

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT  
BOARD OF COMMISSIONERS VIRTUAL MEETING  
JULY 23, 2020 AT 6:00 P.M.**

Present for the Board: Gregory Dubreuil, John Hine, Anne Awad, Peter McAvoy  
Absent: Kurt Schenker

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

The virtual meeting was called to order at 6:00 P.M. by Chair Dubreuil.

**Minutes Approval:**

6/25/2020 Open Session

On a motion made by Mr. Hine and seconded by Ms. Awad, it was unanimously  
VOTED: To approve the minutes of the Board of Commissioners virtual meeting on  
June 25, 2020.

**Public Comment:**

There were none.

**Manager's Report:**

Outages:

It was a very busy period for outages, primarily due to two strong storms which caused significant tree damage throughout town. SHELD line crews worked through the night to restore power and, in most cases, power was restored within an hour or two. In order to restore power safely in a couple of areas, customers were without power for 4-6 hours. One outage on Alvord Street impacted over 1000 customers when a tree took down a primary wire. An entire circuit needed to be taken down for the crew to safely repair the damage, but power was restored in 57 minutes. There were several other outages caused by animal contact during the month. SHELD's customer service manager and team kept our Facebook page updated in almost real time, which helped customers stay up to date on the status of the outages. Mr. Fitzgerald thanked SHELD's dedicated team who care about restoring power to customers safely and swiftly. There was also an outage caused when Mylar balloons got caught on a pole top on Morgan Street. We ask that customers please deflate mylar balloons as they can cause outages.

Mr. Hine asked if there had been any fiber outages. Mr. Fitzgerald replied there had been none because the strand design maintains the fiber's strength.

Fibersonic Update:

We completed our first full year of construction resulting in 340 active customers connected, with more in the queue. We are scheduling 2 installs daily and a few on Saturdays. There are

installs scheduled into September. We successfully connected our very first telephone customer and, after testing, will begin connecting more customers in the upcoming weeks. There are now seven connected fiberhoods, with another five currently under construction. The RFP for the SHELD central office construction improvements on College Street, and the new location on Old Lyman Road, have been posted and the bids are due on August 5<sup>th</sup>.

Mr. Dubreuil asked about the construction plans and Mr. Hine asked about the timeline and if having two locations would create redundancy for the fiber network. Mr. Fitzgerald briefly explained the construction process and how the load will be able to be balanced between the two locations and create a backup for the fiber system.

#### COVID-19 Update:

SHELD is still operating with the one restriction that the in-person customer service office remains closed to the public. We are continuing to provide customer service by phone, email, or by appointment, if needed, during regular business hours until further notice. We have been able to service our customers' needs successfully and do not anticipate any disruption to service. We are monitoring the Town and other municipal light plants who continue to work in this manner.

Mr. Dubreuil asked if the electronic payments had increased. Mr. Fitzgerald said they had increased somewhat but many people still drive up and use the drop box in the front of the building. Mr. Fitzgerald said a newsletter would be going out in the next bills and will feature information on using online payments.

#### **May 2020 Financials:**

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the financials for the month ending May 31, 2020.

Kilowatt hour sales for 2020 of 44,376,000 were down by 5% from 2019, or 2,184,000 kilowatt hours. Year-to-date operating revenues of \$5,717,000 were down by 4% from 2019, or about \$317,000. The \$317,000 decrease consisted of \$283,000 in lower volume and \$33,000 in a lower selling price. We had budgeted for a \$220,000 revenue decrease; the actual was a \$97,000 decrease.

The 2020 kilowatt hour purchases of 43,594,000 were down by 6% from 2019, or 2,788,000. The 2020 cost of power sold at \$3,432,000 was down by about 18% from 2019, or \$731,000. The \$731,000 decrease consisted of \$250,000 attributable to a lower kilowatt hour purchase volume, and \$481,000 due to a lower purchase price.

The decrease in revenue was less than the decrease in cost of power; therefore, the net revenue of \$2,436,000 was up from 2019 by about \$501,000. The actual to budget decrease in revenue was less than the actual to budget decrease in cost of power; therefore, the actual net revenue was up from the budgeted amount by \$161,000.

All other 2020 operating expenses of \$2,367,000 on a combined basis, were up from 2019 by about \$333,000 and up from the budgeted amount by \$51,000. The 2020 operating loss of \$69,000 was up from 2019 by \$168,000 and up from the budgeted by \$110,000. The 2020 non-

operating income was down from 2019 by \$298,000 and down from the budgeted amount by \$122,000.

May 2020 ended with a net YTD profit of about \$92,000, which was less than the 2019 net YTD profit of \$223,000 and was lower than the budgeted amount of a \$104,000 profit.

Mr. Hine inquired if SHELD was noticing any impact on sales due to the pandemic. Mr. Conchieri said that there has been a drop in power costs, collections have slowed, and revenues have dropped. There is less usage which translates into lower revenue plus there is a drop off in collections. On the commercial side, there was less usage with the schools and many of the town buildings closed. Industrial usage is also down. There has been a 10% increase in the accounts receivable balance but there is no need to get alarmed right now.

There was a short discussion on the reasons for rising pension benefit costs.

**Old Business:**

There was none.

**New Business:**

Mr. Fitzgerald said that the August meeting would be lengthier and probably have an executive session too.

**Adjourn:**

On a motion by Mr. Hine and seconded by Ms. Awad it was unanimously  
VOTED: To adjourn

The open session ended at 6:26 P.M.



Anne Awad, Clerk

Approved: August 27, 2020

## **EXHIBIT A**

List of Documents reviewed at the July 23, 2020 Municipal Light Board Meeting

1. Draft Open Session Minutes of the MLB June 25, 2020 meeting
2. Management Financial Report May 31, 2020 and 2019