

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT  
BOARD OF COMMISSIONERS' VIRTUAL MEETING  
JANUARY 26, 2023, AT 6:00 P.M.**

Present for the Board: Chairman John Hine, Vice Chair Denise Presley, Gregory Dubreuil, Paul Dobosh, Kurt Schenker

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

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

**Minutes Approval:**

12/8/2022 Open Session:

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

VOTED: To approve the minutes of the open session meeting of December 8, 2022, by a roll call vote: Mr. Dubreuil-aye, Ms. Presley-aye, Mr. Schenker-aye, Mr. Dobosh-aye, Mr. Hine-aye.

12/8/2022 Executive Session:

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

VOTED: To approve, but not release, the minutes of the executive session meeting of December 8, 2022, by a roll call vote: Mr. Schenker-aye, Mr. Dobosh-aye, Ms. Presley-aye, Mr. Dubreuil-aye, Mr. Hine-aye.

12/20/2022 Executive Session:

Chairman Hine asked to table the motion to approve the 12/20/2022 executive session minutes because of concerns of the level of detail in the minutes which were significantly different than in the past and he wanted to give the Board a chance to discuss in an executive session.

Mr. Dubreuil stated that, as secretary, he had written the minutes and thought there was the correct amount of detail to accurately reflect the commissioners' positions.

Ms. Presley said she reviewed last years' executive minutes on the manager's contract, which did not have the same level of detail and reviewed the executive session guidelines which do not require a detailed transcript. Ms. Presley agreed with Mr. Hine that minutes should be a summary and not a transcript, especially when it comes to personnel matters. Mr. Dobosh agreed with Ms. Presley. Mr. Hine asked for a motion to table the approval of the minutes.

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

VOTED: To table the approval of the executive session minutes of the December 20, 2022, by a 3 to 1 roll call vote: Ms. Presley-aye, Mr. Dubreuil-no, Mr. Dobosh-aye, Mr. Hine-aye.

Mr. Schenker abstained as he was not at that meeting.

**Public Comment:**

There were none.

**Manager's Report:****Outages:**

We had two minor outages from animal contact and one larger outage impacting 197 customers for 3 hours when a truck pulled telephone wires which snapped a pole on Paul St. This required a forced outage to ensure safety while replacing the pole and restoring utilities.

The town of Shutesbury was hit hard by a storm this week and had two dozen home fiber services which needed to be reconnected. Service was restored within a 24-hour period. He commended the telecom crews who worked through the night during challenging weather.

**Pathway to Net Zero:**

The Board was sent a copy of South Hadley's Pathway to Net Zero developed by MMWEC and provides a summary of our efforts to achieve net zero emissions and the programs we offer. The report is also on our website.

Board members asked Mr. Fitzgerald several questions on reports stating that electric use could possibly double or triple over the next 20-30 years and South Hadley's system readiness for that increase. Mr. Fitzgerald stated that electrification was going to happen over time, but our substation is overbuilt and can handle a substantial increase before we would need to upgrade, in possibly 10 years.

Mr. Fitzgerald said he was going to present a possible battery storage project to the Board next month and will be looking for renewable sources of energy going forward. He also said that by the end of the year we would be putting out a RFP for the data management system for the new AMI meters, which would help customers be able to track their usage. It could cost about \$1,000,000.

**Fiber:**

We have 1730 internet customers and 300 phone customers in South Hadley. With the addition of the completed conversions of Shutesbury and Leverett, we now have 3,200 total internet customers. The weather has been mild, so construction is continuing in South Hadley.

**October 2022 Financials:**

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the financials for the month ending October 31, 2022.

Kilowatt hour sales of 95,460,000 for 2022 were up by 2.39 % from 2021 or 2,227,000 kilowatt hours. Year-to-date operating revenues of \$12,352,000 were up from 2021 by 3.7% or about \$444,000, consisting of an increase of \$284,000 in sales and an increase of \$160,000 in selling price. We had budgeted for a \$151,000 revenue increase; the actual was a \$293,000 increase. The 2022 kilowatt hour purchases of 95,931,000 were up by 1.7% from 2021, or \$1.6 million. The 2022 cost of power sold of \$9,038,000 was up by about 15.8% from 2021, or \$1,233,000,

consisting of an increase of \$139,000 in kilowatt hour purchase volume, and an increase of \$1,094,000 in purchase price. We had budgeted for a cost decrease of \$1,027,000; the actual was a \$2.2 million increase.

The increase in revenue was less than the increase in the cost of power; therefore, the net revenue of \$4,745,000 was down from 2021 by \$237,000. The actual net revenue was down from the budgeted amount by \$1,587,000.

All other 2022 operating expenses of \$5,725,000 on a combined basis, were up from 2021 by about \$56,000 and down from the budgeted amount by \$214,000. October 2022 ended with a net YTD loss of about \$2,125,000, compared to the 2021 net loss of \$552,000 and was down from the budgeted amount of a \$621,000 profit.

Mr. Conchieri commented that in October we have reduced our operating losses by \$500,000, when the rate adjusters kicked in, and reduced our investment losses by \$125,000. He also believed we are on track to eliminate the operating loss by the end of 2022.

**Customer Satisfaction Survey:**

Mr. Fitzgerald stated that at the December meeting, management provided a draft of the 2023 Customer Satisfaction Survey and the Board provided feedback on the survey questions. A final draft version with those changes was sent to the Board for approval. This second Customer Satisfaction Survey is planned to be distributed within the next two billing cycles by mail and email. Mr. Hine asked for a motion to approve the survey.

On a motion by Mr. Dobosh and seconded by Mr. Schenker it was unanimously VOTED: To approve the Customer Satisfaction Survey are displayed, by a roll call vote: Ms. Presley-aye, Mr. Dubreuil-aye, Mr. Schenker-aye, Mr. Dobosh-aye, Mr. Hine-aye.

**Strategic Plan Refresh:**

Mr. Fitzgerald sent the Board a copy of updates to refresh the strategic plan and was requesting approval of changes to be incorporated into the plan. Most of the changes were to the core values and strategic initiatives which were not included in the original strategic plan. Action items were being added to the plan.

Mr. Hine was concerned that the goals had not changed. Mr. Fitzgerald assured him there were new goals he would incorporate into the plan, and he would present the updated plan to the Board next month. He asked Mr. Hine to send the updated goals to the Board before the next meeting.

Mr. Dubreuil wanted to see Diversity, Equity and Inclusion added to the Workforce initiative as a focus. Mr. Fitzgerald said he would add it to the Strategic Plan. He said that perhaps we need to bring in an expert to help in this area or maybe look at hiring interns to grow into a position, as Ms. Presley suggested.

**General Manager's Contract:**

Mr. Hine stated that they were ready to vote on the 6<sup>th</sup> Amendment to the General Manager's Contract and he was looking for a motion.

There was a motion by Ms. Presley, seconded by Mr. Dobosh, to approve the 6<sup>th</sup> amendment to the General Manger's Contract as distributed. Mr. Hine asked if there was any discussion.

Mr. Dubreuil stated that although he feels that Mr. Fitzgerald has done a remarkable job, he doesn't agree with the compensation package.

Mr. Hine said that the growth of fiber outside of South Hadley was not anticipated and has unlimited potential. He believes that kind of performance should be rewarded. SHELD is quickly becoming a telecommunication company that sells electric because of Mr. Fitzgerald, and he feels it's justified. Mr. Dobosh said he agreed with Mr. Hine.

Ms. Presley stated that in reviewing information on the 40 State municipal light plants, 18 of them have an assistant GM and several other positions under the GM, that SHELD does not have to help the GM with the workload and expansion of fiber, therefore she supports the compensation package. Mr. Schenker agreed with Mr. Dubreuil.

Mr. Hine called for a roll call vote:

Mr. Dobosh-aye, Mr. Schenker-no, Ms. Presley-aye, Mr. Dubreuil-no, Mr. Hine-aye. The vote passed 3-2.

**Old Business:**

There was none.

**New Business:**

Mr. Hine said that Mr. Dubreuil was resigning from the Board and a new secretary was needed.

Mr. Dobosh was willing to take on the role. Mr. Hine called for a roll call vote:

Mr. Schenker-aye, Ms. Presley-aye, Mr. Dubreuil-aye, Mr. Dobosh-aye, Mr. Hine-aye.

**Adjourn:**

On a motion by Mr. Dobosh and seconded by Mr. Schenker, the meeting was unanimously VOTED: to adjourn, by a roll call vote: Mr. Dubreuil-aye, Ms. Presley-aye, Mr. Schenker-aye, Mr. Dobosh-aye, Mr. Hine-aye.

The open session ended at 6:53 P.M.



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Paul Dobosh, Light Board Secretary

Approved: February 23, 2023

## EXHIBIT A

List of Documents reviewed at the January 23, 2023, Municipal Light Board Meeting

1. Draft Open Session Minutes December 8, 2022
2. Draft Executive Session Minutes December 8, 2022
3. Draft Executive Session Minutes December 20, 2022
4. 2022 Pathway to Net Zero
5. Management Report Financial Statement October 31, 2022
6. Customer Satisfaction Survey Questions