

There were none.

Manager's Report:

Outages:

SHELD had four outages, impacting 90 customers, with durations of under one hour. There were also five other instantaneous operations which caused an electrical flicker for residential customers or caused some business systems to shut off for an instant. The outages were due to animal contact, mostly squirrels.

SHELD had several calls about the flickers. In response to the questions, we did a Facebook post explaining why this occurred recently. It stated that the flickers were probably caused by a squirrel contacting a high voltage conductor causing a short circuit. Half of all squirrel outages occur in the months of May, June, and July, and more than 75% of those events occur between 5:30 AM and 10:00 AM. Most customers only experience a brief 1 second outage. SHELD's efforts to reduce squirrel events include clearing vegetation near power lines, covering up connections, and recently, using non-lethal ZAP shields on transformers that are prone to squirrel outages.

Fibersonic Update:

We have resumed in-home installations with COVID protocols for safety. Installations have ramped up in recent weeks. Symptom screen questionnaires are being done daily with our installers, customer symptom questionnaires are required for installers to enter the home and our installers will wear PPE. Construction of the fiber plant is ongoing, and progress is being made. There will be more fiberhoods ready for installations starting in July. Interest level has exceeded 2400 customers with almost 350 customers installed to date and there are more in the queue.

COVID-19 Update:

SHELD is still operating with one restriction, which is that our in-person customer service office remains closed to the public. We are continuing in this mode until further notice. We have been able to service our customers' needs successfully and do not anticipate any disruption to service. We are following the Town's lead, as well as other munis in our area. Employees have been told that if they can't social distance, they must wear masks. There is sanitizer and disinfectant in all the trucks.

Mr. McAvoy asked if there is any resistance to wearing masks and social distancing? Mr. Fitzgerald stated that the crews have been reminded that if they are not up in a bucket and they are standing closer than six feet to each other, that they need to wear their masks. They are getting better at remembering to put them on in those circumstances.

Mr. Dubreuil asked about the technical side of remote work. Mr. Fitzgerald said that Paul Byrne, SHELD's IT Manager, has done an excellent job making sure that everyone is set up for remote work. We are servicing our customers' needs seamlessly and conducting virtual Manager meetings. Things are going smoothly.

April 2020 Financials:

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

Kilowatt hour sales for 2020 of 37,054,000 were down by 4% from 2019, or 1,633,000 kilowatt hours. Year-to-date operating revenues of \$4,749,000 were down by 4% from 2019, or about \$181,000. The \$181,000 decrease consisted of \$208,000 in lower volume offset by \$27,000 in a higher selling price. We had budgeted for a \$44,000 revenue decrease; the actual was a \$137,000 decrease.

The 2020 kilowatt hour purchases of 35,956,000 were down by 6% from 2019, or 2,339,000. The 2020 cost of power sold at \$2,790,000 was down by about 16% from 2019, or \$527,000. We are benefiting from the market right now which has caused the cost of power to plummet. The \$527,000 decrease consisted of \$202,000 attributable to a lower kilowatt hour purchase volume, and \$324,000 due to a lower purchase price. We had budgeted for a cost decrease of \$327,000; the actual was a decrease of \$199,000.

The decrease in revenue was less than the decrease in cost of power; therefore, the net revenue of \$2,080,000 was up from 2019 by about \$415,000.

The actual to budget decrease in revenue was less than the actual to budget decrease in cost of power; therefore, the actual net revenue was up from the budgeted amount by \$25,000.

All other 2020 operating expenses of \$1,902,000 on a combined basis, were up from 2019 by about \$318,000 and up from the budgeted amount by \$49,000.

The 2020 operating income of \$178,000 was up from 2019 by \$97,000 and up from the budgeted by \$135,000. The 2020 non-operating income was an expense of \$55,000, was down from 2019 by \$392,000 and down from the budgeted amount by \$171,000 due to interest and earnings on investments.

April 2020 ended with a net YTD profit of about \$123,000, which was less than the 2019 net YTD profit of \$419,000 and was lower than the budgeted amount of a \$160,000 profit.

Mr. Dubreuil commented that Mr. Conchieri had done a great job budgeting for the year, the actual numbers were very close to budget. There was a brief discussion on rising pension costs.

IBEW 455 Contract Extension Vote:

Mr. Fitzgerald stated that Management is proposing the Board vote to approve the extension of the existing IBEW/SHELD contract for 1 year, as presented to the Board during their May meeting. The current contract expires on July 1, 2020 and SHELD was supposed to renegotiate a new three-year contract but, due to the virus impacts we believe next year would be a more appropriate time to negotiate the contract. We are hoping that the economy improves by then. Mr. Schenker agreed that it is hard to negotiate a contract this year during COVID stating that the fire department rolled their contract also.

On a motion made by Ms. Awad and seconded by Mr. McAvoy, it was unanimously
VOTED: To extend the IBEW 455 contract, expiring July 1, 2020, for one year with an increase at the same rate as the last year of the current contract.

Solar Vote:

Mr. Fitzgerald stated that last year the Board approved SHELD to participate in a State solar rebate program offered to Municipal Light Plant (MLP) customers. The rebate costs are split between the State and the MLP. Customers can receive a rebate of \$1.20 per watt, up to 10 kilowatts, for their solar installs. SHELD customers maximized the rebate funds previously available and the funds were all spent. Currently there are three customers in the queue who would benefit from additional funding approval. The additional eligible State amount is \$25,000 and SHELD would need to match that amount making a total amount of \$50,000 available.

SHELD management is recommending that the Board approve the expenditure of the \$25,000, as part of our strategic initiatives, which would enhance the quality of life in our community and

help reduce our carbon footprint. We are not near the cap, of 2% of our peak, which was set previously.

Mr. Dubreuil asked how many installations the \$50,000 would fund for rebates. Mr. Fitzgerald estimated it could give 5-6 customers a rebate. Mr. Dubreuil and Mr. McAvoy commented that this was the right thing to do for South Hadley and climate impact.

On a motion made by Mr. Hine and seconded by Mr. McAvoy, it was unanimously
VOTED: To allocate \$25,000 to match the State contribution in the solar energy rebate program.

Old Business:

There was none.

New Business:

There was none.

Adjourn:

On a motion by Mr. Hine and seconded by Ms. Awad it was unanimously
VOTED: To adjourn

The open session ended at 6:29 P.M.



Anne Awad, Clerk

Approved: July 23, 2020

EXHIBIT A

List of Documents reviewed at the June 25, 2020 Municipal Light Board Meeting

1. Draft Open Session Minutes of the MLB May 27, 2020 meeting
2. Draft Executive Session Minutes of the MLB May 27, 2020 meeting
3. Management Financial Report April 30, 2020 and 2019