

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS' VIRTUAL MEETING
APRIL 27, 2023, AT 6:00 P.M.**

Present for the Board: Chairman John Hine, Vice Chair Denise Presley, Paul Dobosh, Kurt Schenker (arrived 6:02), Ron Coutu

Present for SHELD: General Manager Sean Fitzgerald, Administrative Assistant Kim Mendoza, Marketing/Customer Service Manager Kelly Frazier, Sr Engineer Mark Gilmore, Engineer Matt DelMonte

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

Reorganization of the Board:

The first item was the election of new officers for the Board. Ms. Presley nominated Mr. Hine for Chair, seconded by Mr. Dobosh. A roll call vote was unanimous: Ms. Presley-aye, Mr. Dobosh-aye, Mr. Coutu-aye, Mr. Hine-aye. Mr. Schenker was not in attendance yet.

For Vice Chair, Mr. Coutu nominated Ms. Presley, seconded by Mr. Dobosh. A roll call vote was unanimous: Mr. Coutu-aye, Mr. Schenker-aye, Mr. Dobosh-aye, Ms. Presley-aye, Mr. Hine-aye.

For Clerk, Mr. Coutu nominated Mr. Dobosh. A roll call vote was unanimous: Ms. Presley-aye, Mr. Schenker-aye, Mr. Coutu-aye, Mr. Dobosh-aye, Mr. Hine-aye.

Audit Committee:

Mr. Hine explained that the role of the two-person audit committee is to meet with the auditors to review the results before the auditors present to the Board. Mr. Hine and Mr. Dobosh volunteered. A roll call vote was unanimous: Ms. Presley-aye, Mr. Dobosh-aye, Mr. Schenker-aye, Mr. Coutu-aye, Mr. Hine-aye

Minutes Approval:

03/23/2023 Open Session:

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

VOTED: To approve the open session minutes of March 23, 2023, by a roll call vote: Mr. Schenker-aye, Mr. Dobosh-aye, Ms. Presley-aye, Mr. Hine-aye. Mr. Coutu abstained as he was not on the board in March and didn't attend that meeting.

03/29/2023 Open Session:

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

VOTED: To approve open session meeting minutes of March 29, 2023, by a roll call vote: Mr. Schenker-aye, Mr. Dobosh-aye, Ms. Presley-aye, Mr. Hine-aye. Mr. Coutu abstained.

03/29/2023 Executive Session:

On a motion by Ms. Dobosh and seconded by Mr. Schenker, it was unanimously VOTED: To approve but not release the executive session minutes of the March 29, 2023 meeting, by a roll call vote: Ms. Presley-aye, Mr. Dobosh-aye, Mr. Schenker-aye, Mr. Hine-aye. Mr. Coutu abstained.

Public Comment:

There were none.

Manager's Report:

Outages:

One minor animal contact outage for the month.

APPA Certificate of Excellence in Reliability award:

SHELD received recognition from American Public Power for significantly exceeding the 5-year average of all US electric utilities for reliable electric service. APPA tracks reliability nationwide. Mr. Fitzgerald thanked the line crew and engineers for safely and efficiently keeping the power on in South Hadley.

Fiber Update:

Spring construction started in April and there have not been any network interruptions in South Hadley, Shutesbury or Leverett in the past month.

Fiberspring currently has 1820 internet customers in town with 37 pending installs. A milestone for the project had been achieved with all the aerial make ready work in Town completed in the remaining 8 fiberhoods, excluding the multi-dwelling units. This is due to our hardworking operations and telecom crews.

The construction schedule, as of April 2023 for the remaining fiberhoods, is as follows:

Brockway – Under construction, West Summit Street – Under construction, Summit Street– Under construction, School Street– Under construction. Then moving on to South Street, Main Street, Lower River Road, and Upper River Road. Hadley Street fiberhood is now taking installation applications.

December 2022 Financials:

Mr. Conchieri displayed a PowerPoint for the 2022 year-end financials stating it was a very challenging year. He highlighted the effects the high cost of natural gas, the economic outlook of the financial markets, inflation, the high cost of power outage due to covid, supply chain problems, and increased demand with last summer's higher temperatures had on SHELD's financial picture. He showed a comparison of 2021 and 2022 cost of kilowatts purchased. He explained the 2 spikes were from an extended fueling outage at the nuclear plant and high demand from a hot summer which caused us to have to buy power in the open market at a much higher cost. Even though the financial picture looked bleak at the end of September 2022, when adjusters from the 2018 rate schedule kicked in, it reversed the \$2.7 million dollar loss to a \$650,000 gain by the end of the year. The 2018 rate schedule included the addition of the DAC

(distribution adjustment charge), PAC (power adjustment charge) and rate stabilization fund which would allow SHELd to recoup the effects of the multiple negative events happening at once, such as those that happened last year. There was a discussion on how these features worked and the effects they have on SHELd's finances. \$2 million dollars was transferred from the rate stabilization fund that had been growing since the fund was established in 2018. As soon as things stabilized (2nd quarter 2023), the rates came back down. Both Mr. Conchieri and Mr. Fitzgerald explained that the rate structures performed exactly how they were designed and approved.

2023 Customer Satisfaction Survey Results:

Ms. Frazier displayed the results of the customer survey questions that went out to every customer in town. 2081 customers returned their surveys. She reviewed the answers to questions 1-12 and 14. For the open-ended question #13, she gave the board the trends. The top three complaints were solar misconceptions, rebate & fuel assistance availability, and fiber for MDUs. She told the Board how the concerns were being addressed. She also gave the top three positive comments which were that customers were grateful for fast reliable service, that they can speak to a live customer service person, and that Fiberspring service is great. The survey will be conducted every two years. Mr. Coutu suggested putting together a FAQ for MDU information that could be distributed to residents.

Open Meeting Law Complaint Update:

Mr. Hine gave an update on the status of the open meeting law complaint filed by Walter Hamilton alleging that the December 20, 2022, executive session minutes "failed to include an accurate summary of the [executive session] discussion [and to] provide enough detail so that a member of the public who did not attend the meeting could read the minutes and understand what occurred and how the public body arrived at its decisions".

This complaint and the Board's response to the same was referred to counsel.

545 Granby Road for Battery Storage:

Mr. Fitzgerald stated that SHELd has an opportunity to construct a 3-5 megawatt battery storage project in South Hadley. He gave background information and showed a site map of the property. SHELd's engineers Matt DelMonte and Mark Gilmore were going to provide details on that night. The Granby Road property was purchased for under \$130,000 knowing that it had wetland issues. There was a professional wetlands delineation conducted before it was purchased. They said that there were at least 5 dry buildable acres. We purchased the land, filed an NRAD and the town requested a peer review that disagreed with the original report stating there were more wetland acres. We believe that at some point water was pushed onto the property from surrounding sites making a larger wet area, but the property still has value because it has been delineated. Matt researched the land and reviewed for the board the information he gathered.

Mr. DelMonte said that currently there is only about a 2.25 acre portion in the back that would be available for the battery site. The land slopes and we would need access to get to the back area that abuts Cypress Drive, possibly from East Street. We would need to clear it but maintain a buffer for the houses in the area. He thinks it's still a possible viable location for a 3-5 megawatt

battery storage project in the back of the property but there are concerning limitations which he discussed.

Mr. Coutu asked for technical information on a distribution line. Mr. Schenker asked to see a topical map that would show the slope of the property.

Mr. Hine asked if this was the best option for a battery storage site. Mr. Coutu asked if SHELDT could talk to the town about the process if we should want to move forward with this site. Mr. Fitzgerald said that Mr. DelMonte could talk to the planning board before the May meeting. He also said he would bring another site to the board meeting next month.

Annual Town Disbursement Transfer:

Mr. Fitzgerald gave a brief description of the services the Town provides SHELDT that we yearly transfer funds to them for handling for us. Last year we transferred them \$180,000 and he recommended we level fund this year.

On a motion by Ms. Schenker and seconded by Mr. Coutu, it was unanimously VOTED: To reimburse the Town \$180,000 disbursement, by a roll call vote: Mr. Coutu-aye, Mr. Schenker-aye, Mr. Dobosh-aye, Ms. Presley-aye, Mr. Hine-aye.

Old Business:

Mr. Coutu asked about Mr. Schenker's request for in-person board meetings. Mr. Hine said the topic could go on the agenda next month for discussion.


New Business:

Mr. Hine congratulated Mr. Coutu for being elected to the Board and apologized for not welcoming him at the start of the meeting.

Adjourn:

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

The open session ended at 7:23 P.M.



Paul Dobosh, Light Board Clerk

Approved: May 25, 2023

EXHIBIT A

List of Documents reviewed at the April 27, 2023, Municipal Light Board Meeting

1. Draft Open Session Minutes March 23, 2023
2. Draft Open Session Minutes March 29, 2023
3. Draft Executive Session Minutes March 29, 2023
4. December 2022 Management Report for December 31, 2022 and 2021
5. 2023 Customer Satisfaction Survey Results
6. 545 Granby Road Property Site Map