

Electric Light Department

Town of South Hadley

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SOUTH HADLEY ELECTRIC LIGHT BOARD MEETING OCTOBER 27, 2016 AT 6:00 P.M.

Present for Board: Anne Awad, John Hine, Gregory Dubreuil, Vernon Blodgett (arrived 6:06), Kurt Schenker (arrived 6:06)

Present for Staff: Paul Byrne – Interim Co-Manager, Edward Morrin - Interim Co-Manager (arrived 6:05), Michael Conchieri

Ms. Awad convened the Open meeting at 6:03 PM.

Public Comment:

Mr. Johnston inquired as to whether the Board received his October 1st letter regarding charitable contributions. Ms. Awad said it was on the agenda and would be discussed.

Update on Manager Search:

Ms. Awad moved up the Manager Search update, to the first topic, to give Mr. Blodgett and Mr. Schenker a few more minutes to arrive. There were 21 very good resumes submitted by interested candidates. The Board appointed two Board members and two SHELLED staff members – Paul Byrne, Interim Co-Manager and Mark Gilmore, Sr. Engineer, and recommended reaching out to Chicopee Electric Light Department and asking Manager Jeff Cady, to participate in the initial interviews. Ms. Awad was not able to connect with Mr. Cady before working with the Search Consultant to reduce the pool to semi-finalists. Mr. Cady will take part in the final process. The search committee interviewed the six semifinalists this week, all of whom would be a good General Manager. The committee will further reduce the list to 2-3 finalists and report to the Board within a week. The finalists will become public at that time and will move forward and spend a day meeting with the SHELLED staff and touring the facilities. There will then be a public reception just prior to the full Board interviewing the final candidates. The Board is optimistic that it will have a new Manager in place by January.

Renewable Energy Trust:

It has been a struggle to get the word out to people regarding this state program. We have held several informational sessions during the public Board meeting and encouraged press coverage. An insert was sent with the October bills. Ms. Awad received 22 calls – three quarters of the calls were positive and one quarter was negative. People against it felt it was a tax, something we would lose control of and that the State would take over our electric company. The positive felt it was a reasonable cost and supports alternative energy.

Mr. Schenker did hear from some people, most of whom were against it, not wanting to pay for the small percentage of people who may use it.

Ms. Awad commented that in interviewing the Manager candidates – there were six different models represented on how to do renewable energy and RET is just one. They are doing other things. Several are doing a mil on the kilowatt hour to create a pot of money they directly manage themselves for projects. It is reasonable that we postpone a firm commitment until the Manager is hired and the Board gets to discuss it with the new Manager.

Mr. Hine indicated the Town Council has to determine whether the Selectboard will need to approve joining the RET. The Selectboard may be required to vote on it and also may need to support it.

Mr. Blodgett said the interviews were very helpful in hearing how many of the Public Utilities are coming up with alternative ways to foster renewable energy use. The interviews showed there is more that we don't know and can learn. He also heard from a few people with concerns regarding RET and Town bylaws and what would happen once the ability for more solar development exists. There are some things to think through and how the bylaws and ordinances may relate to renewables. Renewables are desirable but we need more answers before taking action.

Ms. Awad is in favor of joining RET because of its benefits. It's more than someone paying for others' solar panels; it becomes an economic development driver for the Town. She noted that taking a vote tonight would be premature, and this may be frustrating to people, but we will be in a better position to vote once we have a new Manager and received a response from Attorney Ryan.

Ms. Awad asked what others thought about going to the Selectboard.

Mr. Schenker, Mr. Hine and Mr. Dubreuil agreed it was a good idea to wait until the new manager is hired to make any decisions but in the meantime to monitor any proposed changes to the Renewable Energy Program, any zoning by-law changes and work on any approvals that would be required so that the Board would be ready, when the time comes, to move forward.

Mr. Hine mentioned that the Town has put out a RFP for solar developments at 3 locations and the Board needs to be ready to address any proposals that come forward.

Community Services/Charitable Giving:

The Board received a request for support for lighting for the Holiday Stroll from the South Hadley & Granby Chamber of Commerce. Ms. Awad indicated that previously the Manager had made decisions regarding charitable giving without involving the Board. Last year the Board tried to create a community service fund and a process but found out that they are not legally allowed to support any charitable requests. There is a letter from Welch & Barba, Attorneys who specialize in Municipal Electric law that refers to both the Department of Revenue and the Department of Public Utilities not allowing the expenditure from the sale of electricity to be used for anything other than producing the electricity. There are limited ways, such as creating a marketing line in the budget, for a Municipal Light Department to be able to support community activities. Ms. Awad indicated it needs to be done very carefully to comply with regulations. We need to be sure we are not doing anything wrong as we are still under review with the Inspector General and the State Ethics Commission.

Mr. Johnston asked several questions and brought forth several scenarios that would allow SHELD to support the Town Holiday Stroll event.

Mr. Hine noted that giving cash is out of the question and would want to see a legal opinion on what can and cannot be done.

Mr. Morrin gave some history that SHELD has never put up the lights on the Common. The Village Commons hired a contractor to do it. SHELD put up the connections for the lights to plug into, and recently 2 trees were taken down and the connections now need to be fixed. Mr. Johnston asked if the connections could be fixed and while the bucket truck was up there, if SHELD could tie ribbons on the lamp posts too. Mr. Morrin said that could be done, noting that it was like the flags that SHELD puts up.

After more discussion, Mr. Hine asked what the request would be from Mr. Johnston. Mr. Johnston asked if SHELD could not charge for electricity for the entire Holiday season for the Common. Mr. Hine would not accept the proposal to not charge for electricity for the entire Holiday season but would accept the proposal, if appropriate, for SHELD to not charge for electricity for the time of the Holiday Stroll only. Ms. Awad will ask for a legal opinion.

Financial Report-year to date

Mr. Dubreuil spoke to the fact that he and Mr. Blodgett have been working with Mr. Conchieri on the Financial Report for a long time. Mr. Conchieri has been working on updating the report so that it would best serve the Board, and different types of ratepayers, and could be posted on the website.

Mr. Dubreuil described the information on each page of the report and what it represents. Mr. Conchieri has put the budget together without a Manager's input by looking back to the past. Going forward, with a Manager, Mr. Dubreuil hopes the budget will have goals and objectives. The final pages are graphs included for those who would prefer that format, instead of figures. In summary, if we look at YTD – there are variances in the different classes but we are essentially close to breaking even, comparing 2015 to 2016.

Mr. Dubreuil pointed out that there are 2 outstanding items that can affect where we are at the end of the year. First, the liability for compensated absences, sick and vacation time, is still being carried from where it was in the past. A letter from the Inspector General (IG) suggests looking at the policy going forward. The entire liability is still being carried. Then the balances could be adjusted.

Ms. Awad mentioned that the former Manager interpreted the policy as allowing non-union staff members to carry over everything and it kept accumulating. The IG says that the policy clearly states that Staff can carry over only half of their annual allotment and it is to be used in that year. It does not continue to carry over indefinitely. It was not a problem with union members, and affected only 4 staff members. It became a compliance issue. The fiscal year is ending December 31 and the language needs to be looked at soon. There is a need for a couple of Board members to look at the SHELD policy and the Town's policy and report back at the November meeting. The auditors will be looking at this year and we want to have complied.

Mr. Hine and Mr. Schenker will review the policies and report next month.

Mr. Dubreuil brought up the second item of concern on the Financial Report. The balance sheet is showing Capital Assets listing Construction-in-Progress for the Axia project costs-to-date and the new building project costs-to-date and some of those costs may no longer be of value. If the projects are not going anywhere, the costs need to be written off. The account needs to be reviewed to see what is still of value.

Ms. Awad indicated this report was very helpful and wanted to know if this could be done monthly. Mr. Conchieri said it could go out with the agenda for the monthly meetings.

Truck bids, upcoming annual solicitations:

Ms. Awad inquired if the handout on the truck replacements was informational only. Mr. Morrin indicated it was a 5 year plan recommendation for replacing the older trucks. There was a gap when no new trucks were purchased and now there are some older trucks. We would like to replace them at shorter intervals.

Mr. Dubreuil asked if there were any safety issues in waiting to replace them and Mr. Morrin indicated that the older ones were not used daily. They were used occasionally if there was a need for extra trucks for emergencies. They were still being maintained there are not any safety issues in still using them.

Ms. Awad asked about the Annual Materials Bids. Ms. Mendoza indicated the Annual Bid opening was set for November 22 and that the Legal Notice will be in the paper Tuesday. The Bid Invitations were going out in the next day or two.

Future meeting dates:

November meeting will have final and public interviews for Manager Candidates. Ms. Awad will check with the Search Consultant to see if Wednesday November 16 at 6 PM or Wednesday November 30 at 6 PM would work. There will be limited "other" business conducted that night. Mr. Hine would like Board members to be able to meet with each candidate, individually, the day they are in town for the day of their interviews.

December meeting will be Thursday December 15 at 6:30 PM.

January through June meetings will be the 4th Thursday of each month at 6:30 PM.

Other timely items that come to the attention of the Chair after posting meeting:

There were none.

Minutes Approvals:

August 25, 2016 - Executive Session. Mr. Hine moved to approve the minutes and not release them and Mr. Dubreuil seconded. The vote was unanimous.

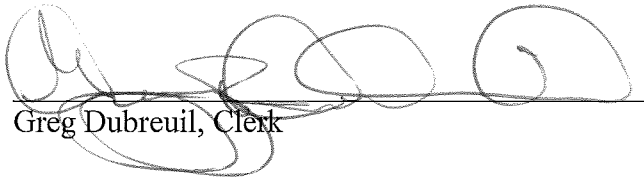
September 22, 2016 - Open Session. Mr. Hine moved and Mr. Blodgett seconded the motion to approve the minutes. The vote was unanimous.

October 12, 2016 - Open Session. Mr. Hine moved to approve the minutes and Mr. Dubreuil seconded. The vote was unanimous.

Ms. Awad asked for a motion to adjourn.

Adjourn:

Mr. Dubreuil moved and Mr. Hine seconded a motion to adjourn. The vote was unanimous.
Meeting adjourned at 7:37 P.M.



Greg Dubreuil, Clerk

Approved: December 7, 2016