

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS MEETING
SELECTBOARD MEETING ROOM, TOWN HALL
JULY 25, 2019 AT 6:00 P.M.**

Present for the Board: Gregory Dubreuil, Peter McAvoy, Anne Awad, John Hine

Absent: Kurt Schenker

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

The meeting was called to order at 6:03 P.M. by Chair Gregory Dubreuil.

Minutes Approval:

6/27/2019 Open Session

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

VOTED: To approve the minutes of the June 27, 2019.

6/27/2019 Executive Session

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

VOTED: To accept the minutes of the executive session of June 27, 2019 but not to release.

Public Comment:

There were no public comments.

Manager's Report:

Outages:

Mr. Fitzgerald stated that there were four outages in the last month impacting 717 customers. Three out of the four outages were minor. The more significant outage occurred on Lyman Street affecting 702 customers. The cause was a late night motor vehicle accident that broke a pole. The crews had to take power out to replace the pole safely. Power was restored in 39 minutes. The crews did a great job.

Mr. Dubreuil stated that he was one of the customers who lost power and he was amazed at how quickly the power was restored, especially after calling and finding out it was caused by a motor vehicle accident. Mr. Fitzgerald commented that it was due to the fact that the crews live locally; they arrive quickly and restore power quickly, even overnight.

Fibersonic Update:

Mr. Fitzgerald updated the Board on the fiber progress. A major milestone has been reached with 31 residential gig speed internet installs to be completed by July 31. There are 25 more installs on the schedule for August right now. Construction in the third fiberhood, Hollywood, is nearing completion and connections will begin in September. At the August Board meeting, Mr. Fitzgerald is anticipating being able to release information on the next 4 fiberhoods to be constructed.

Mr. Fitzgerald continued by commenting that feedback, from the customers who have had installations, has been extremely positive. Each customer receives an electronic feedback form to fill out after installation is completed. Fibersonic has been receiving high marks from its customers.

July 4th Fireworks:

SHELD/Fibersonic was a sponsor of the Town fireworks held on July 3rd and promoted the new Fibersonic brand. SHELD had a tent and our team handed out fans, glow stick bracelets and t-shirts, which were a big hit. We answered questions from customers who were interested in Fibersonic. Feedback from customers was very supportive. We also had customers from neighboring communities asking if they could get the gig speed internet service. It was an extremely warm night and the staff did an outstanding job at the event. Thank you to the team who worked the event, they did a great job representing SHELD and Fibersonic.

Chevy Bolt EV Discount:

SHELD is happy to report an increased discount offer for the Chevy Bolt. The discount has been increased from the previous amount of \$7,000 to \$10,000. Detailed information can be found on SHELD's website, under the Renewables menu bar. It's a great offer for anyone interested in purchasing an electric vehicle.

Renewable Legislative Article:

At last month's Board meeting, Mr. Fitzgerald presented information on House Bill 2863. Mass live wrote an article on the information presented at the meeting. The article highlights SHELD's, and Holyoke Gas & Electric's, efforts to advocate for the bill. Mr. Fitzgerald stated that he would give more detail in the next topic on the agenda: the Fuel Mix and Greenhouse Gas Emissions report.

Fuel Mix and Greenhouse Gas Emissions of MLPs in Mass:

Mr. Fitzgerald stated that a recent study was released on "Fuel Mix and Greenhouse Gas Emissions of Municipal Electric Light Plants in Massachusetts". The study is a critical look at the facts for MLP's fuel mix and greenhouse gas emissions which was written by Paul Hibbard, a former chairman of the Massachusetts Department of Public Utilities.

The study documents how municipal light plants, like SHELD, have been leading the way in fulfilling the Commonwealth's goals of 80 percent reduction in carbon emissions by 2050.

Mr. Fitzgerald stated some highlights of the report:

- 94 percent of municipal utilities', owned and operated or contracted, power generation supply comes from non-emitting sources like hydro, nuclear, solar, and wind, compared to just 57 percent of the overall New England power generation mix.
- Massachusetts municipal utilities get 75 percent of their customers' electricity from non-emitting generation on the wholesale market, compared to just 47 percent for Massachusetts overall.
- Massachusetts' investor-owned utilities source just 15.7 percent of their total power from renewable generation, versus 34.9 percent for MLPs, which is more than twice as much as IOUs.
- Massachusetts' municipal utilities continue to beat the state's electricity cost average by 42 percent.

There was opposition to the bill, stating "facts" about MLPs which were not accurate, so an analysis group was hired to state the correct facts. The report has been published in multiple news sources.

Mr. Dubreuil commented that it was previously stated that if the bill fails to pass, and if nuclear is not recognized as a class I renewable source of electricity, then South Hadley's rates could potentially double. Mr. Dubreuil asked everyone to think about what that really means. It would affect all ratepayers including families, businesses, the Town buildings, and the schools. It would probably drive property values down and change South Hadley's future.

Mr. Dubreuil said he was surprised to see that 63 percent of the carbon free electricity generated in the US comes from nuclear. The only way to replace that 63 percent would be by using fossil fuel. If all other non-carbon emitting sources only cover the remaining 37 percent, it would be environmentally devastating to lose nuclear power in this country. If people are concerned about the environment, greenhouse gases, and reducing carbon, people need to embrace nuclear. He encourages everyone to reach out to Senator Comerford, who has not yet supported this bill, and support H.2863. We need to look at what would happen to this community and the cost of power. Other states (NJ, CT, NY, and IL) already offer tax credits recognizing nuclear as a class I renewable. Massachusetts should do the same.

Mr. Hine stated that he does not feel that there is any one source of energy that doesn't have a negative side to it. There isn't one magic solution to the issue but reducing consumption plays an important part. Through energy conservation, cleaner transportation modes, and net zero building construction we can reduce energy usage which would go a long way to helping the environment.

Ms. Awad asked if Paul Hibbard is working with an entity when he wrote the report. Mr. Fitzgerald said that he no longer works for the Mass DPU. He has a company called The Analysis Group Inc. MEAM hired him, because of his extensive knowledge after working for the DPU for many years, to state the facts regarding MLPs fuel mix and greenhouse gas emissions. He is very knowledgeable in Massachusetts and his facts can be proven.

Ms. Awad continued by saying that, while she cannot say she "embraces" nuclear, she recognizes the reality that it is part of our energy source. When she first joined the Board, she felt we were too heavy on nuclear but that has slowly changed over the past few years. There are still issues with nuclear but if there are incentives to balance the pie chart by looking for other sources of energy, it's healthier for the environment in the long run. The change can continue to take place over time. She agrees with Mr. Hine that we all need to do our part by looking into efficiency measures as a municipality and ratepayers.

M. McAvoy added that he feels solar, wind and hydro are far better than nuclear energy but we already have the nuclear contracts. In 2055, when the nuclear contracts end, he would not encourage MLPs to stick with nuclear. He would push for solar, wind and hydro but he feels that we should not be penalized now for having made that decision years ago. Nuclear may not be the best thing but it's also not the worst.

Mr. Fitzgerald commented that the Board raised many good points. SHELD is using a temporary generator, which has been running during peak hours, to test out the savings that could be generated by reducing our peak load. This is a good introduction to looking into battery storage, which is a start into finding more alternative energy sources. SHELD has become more involved with the MLP solar program, and the electric vehicle charging, to round out the pie chart. The nuclear contracts were made 30 years ago and it's not feasible to just walk away. Our emissions are some of the lowest in the State. The bill states that nuclear and hydro should be recognized as non-emitting resources.

H.2863 Resolution Support:

Mr. Fitzgerald stated that the previous discussion has led to the resolution that was sent to the Board and asking them to officially support the H.2863 bill by taking an official vote.

Mr. Dubreuil asked if everyone had an opportunity to read the resolution. On page 2 there is specific language relative to the vote, which needs to be read. Mr. Hine read the following:

BE IT RESOLVED, that South Hadley Electric Light Department supports and promotes the energy and environmental policies and objectives of the Commonwealth of Massachusetts,

consistent with a not-for-profit MLP business model that is driven by local control and direct customer involvement in decision making; and

BE IT FURTHER RESOLVED, that South Hadley Electric Light Department is embracing greener and cleaner energy policies and objectives, without mandate to do so, reflecting a dynamic and progressive approach to the environmental, policy and other issues facing electric utilities today.

BE IT FURTHER RESOLVED, that South Hadley Electric Light Department supports H.2863 and urges state legislators to vote in favor of this legislation.

On a motion made by Mr. Hine and seconded by Mr. McAvoy, it was unanimously
VOTED: To approve the resolution.

Sale of Old Lyman Road:

The sale of three parcels of SHELD land was final, effective July 5, 2019. The closing was fully executed and SHELD has received payment in the amount of \$165K for the three parcels.

Auditor RFP:

SHELD's three year Independent Audit Services engagement with Baker Tilly Virchow has ended effective this year. Management would like to open the discussion to the Board regarding independent audit services going forward. The last RFP was conducted in 2015 for a three year term starting in 2016. Mr. Fitzgerald was looking for direction from the Board as how to proceed for the next year.

Mr. Dubreuil did not think it was a bad idea to issue a RPF, however, it may not be a positive thing to change audit firms every three years either. The practice of issuing a RFP is acceptable, although we do not need to do it, and under professional services we are not required to take the lowest bid.

Ms. Awad felt that it was a good practice to RFP for an auditor, every once in a while, to take a fresh look at things but not after only three years. It feels like we have just started this process and it seems like it has been a helpful relationship working with Baker Tilly. It is not legally required, so maybe in three years we could revisit a RFP.

Mr. Hine asked if we did not go out for a RPF, would we be renewing for three years. Mr. Dubreuil said it could be for whatever term the Board chooses. Mr. Hine said we wouldn't lose anything by going out for a RFP, and because we don't need to take the lowest bid for professional services, we could choose any auditor we wanted. It may be worthwhile to bring in some new proposals.

Mr. Dubreuil asked Mr. Fitzgerald what he thought Mr. Conchieri, who was not at the meeting, would have to say about a RFP. Mr. Fitzgerald said that he felt that Mr. Conchieri might say that one advantage of a RFP is that we could possibly find a local company, that could perform the audit at the same level of service, and it could cost less. Mr. Fitzgerald said he feels the Board needs to weigh in, and make the decision, because the audit is a report on management and their financial performance.

Mr. McAvoy said that because we don't need to pick the lowest bid, we should put out a RFP instead of just paying the next bill Baker Tilly would send us. We can send them the RFP, along with everyone else. We may find a local firm who can handle a MLP but we won't know that without extending a RFP. There is no downside to putting out a RFP.

On a motion made by Mr. Hine and seconded by Mr. McAvoy, it was unanimously
VOTED: To initiate a RFP process for auditing services for the next fiscal year.

Ms. Awad asked if there was an audit committee. After a discussion, the Board decided that Mr. Dubreuil and Ms. Awad would be the audit committee members.

New Business:

NEPPA is holding its annual conference on August 18th through the 21st in New Hampshire at Mt. Washington. Mr. Fitzgerald said he has been asked to sit on a panel for a round table on fiber to help inform any MLPs who are trying to decide if they should get into the fiber business. Please let Kim Mendoza know if you are interested and she will coordinate attendance.

Adjourn:

On a motion by Mr. Hine and seconded by Mr. McAvoy, it was
VOTED: to adjourn

The open session ended at 6:37 P.M.



Anne Awad, Clerk

Approved: August 22, 2019

EXHIBIT A

List of Documents reviewed at the July 25, 2019 Municipal Light Board Meeting

1. Draft Open Session Minutes of the MLB June 27, 2019 meeting
2. Draft Executive Session Minutes of the MLB June 27, 2019 meeting
3. Outages 7/22/2019 – YTD
4. Chevy Bolt EV Discount Flyer
5. Masslive/Sunday Republican Article July 14, 2019
6. Analysis Group Report – Fuel Mix and Greenhouse Gas Emissions of MLPs in Mass
7. Resolution in Support of H.2863