

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS' VIRTUAL MEETING
DECEMBER 9, 2021, AT 5:15 P.M.**

Present for the Board: Chairman Gregory Dubreuil, Vice-Chair John Hine, Ron Coutu, Denise Presley, Kurt Schenker (arrived 5:42)

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

The virtual meeting was called to order at 5:15 P.M. by Chairman Dubreuil.

On a motion by Mr. Hine, seconded by Mr. Coutu, it was
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 that the Board has determined the disclosure of which will adversely affect its ability to conduct business in relation to other entities, 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. Hine – aye, Ms. Presley – aye, Mr. Coutu – aye, Mr. Dubreuil – aye.

The open session reconvened at 6:03 P.M.

Additional for Staff: Marketing & Customer Service Manager Kelly Frazier

Guest: Judith Gooch, Master Plan Implementation Committee

Mr. Dubreuil started the meeting by welcoming new board members Denise Presley and Ron Coutu.

Minutes Approval:

10/28/2021 Open Session:

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

VOTED: To approve the minutes of the Electric Light Department Board of Commissioners' virtual meeting of October 28, 2021 at 6:00PM, by a roll call vote: Mr. Hine – aye, Mr. Schenker - aye, Ms. Presley – aye, Mr. Coutu – aye, Mr. Dubreuil – aye.

Election of Secretary:

Mr. Dubreuil briefly explained the process for nominations and the responsibility of the Secretary of the Light Board. Mr. Coutu nominated himself, there were no other nominations. It was unanimously

VOTED: to appoint Mr. Coutu to be Secretary by a roll call vote: Mr. Hine – aye, Mr. Schenker - aye, Ms. Presley – aye, Mr. Coutu – aye, Mr. Dubreuil – aye.

Public Comment:

Mr. John Howard Federal Energy Regulatory Commission Order 2222 is coming up and municipals can opt out. Mr. Howard would like to have a discussion on it in the future. Mr. Dubreuil agreed that it could be a future agenda item.

Master Plan Update:

Ms. Gooch updated everyone on the status of the Master Plan Update and then wanted to hear about SHEL D's progress on fiber optics from the 2010 plan. She also wanted to know how MPIC can help SHEL D in carrying out their tasks toward their current goals.

Mr. Fitzgerald stated SHEL D is 2.5 years into the fiber project and has 1300 customers with 55-60% of the town constructed. Construction is ahead of schedule and is exceeding the original goal of a 30% take rate, with almost 45%. SHEL D has introduced the federal government's emergency broadband program which gives qualified customers a discount. We are also looking at possibly helping other towns with fiber.

Mr. Fitzgerald also stated there are several other ongoing major projects. One is the river crossing which will connect SHEL D to other service territories for reliability. Another is the AMI project to replace 8000 meters. SHEL D's carbon footprint has been reduced by adding Hydro-Quebec power allowing SHEL D to be 99% carbon free. SHEL D has also added several programs to help customers reduce their dependence on fossil fuel heating systems with a 0% loan for new heating systems, and recently added the town's first electric charging station.

Ms. Gooch stated MPIC is interested in accountability and how to foster joint participation between town departments. How can they help SHEL D with collaboration? Mr. Fitzgerald said SHEL D collaborates with many town departments but is often asked about projects that need to be initiated by another department. Mr. Hine suggested that each board/committee have a designated MPIC person to reach out to other departments. Ms. Gooch said there was a suggestion to have an annual meeting to allow departments to work together on projects. She also asked that SHEL D continue to send new information to customers on a regular basis, using multiple communication channels.

Manager's Report:

Outages: There were three minor outages this month. Two were from animal contact and one was a switching and isolation incident to accommodate fiber construction. It was due to an error with an old electrical drawing which has been corrected.

Fibersonic Update: There are 1279 connected customers, 219 phone customers with a 42% overall take rate. Currently there are 17 connected fiberhoods and construction is still ongoing in several overhead and underground areas.

Emergency Broadband Update: Ms. Frazier updated the Board by stating that the Emergency Broadband Benefit Program name will transition to the Affordable Connectivity Program while making it a long-term program. Currently customers who qualify are receiving \$50 credit per

month towards their Fibersonic bill but that will be decreasing to \$30 per month in March. If customers apply by December 31, they will still receive a \$50 credit until March. If they wait to apply until January, the credit will be \$30 per month. When more information is available, Fibersonic will send additional information to customers.

September Financials

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the Financials for the month ending September 30, 2021.

Kilowatt hour sales for 2021 were up by 0.4% from 2020, or 343,000 kilowatt hours. Year-to-date operating revenues were up by 4.7% from 2020, or about \$482,000, consisting of an increase of \$42,000 in volume and an increase of \$440,000 in selling price. We had budgeted for a \$218,000 revenue decrease; the actual was a \$689,000 increase.

The 2021 kilowatt hour purchases were up by 1.5% from 2020, or 1,312,000. The 2021 cost of power sold was up by about 5% from 2020, or \$336,000, consisting of an increase of \$103,000 in kilowatt hour purchase volume, and an increase of \$233,000 in purchase price. We had budgeted for a cost decrease of \$626,000; the actual was a \$961,000 increase.

The increase in revenue was higher than the increase in the cost of power; therefore, the net revenue of \$4,444,000 was up from 2020 by about \$609,000. The actual net revenue was down from the budgeted amount by \$109,000.

All other 2021 operating expenses of \$5,108,000 on a combined basis, were up from 2020 by about \$931,000 and up from the budgeted amount by \$820,000.

September 2021 ended with a net YTD loss of about \$529,000, compared to the 2020 net YTD loss of \$252,000 and was less than the budgeted amount of a \$543,000 profit. Mr. Conchieri answered several questions from the Board.

2022 Budget

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the Operating & Capital Budget for 2022. He explained how he arrived at the operating revenues, cost of power, salaries & wages, supplies & expenses, and pension & benefits dollar amounts. The total operating revenues are expected to be \$15,526,000 with expenses of \$15,411,000. Plus, an additional \$274,000 from nonoperating revenues is expected, leading to a \$389,000 profit for 2022. Mr. Conchieri answered several questions from the Board.

On a motion by Mr. Hine, seconded Mr. Coutu, it was unanimously VOTED: To approve the budget for 2022 as presented, by a roll call vote: Mr. Hine – aye, Mr. Coutu – aye, Mr. Schenker - aye, Ms. Presley – aye, Mr. Dubreuil – aye.

Sourcewell Acceptance

Sourcewell is a service cooperative which is available to all state and local governments, education and non-profit entities across North America. Many utilities join and utilize

Sourcewell in order purchase supplies as Sourcewell follows competitive contract laws to solicit, evaluate, and award cooperative purchasing contracts for goods and services. SHELD recommends that SHELD join Sourcewell and asked the Board to authorize SHELD to join Sourcewell as a service cooperative to purchase a new fiber bucket truck.

On a motion by Mr. Hine, seconded Mr. Schenker, it was unanimously VOTED: that the Board hereby approve the Department's joining Sourcewell Purchasing Cooperative of Minnesota at no cost to the Department to utilize competitive bids obtained by other governmental agencies, all as allowed by Massachusetts law; and the Board authorizes the expenditure of up to \$140,000.00 to purchase a 2022 Ford F-550 including an aerial platform lift from Versalift of Waco, Texas through the Sourcewell program; and that the Manager is hereby authorized and directed to take any action and sign all documents deemed necessary or advisable to carry out the purposes of this vote; and that any actions previously taken by the Manager or the Department consistent with the purposes of this vote are hereby ratified and confirmed by a roll call vote: Mr. Hine – aye, Mr. Coutu – aye, Ms. Presley – aye, Mr. Schenker - aye, Mr. Dubreuil – aye.

Annual/Biennial Bids

Bid recap sheets show prices quoted for SHELD's Annual Power & Telecom Material and Wire & Cable requirements for 2022 and for SHELD's Biennial Transformer requirements for 2022-2023. The bids were published according to the Mass General Laws. The bids are awarded to the lowest bidder on each item. SHELD will not order everything on the lists. Items are ordered when needed and only in the quantity needed at that time. The Board's approval is requested to accept the bids.

On a motion by Mr. Hine, seconded Mr. Coutu, it was unanimously VOTED: To approve bids as presented and allow the General Manager to accept the best price at the time of purchase, by a roll call vote: Mr. Hine – aye, Mr. Schenker - aye, Ms. Presley – aye, Mr. Coutu – aye, Mr. Dubreuil – aye.

Thank You Letter

SHELD received a thank you letter from the Water Department - Fire District #1 for installing lights to keep the flags lit during the night at the Dam at Leaping Wells Reservoir.

General Manager's Contract

Mr. Dubreuil stated that the 5th Amendment to the General Manager's contract had been circulated to the Board.

On a motion by Mr. Hine, seconded Ms. Presley, it was unanimously VOTED: that the Board approve the 5th amendment to the General Manager's contract by a roll call vote: Mr. Hine – aye, Mr. Coutu – aye, Mr. Schenker - aye, Ms. Presley – aye, Mr. Dubreuil – aye.

Old Business:

There was none.

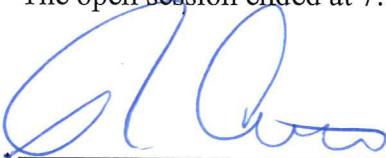
New Business:

There was none.

Adjourn:

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

The open session ended at 7:08 P.M.



Ron Coutu, Secretary

Approved: January 27, 2022

EXHIBIT A

List of Documents reviewed at the December 9, 2021, Municipal Light Board Meeting

1. Draft Open Session Minutes October 28, 2021
2. Management Report for September 30, 2021
3. Operating & Capital Budget for December 31, 2022
4. Bid Recap for Power & Telecom Materials for 2022
5. Bid Recap for Wire & Cable for 2022
6. Bid Recap for Transformers for 2022-2023
7. Thank you letter - Water Dept-Fire District #1