

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS' VIRTUAL MEETING
DECEMBER 8, 2022, AT 5:00 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 (joined 5:30)

The virtual meeting was called to order at 5:00 P.M. by Chairman Hine.

On a motion by Mr. Schenker, seconded by Mr. Dobosh, it was unanimously VOTED: to move to Executive Session pursuant to M.G.L. c. 164, § 47D, for purposes of discussing trade secrets, confidential, competitively sensitive, or other propriety information, AND for the purpose of contract negotiations with nonunion personnel and return to Open Session at approximately 6:00PM, by a roll call vote: Mr. Dobosh – aye, Mr. Schenker-aye, Mr. Dubreuil – aye, Ms. Presley – aye, Mr. Hine-aye.

The open session reconvened at 6:00 PM.

Minutes Approval:

10/27/2022 Executive Session:

On a motion by Mr. Dobosh, seconded Ms. Presley, it was unanimously VOTED: To approve, but not release, the minutes of the October 27, 2022, executive session meeting by a roll call vote: Mr. Dobosh-aye, Ms. Presley-aye, Mr. Schenker-aye, Mr. Dubreuil-aye, Mr. Hine-aye.

10/27/2022 Open Session:

On a motion by Mr. Dobosh, seconded Mr. Schenker, it was unanimously VOTED: To approve the minutes of the open session meeting of October 27, 2022, by a roll call vote: Mr. Dubreuil-aye, Mr. Schenker-aye, Ms. Presley-aye, Mr. Dobosh-aye, Mr. Hine-aye.

Public Comment:

There were none.

Manager's Report:

Outages:

We had two outages from animal contact impacting 5 customers for less than 2 hours.

Fiber:

We have 1695 internet customers in South Hadley. With the addition of the completed conversions of Shutesbury and Leverett, we now have 3,226 total internet customers and 1,238

total phone customers with 23 pending installations. All Shutesbury and Leverett phone and internet customers have successfully been transferred/porting to our network. We are receiving positive feedback from the conversion.

In South Hadley, the Hadley Street and Brock Way fiberhoods are currently under construction.

Customer Satisfaction Survey:

We will be distributing our second Customer Satisfaction Survey in the first quarter of 2023 as part of SHEL D's strategic initiative of customer engagement. We would like the board's input on the survey questions.

There were suggestions on clarifying a couple of the questions. Ms. Frazier said the survey will be sent out via Survey Monkey again to those who have email addresses in our system. They will also be mailed out separately from the bills in January or February.

September 2022 Financials:

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the financials for the month ending September 30, 2022.

Kilowatt hour sales of 86,779,000 for 2022 were up by 2.7 % from 2021 or 2,272,000 kilowatt hours. Year-to-date operating revenues of \$10,839,000 were up from 2021 by 1.6% or about \$171,000, consisting of an increase of \$287,000 in volume and offset by a decrease of \$116,000 in selling price. We had budgeted for a \$290,000 revenue increase; the actual was a \$120,000 decrease.

The 2022 kilowatt hour purchases of 87,868,000 were up by 2% from 2021, or 1,747,000. The 2022 cost of power sold of \$8,477,000 was up by about 21% from 2021, or \$1,481,000, consisting of an increase of \$142,000 in kilowatt hour purchase volume, and an increase of \$1,339,000 in purchase price. We had budgeted for a cost decrease of \$826,000; the actual was a \$2,307, 000 increase.

The increase in revenue was less than the increase in the cost of power sold; therefore, the net revenue of \$3,625,000 was down from 2021 by \$819,000. The actual net revenue was down from the budgeted amount by \$2,109,000.

All other 2022 operating expenses of \$5,111,000 on a combined basis, were up from 2021 by about \$3000 and down from the budgeted amount by \$235,000. September 2022 ended with a net YTD loss of about \$2,760,000, compared to the 2021 net loss of \$529,000 and was down from the budgeted amount of a \$593,000 profit. The loss was attributed to a combination of the power cost increases and the investment losses.

2023 Budget:

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the 2023 Budget. He stated how the operating revenues, cost of power, salaries and wages, supplies and expenses, and pension and benefits were projected for 2023 with operating revenues projected to be 19 million

dollars with expenses of 18.4 million dollars. His presentation listed the capital costs projects for 2023 as substation equipment upgrade, the river crossing project, expansion of fiber, continued work on the AMI meter replacement project, and the vehicle replacement plan totaling almost 4 million dollars.

On a motion by Mr. Dobosh, seconded Mr. Schenker, it was unanimously VOTED: To approve the 2023 Budget as presented, by a roll call vote: Mr. Schenker-aye, Ms. Presley-aye, Mr. Dubreuil-aye, Mr. Dobosh-aye, Mr. Hine-aye.

General Manager's Contract:

This agenda item was tabled for this meeting.

Old Business:

Mr. Dubreuil asked if there were any new installations of electric vehicle charging stations in town. Mr. Gilmore said there were 3 dual port chargers installed at Gorse parking lot at Mt Holyoke College and 2 dual port charges behind the Village Commons.

New Business:

Mr. Hine mentioned the attack on the North Carolina electric power substations. Mr. Fitzgerald said he wanted to limit talking about our substation for security reasons, but he was not overly concerned about potential problems at SHELD's substation. There are many homes nearby, gunshots would be heard, and the police department is very responsive. Mr. Gilmore felt that the North Carolina attacks were planned by a knowledgeable person. Also, South Hadley is small and there would not be a huge benefit for someone to attack here.

Adjourn:

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

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



Paul Dobosh, Light Board Secretary

Approved: January 26, 2023

EXHIBIT A

List of Documents reviewed at the December 8, 2022, Municipal Light Board Meeting

1. Draft Executive Session Minutes October 27, 2022
2. Draft Open Session Minutes October 27, 2022
3. Management Report Financial Statement September 30, 2022
4. Operating and Capital Budget year ending December 31, 2023