

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS' VIRTUAL MEETING
NOVEMBER 30, 2023, AT 5:15 P.M.**

Present for the Board: Chair John Hine, Vice Chair Denise Presley, Paul Dobosh, Ron Coutu, Kurt Schenker (arrived 5:18)

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

Additionally, for SHELD at 6:00PM: IT Generalist David Sullivan, IT & Business Systems Manager Paul Byrne, Engineer Matt DelMonte

The virtual meeting was called to order at 5:15 P.M. by Chair Hine who stated the Board would move to Executive Session pursuant to M.G.L. c. 164, § 47D, for the purpose of contract negotiations with nonunion personnel, the General Manager, and return to Open Session at approximately 6:00PM

On a motion by Mr. Coutu and seconded by Mr. Dobosh, it was VOTED: To move to executive session for the reasons stated by the Chair and return to open session at 6:00 PM, by a roll call vote: Ms. Presley-aye, Mr. Coutu-aye, Mr. Dobosh-aye, Mr. Hine-aye.

The Board returned to open session at 6:00 PM.

Minutes Approval:

10/26/2023 Open Session:

On a motion by Mr. Coutu and seconded by Mr. Dobosh, it was VOTED: To approve minutes of October 26, 2023, open session, by a roll call vote: Ms. Presley-aye, Mr. Schenker-aye, Mr. Dobosh-aye, Mr. Coutu-aye, Mr. Hine-aye.

10/26/2023 Executive Session:

On a motion by Mr. Dobosh and seconded by Mr. Schenker, it was VOTED: To approve and to release the executive session minutes of October 26, 2023, by a roll call vote: Mr. Schenker-aye, Mr. Dobosh-aye, Ms. Presley-aye, Mr. Hine-aye. Mr. Coutu abstained.

Public Comment:

There were none.

Manager's Report:

Disaster Recovery and Cyber Security Update: As part of SHELD's strategic initiative of reliability, SHELD executed a disaster recovery test of the Meridian system. Paul

Bryne, SHELD's IT and Systems Manager, provided an overview of the recent testing. Mr. Byrne gave background information on the system and reviewed the steps taken on November 16, 2023, for the verification process, not only to validate the integrity of the backups, but also to ensure that business can continue with minimal interruption in service. One test was on the remote system, which was restored, then accounts and transactions were verified. The second part of testing was on the live system, to be sure SHELD has the ability to process daily tasks in the event of a disaster. Data was verified and it was concluded that the system was fully restored with up-to-the-minute information, as well as the ability to access data for continuation of daily work. We also verified the ability to process daily tasks as part of the business continuity process. Customer service reps can work, with their laptops, from anywhere there is an internet connection, and are able to answer phone calls with an app on their laptops by logging onto the remote server. Board members asked questions about the onsite and offsite backup servers.

Meter Data Management System for the AMI Meters: SHELD Engineer Matt DelMonte had reviewed the features and costs of multiple MDMs, evaluating our needs, and the capabilities within the existing billing/AMI meter solutions of Meridian, who manages our billing system, and our Landis and Gyr meters. After reviewing all the information, SHELD Management recommends that we use Meridian's existing MDM and Smart Application solution. This solution costs significantly less than others and is under the requirement for RFP bidding. It does not require a Board vote. Meridian already has a proven track record of seamless integration and working with our Landis and Gyr AMI meter data files and has been SHELD's billing solution for a decade.

Board members asked questions. Mr. Hine asked about a timeline for the services to be available. Mr. Fitzgerald and Mr. DelMonte indicated that they would want to wait for all the AMI meters to be installed before setting up a MDM next year. Approximately 2/3 of the new meters are installed currently.

Mr. Hine stated that this is a management decision. Sean keeps the Board informed, but he and his team will make the final decision.

Food Pantry: SHELD employees collectively donated an oversized box of food and other items to the Neighbors Helping Neighbors Food Pantry for the Thanksgiving holiday!

Thank You Letter:

The Board received a thank you letter for SHELD's sponsorship of the Music and Arts Showcase South Hadley event over the October 7th and 8th weekend.

September 2023 Financials:

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the financials for the month ending September 30, 2023.

Kilowatt hour sales of 82,674,000 for 2023 were down by 4.7 % from 2022 or 4,000,000 kilowatt hours. Year-to-date operating revenues of \$12,455,000 were up from 2022 by 15% or about \$1,617,000, consisting of a decrease of \$512,000 in volume and an increase of \$2,129,000 in selling price.

The 2023-kilowatt hour purchases of 85,503,000 were down by 5% from 2022, or 4,376,000. The 2023 cost of power sold of \$7,367,000 was down by about 13% from 2022, or \$1,110,000, consisting of a decrease of \$422,000 in kilowatt hour purchase volume, and a decrease of \$688,000 in purchase price.

The increase in revenue was offset by the decrease in the cost of power; therefore, the net revenue of \$7,747,000 was up from 2022 by \$4,122,000. The actual net revenue was up from the budgeted amount by \$822,000. All other 2023 operating expenses of \$6,601,000 on a combined basis, were up from 2022 by about \$1,490,000 and up from the budgeted amount by \$376,000.

September 2023 ended with a net YTD gain of about \$1,219,000, compared to the 2022 net loss of \$2,760,000 and was up from the budgeted amount of a \$955,000 profit.

2024 Operating Budget:

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the 2024 budget.

Operating revenues were calculated using current rates applied to 97% of projected kWh purchases. The cost of power was derived from MMWEC's bulk power cost projections. These projections are based on the Town's estimated 2024 demand using historical / projected consumption patterns and expected / projected market costs. Salaries and wages were calculated using current / projected staffing and pay rates. Estimated distribution wages were increased to include an overtime estimate of 10% of gross wages and decreased to exclude a capitalization estimate of 20% of gross wages. Cost of power, distribution, customer accounts, and general and administrative supplies and expenses were determined based on historical and projected costs. Pension and benefit costs were determined based on the best available estimates as of the date of the budget. SHEL D is forecasting a \$1,011,000 profit for 2024.

Capital expenses for the year are estimated to be \$3,144,000 which includes transformer replacements / upgrades, system voltage upgrades, expansion of fiber optic network to facilitate telecommunications, advanced metering infrastructure / MDM System, and vehicle modernization and replacement plan.

New Building Forum;

Last month the Board discussed having an open forum meeting, for the public to attend, on the future of a new location and building. The Forum is scheduled for January 11th at the Senior Center. A bill insert will be sent with the December bills with all the information.

General Manager’s Review and Contract:

Mr. Hine reviewed the performance review process for the General Manager who is evaluated under several criteria with scores of 1-5. Mr. Fitzgerald’s average score for all categories was 4.63. Sean and his team are doing an excellent job and things are running well, electric rates are some of the lowest in the state, Fiberspring is very successful and exceeding expectations within the 5-year time frame and under budget. SHELD participates in many Town events and is an important part of the community. Ms. Presley and Mr. Dobosh agreed and said that Sean, and his staff, operate at a high level.

Mr. Hine stated the Board had an earlier executive session meeting and have a new contract proposal effective January 1, 2024, which includes a 5% increase for performance, a 2% equity increase to put Mr. Fitzgerald into the upper quartile among GMs with telecom in the state, an \$8000 bonus for Fiberspring plus an additional year contract extension to 2030.

On a motion by Mr. Coutu and seconded by Mr. Dobosh, it was unanimously VOTED: To approve the contract proposal as stated by the Chair, by a roll call vote: Mr. Dobosh-aye, Mr. Schenker-aye, Ms. Presley-aye, Mr. Coutu-aye, Mr. Hine-aye.

Old Business:

There was none.

New Business:

There was none.

Adjourn:

On a motion by Mr. Coutu, seconded by Mr. Dobosh, it was VOTED: To adjourn the open meeting by a roll call vote: Mr. Schenker-aye, Mr. Coutu-aye, Ms. Presley-aye, Mr. Dobosh-aye, Mr. Hine-aye.

The open session ended at 7:03 P.M.



Paul Dobosh, Light Board Clerk

Approved: January 25, 2024

EXHIBIT A

List of Documents reviewed at the November 30, 2023, Municipal Light Board Meeting

1. Draft Open Session Minutes October 26, 2023
2. Draft Executive Session Minutes October 26, 2023
3. Back Up Disaster Recovery System
4. Thank You Letter from Showcase South Hadley
5. Financial Statements September 30, 2023, and 2022
6. Operating & Capital Budget year ending December 31, 2024