

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS MEETING
SELECTBOARD MEETING ROOM, TOWN HALL
JANUARY 23, 2020 AT 5:30 P.M.**

Present for the Board: Gregory Dubreuil, John Hine, Anne Awad, Peter McAvoy, Kurt Schenker
Present for SHELD: General Manager Sean Fitzgerald

The meeting was called to order at 5:30 P.M. by Chair Dubreuil.
Mr. Hine moved, and Ms. Awad seconded the motion, to go into Executive Session for the purposes of discussing contract negotiations with nonunion personnel and discussing competitive negotiations regarding real estate, as discussing in open session may have a detrimental effect on SHELD's negotiating position, and to return to Open Session at approximately 6:00 PM.

The Open Session reconvened at 6:04 P.M.
Also present for SHELD: Administrative Assistant Kim Mendoza, Financial Manager Michael Conchieri
Guests: Master Plan Implementation Committee Chair, Judith Gooch Dobosh and Margaret Jodoin

Minutes Approval:

12/5/2019 Open Session

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

VOTED: To approve the minutes of the December 5, 2019 meeting of the Municipal Light Board.

Master Plan - Redevelopment Authority:

Mr. Dubreuil introduced Ms. Judith Gooch Dobosh, Chair of the Master Plan Implementation Committee, who reviewed the Master Plan background and explained the process underway to update the 2010 Master Plan. She explained that there is a Master Plan Advisory Committee and an Open Space and Recreation Plan Advisory Committee, but the Master Plan Implementation Committee is a separate committee that overlaps the other two committees. Previously, Boards and Committees felt that they were not included in the planning phase of the Master Plan. The Implementation Committee wants to include input from as many people, Boards, and Committees as possible in the update to the Master Plan. The Committee has been gathering information from groups at various meetings in town since last year. A consultant has been aggregating the information into action items, or the things that need to be done. The Committee is now asking Boards to make suggestions on what they think they are currently doing and what they would like to be doing to get to their goals, and what resources are needed to accomplish those things.

Another factor that has been added is accountability, through an impact evaluation. It will not only ask if people are doing what they said they would do, but also what kind of impact is it having and is it making a difference in the lives of people in town.

Many of the tasks that were developed in the 2010 plan involved several Boards/Committees but there was no one in charge of organizing the groups. This time, there will be a lead agent who will be responsible for convening those groups that have a part in each project.

Ms. Gooch Dobosh went on to say that the Implementation Committee needs to have all the Board questionnaires returned to them by the end of January so that the consultant can put the information into a draft and send it back to the Master Plan Update Advisory Committee. The Advisory Committee will edit it and then it will be available for public comment before going to the Planning Board, before it can go to Town meeting. If Town meeting endorses it, then the Planning Board can adopt it as the Town plan.

After a short Board discussion on the process they should use to fill out the questionnaire, they decided to hold another meeting to aggregate their responses into one document. The Light Board scheduled another meeting for Wednesday, January 29, 2020 at 6:00 PM at SHELD for that purpose.

Public Comment:

Mr. John Howard asked if there was news from the State on future solar incentives. Mr. Fitzgerald said that the State has approved a second round of solar incentives, but we are still waiting to hear from the State on when the funds will become available.

Manager's Report:

Outages:

Mr. Fitzgerald reviewed the outages for the last month. There were three minor outages that impacted 37 customers for less than one hour and all three were due to squirrel contact.

Fibersonic Update:

Mr. Fitzgerald updated the Board on the fiber progress. He said that Fibersonic had reached a milestone with over 2000 customers showing interest and over 220 connections in under twelve months. Construction of the first fiberhood was completed, and customers started being connected, in July 2019. Mr. Fitzgerald thanked the staff at SHELD who made this happen.

Mr. Fitzgerald gave a construction update on Central Offices at the Plains and Stonybrook locations. The site plan approvals were granted by the Planning Board last week, the construction can now begin.

Fibersonic held a Streaming 101 workshop at the public library on January 8. It was well attended by approximately 70 people who received streaming solutions and construction updates. There are more events planned for 2020. Watch for notifications posted on Facebook, and via email to customers who have shown interest.

Digger Derrick Truck Bid:

The Board had previously approved a 5-year truck replacement plan and also approved the purchase of this truck in the 2020 budget. SHELD received four bids for the Cab and Chassis and management recommends the lowest bidder, Advantage Truck Group, at \$72,686. Two bids were received for the Body & Digger Derrick, with James A Kiley as the lowest bidder, at \$177,999. The total cost of the complete truck is \$208,181. Although another Board vote is not required, management wanted to update the Board before starting the purchase process because of the dollar amount of the truck.

October 2019 Financials:

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the Financials for the month ending October 31, 2019.

Kilowatt hour sales for 2019 of 93,072,000 were down by 6% from 2018, or 5,572,000 kilowatt hours. Year-to-date operating revenues of \$11,519,000 were down by 6% from 2018, or about \$799,000. The \$799,000 decrease consisted of a \$696,000 lower volume plus a \$103,000 attributable to a lower selling price. We had budgeted for a \$362,000 revenue increase; the actual was a \$1,162,000 decrease.

The 2019 kilowatt hour purchases of 94,292,000 were down by 6% from 2018, or 5,232,000. The 2019 cost of power sold at \$7,967,000 was down by about 10% from 2018, or \$894,000. The \$894,000 decrease consisted of \$466,000, attributable to a lower kilowatt hour purchase volume, and \$430,000 due to a lower purchase price. We had budgeted for a cost decrease of \$572,000; the actual was a \$324,000 decrease.

The decrease in revenue was less than the decrease in cost of power; therefore, the net revenue of \$3,552,000 was up from 2018 by about \$96,000. The actual to budget decrease in revenue was greater than the actual to budget decrease in cost of power; therefore, the actual net revenue was down from the budgeted amount by \$838,000.

All other 2019 operating expenses of \$4,166,000 on a combined basis, were up from 2018 by about \$423,000 and up from the budgeted amount by \$174,000. Salary and wage expenses in 2019 showed an increase of \$124,000 from 2018 and a decrease from the budgeted amount of \$8,000. Pensions and benefits were up by \$11,000 from 2018 and up from the budgeted amount by \$85,000. 2019 supplies and expenses showed an increase of \$276,000 from 2018 and were up from the budgeted amount by \$80,000.

October 2019 ended with a net YTD profit of about \$125,000, which was better than the 2018 net YTD loss of \$80,000 but was short of the budgeted amount of \$677,000.

Mr. Dubreuil asked if the 2019 budget took into account the new rate structure with the stabilization fund. Mr. Conchieri confirmed that it did.

Mr. Dubreuil asked the Board to vote to accept the October financials.

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

VOTED: To accept the financials as read.

Light Up Navajo:

Mr. Fitzgerald stated that initially he was going to present information on Light Up Navajo, a humanitarian project through Northeast Public Power Association (NEPPA). NEPPA has asked for volunteers to go to the Navajo Nations in New Mexico, Arizona and Texas, where approximately 15,000 families live life without electricity. Last year NEPPA sent crews from various MLPs to set poles and hang wires to deliver electricity to Navajo Nation families who have never had power.

There were nineteen MLPs planning to send crews this year but one MLP asked their retirement commission whether their employee would be covered if they were killed or injured while out there. The legal opinion was that they are not covered, so most of the MLPs have backed out of the project as of today. It is not known if this can be resolved before crews are scheduled to go this spring.

After giving more details about the project to the Board, Mr. Fitzgerald stated that he had planned to ask the Board for approval to send two SHELd employees but has decided that he cannot send anyone if they could possibly lose their retirement. Mr. Fitzgerald asked the Board if they would support SHELd sending a 2-man crew for 2 weeks, as part of a developmental program, if the retirement issue could be resolved by getting a different legal opinion.

Ms. Awad stated that she had been at a presentation on the project at a NEPPA conference where others, who had gone last year, spoke about how inspiring and life changing it was to participate. They learned technical skills and felt good about the contributions they made to these families who have never had electricity.

Mr. Dubreuil also supported the project and said he didn't think the Board needed to take a vote because it was within the Manager's ability to make this decision.

Manager's Contract:

Mr. Dubreuil stated that the third amendment to the Manager's contract was circulated to the Board for review. In summary, the Manager would receive a 4% increase plus a \$10,000 bonus, \$5000 from the electrical funds and \$5000 from fiber funds.

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

VOTED: To approve the third amendment to the Manager's employment contract.

Mr. Hine said the Board feels that Sean has done a fantastic job. The growth of the fiber optic business warrants that Sean is compensated appropriately. Mr. Dubreuil agreed, listing several of the aspects that were taken into consideration in the manager's evaluation in December.

Ms. Awad said that the research that Mr. Hine and Mr. Dubreuil did, on manager's compensations, showed that it was in line with similarly sized munis in the industry.

Old Business:

There was no old business.


New Business:

Mr. Fitzgerald stated that SHELd is going to march in the Holyoke St. Patrick's Day parade to promote Fibersonic. It's an opportunity to draw awareness to the brand. He invited the Board to march with Fibersonic on March 22.

Adjourn:

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

The open session ended at 6:41 P.M.


Anne Awad, Clerk

Approved: February 27, 2020

EXHIBIT A

List of Documents reviewed at the January 23, 2020 Municipal Light Board Meeting

1. Draft Open Session Minutes of the MLB December 05, 2019 Meeting
2. 2019 Master Plan Update
3. 2020 Truck Cab and Chassis Recap
4. Management Report October 31, 2019 and 2018