

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS MEETING
85 MAIN STREET, SOUTH HADLEY, MA
JUNE 25, 2018 at 1:00 PM**

Present for the Board: Chair Gregory Dubreuil, Vice Chair Vernon Blodgett, John Hine, Kurt Schenker

Absent: Peter McAvoy

Present for staff: General Manager Sean Fitzgerald, Michael Conchieri, Paul Byrne, Ed Morrin, Mark Gilmore, Kim Mendoza, Jonathan Szymonik, Greg St. Onge, Kelly Frazier

Guest: Steve VanderMeer, Hometown Connections

The meeting was called to order by Gregory Dubreuil, Chair.

Mr. VanderMeer, Strategic Planning facilitator from Hometown Connections, started by reviewing how to build a strategic plan and the eight steps of the strategic planning process. He outlined the topics that would be discussed at the meeting that afternoon. He said that the Implementation Team (SHELD Staff) worked on fine tuning the SWOT analysis (strengths, weaknesses, opportunities, threats) that they had started at the May meeting and would present the information to the Board. He said the Board would also be doing a SWOT analysis, of the Board, which would help identify action items for themselves.

Mr. VanderMeer reviewed the five themes, and the end statements for each theme, that were developed at the last meeting. Now it was time to flush out some goals for each theme. The Implementation Team had started addressing goals earlier that morning. He explained that goals are typically open ended with some type of metric to measure progress. Strategic Plans usually end at the Goals step. After the Strategic Plan is written, the action plans are developed by SHELD. The action plans are tactical and are the roadmap for the General Manager and staff to follow going forward.

Mr. VanderMeer also stated that he would like to have a strategic discussion around three important subjects; renewables, broadband and a new building. He would like to be able to understand what is most important to the Board on these subjects. He also mentioned to the Board that the Strategic Plan was still in the draft stage, so if they saw anything they thought needed to be addressed to let him know. Once the Board was comfortable with the draft, there would only be a few steps remaining to turn the draft into a Strategic Plan.

Then the Board, along with Mr. Fitzgerald, will decide how Mr. Fitzgerald will keep the Board informed of the actions as they are completed.

Mr. VanderMeer reviewed the Mission Statement, the Vision Statement and the Values that the SHELD Implementation Team drafted during the last strategic planning meeting. The Board did not make any changes to the statements.

Next, some members of the Implementation Team presented a SWOT analysis, highlighting internal strengths and weaknesses and external opportunities and threats, for SHELD's strategic priorities.

These priorities included customer service, customer outreach, the distribution system, power supply, technology, finance, administration and the workforce. Then Mr. VanderMeer asked the Advisory Team to do a Governance SWOT analysis of the Board. The discussions lead to a list of possible goals and action items for the Board to work on in the future.

During the previous strategic planning meeting, the Implementation Team had developed five themes with end statements. An end statement is a direction and is unchanging, with progress being measured along the way. A Goal is the achievement and describes the expected outcome. Goals can change from year to year, as progress is achieved, and should be measurable.

The next step in the process was to develop potential goals, and potential action items, for the five themes that were drafted in May. The themes are customer engagement, community development/enhance quality of life, finance, reliability and workforce. Some of the goals will be harder to measure and some metrics will need to be developed to track the progress.

The final segment of the meeting revolved around discussion of three important topics. Each discussion started with trying to answer the question of why each topic is important. Then a list of next steps was drafted. These could be used as a guide if SHELD decides to move forward with any of the projects. The first topic was the possibility of Broadband service. Mr. Fitzgerald stated that he has put a lot of time into researching all aspects of the possibility of SHELD providing broadband service to the Town. It's a complex subject and he has been working on this for quite some time. He outlined, for the Board, all the steps he had completed and the ones that should be completed soon. Then he will have all the pertinent information to present to the Board, so they can decide whether to move forward.

The next topic for discussion was that of a new building. Mr. Fitzgerald stated that his first concern was to ensure reliability to the ratepayers. Another major concern is that any new location should not be in the flood zone and especially not in the 100-year flood zone which we are located in now. The existing location has suffered several floods and jeopardizes the ability to maintain operations and provide reliability to the rate payers of South Hadley. There are other considerations, which may not be primary interests, like electric reliability. While important to consider, they would be secondary when it comes to location, selection, and financial commitments surrounding a new building. The needs of SHELD will have to be communicated

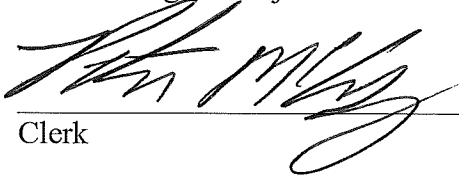
as primary and secondary to everyone. It will be productive to gain input from various stakeholders throughout the process.

The final topic was renewables. It was decided that the topic needs more researching and it was discussed that SHELD should survey the community for their input. Are they willing to pay more to go green?

Mr. Fitzgerald explained that it will be more expensive, for the ratepayers, than the electricity that comes from the two nuclear plants that are currently supplying SHELD's power. In addition, SHELD's current energy supply portfolio has limitations. We have times of the day when we have more supply than demand. If we add too much more renewable energy, that could put SHELD and our rate payers in a potential negative supply sale position which can have a detrimental impact on rates. There are two or three possible ways to price renewables and much will depend on the ratepayers' appetite and the State and Federal legislation and subsidies going forward.

Mr. VanderMeer ended the day by telling everyone that the groundwork for the Strategic Plan is complete and SHELD should be able to easily convert all the information from the three sessions into a Strategic Plan. He will continue to be available should his assistance be needed.

The meeting was adjourned at 4:14 PM.



Clerk

Approved: July 26, 2018