

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS' VIRTUAL MEETING
AUGUST 25, 2022, AT 6:00 P.M.**

Present for the Board: Chairman John Hine, Vice-Chair Denise Presley, Gregory Dubreuil, Paul Dobosh, Kurt Schenker (arrived 6:04)

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

Guests: Darby O'Brien and Gainer O'Brien from Darby O'Brien Advertising

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

Minutes Approval:

7/28/2022 Open Session:

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

VOTED: To approve the open session minutes of July 28, 2022 as presented, by a roll call vote: Ms. Presley-aye, Mr. Dobosh-aye, Mr. Dubreuil-aye, Mr. Hine-aye.

7/28/2022 Executive Session:

On a motion by Mr. Dubreuil, seconded Mr. Dobosh, it was unanimously

VOTED: To approve and not release the executive session minutes of July 28, 2022, by a roll call vote: Mr. Dobosh-aye, Mr. Dubreuil-aye, Ms. Presley-aye, Mr. Hine-aye.

Fiber Rebrand:

Mr. Fitzgerald introduced Darby and Gainer O'Brien from the Darby O'Brien Advertising Agency who were engaged by SHELD for marketing and advertising efforts in the rebranding. He stated that they have been working together to develop a fresh new brand for SHELD's fiber business for two key reasons. The first reason being that SHELD is aware of another company in California, named Sonic, who also sells fiber optic internet. It was decided that rebranding Fibersonic proactively will ensure there is no room for confusion, and it will also protect our brand and investment for the future. The second reason for the rebrand is that SHELD is expanding fiber service into other towns and the timing to refresh our brand coincides with expansion.

Darby and Gainer reviewed their 8-month process, which included developing 100 names. After researching them, many of the names were eliminated because of another telecom entity using whole or part of the name. 20-25 of the names that made the cut were sent to legal for vetting. This again narrowed the list of available clean names down to only a few. The team was trying to find a name that would convey expansion and growth, and Fiberspring conveyed that to everyone.

A PowerPoint was presented showing the “FIBERSPRING” branding in 3 color schemes and several applications. The Board asked a variety of questions of Mr. Fitzgerald and the O’Briens. An awareness campaign will begin tomorrow with advertising in several newspapers, postcards to customers, and a billboard truck in town. The Fibersonic.com website will automatically take customers to the Fiberspring.com website by next week.

Chairman Hine asked for a motion to accept the rebranding to Fiberspring. On a motion by Mr. Dobosh, seconded Mr. Schenker, it was unanimously VOTED: To approve the rebranding of Fibersonic to Fiberspring, by a roll call vote: Mr. Dubreuil–aye, Mr. Dobosh-aye, Mr. Schenker–aye, Ms. Presley–aye, Mr. Hine-aye.

Public Comment:

Ms. Maryjane Else commented on the rebranding and the Annual Report that was mailed to customer’s homes. Then she asked multiple questions about the nuclear plants. Mr. Hine asked her to email Board members, or Mr. Fitzgerald, with her questions instead of using meeting time.

Manager’s Report:

Outages:

At 3:00PM on Tuesday, 8/23, South Hadley suffered what appears to be a microburst of extremely high wind bursts and heavy rains that caused severe tree and utility pole damage. The damage included the loss of three utility poles located on North Main Street and Cove Island Road. Initially over 2,000 customers were impacted. The crews worked overnight lowering the number of those without power to 300. Most customers were restored by 5:30AM except for Cove Island Road residents who were restored by Wednesday afternoon. We also had several home services out from tree damage throughout town. We were able to restore 99% of the outages within 24 hours which was impressive given the extensive damage.

Mr. Fitzgerald thanked the SHELD line crews, engineers, and office staff for their hard work, and an additional thank you to the Chicopee Electric Light Department and Holyoke Gas and Electric Department for providing additional crews.

Also, he reminded customers to steer clear of any downed lines and call SHELD. Customers should consider all lines are live and not approach them or enter coned off work zones.

There were a few other minor outages during the month.

Fibersonic Update:

There are currently 1600 connected fiber customers and 280 phone customers. Mr. Fitzgerald gave an update on construction in specific areas. There are eight fiberhoods left to construct of the original thirty-two.

Shutesbury Update:

As of 9/1, we will be taking over new installations, service calls, and all ISP duties, including billing, for the Town of Shutesbury.

June 2022 Financials:

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

Kilowatt hour sales of 54,000,000 for 2022 were up by 2.5% from 2021 by 1,346,000 kilowatt hours. Year-to-date operating revenues of \$6,735,000 were up from 2021 by .07%, about \$5,000, consisting of an increase of \$171,000 in volume and offset by a decrease of \$166,000 in selling price. We had budgeted for a \$300,000 revenue increase; the actual was a \$294,000 decrease.

The 2022 kilowatt hour purchases of 55,339,000 were up by 1% from 2021, or 534,000. The 2022 cost of power sold of \$5,290,000 was up by about 18% from 2021, or \$811,000, consisting of an increase of \$43,000 in kilowatt hour purchase volume, and an increase of \$768,000 in purchase price. We had budgeted for a cost decrease of \$517,000; the actual was a \$1,328,000 increase.

The increase in revenue was less than the increase in the cost of power; therefore, the net revenue of \$2,343,000 was down from 2021 by about \$381,000. The actual net revenue was down from the budgeted amount by \$1,356,000.

All other 2022 operating expenses of \$3,289,000 on a combined basis, were down from 2021 by about \$63,000 and down from the budgeted amount by \$273,000.

June 2022 ended with a net YTD loss of about \$1,900,000, compared to the 2021 net loss of \$417,000 and was down from the budgeted amount of a \$273,000 profit.

Mr. Conchieri explained the reasons for the loss as being two-fold. There was a significant increase in the cost of power and a significant decrease in the market value of our investments.

Mr. Hine asked for a motion to accept the June 2022 Financial Report and the Manager's Report. On a motion by Ms. Presley, seconded Mr. Schenker, it was unanimously VOTED: To accept the Managers' Report and the June 2022 Financial Report, by a roll call vote: Mr. Schenker-aye, Ms. Presley-aye, Mr. Dobosh-aye, Mr. Dubreuil-aye, Mr. Hine-aye.

Discussion of pricing and competitive information:

Mr. Fitzgerald stated that he was recommending that the Board approve the public record exemptions which will preserve competitively sensitive pricing information. SHELD is competing for business with fiber expansion and the process includes competitively sensitive pricing information which such disclosure will adversely affect our ability to conduct business in relation to other entities. Mass Chapter 164, and the exemption clauses sent to the Board, would protect the competitively sensitive and other proprietary information. SHELD requests that the Board accept these clauses and approve the acceptance of the public records exemptions.

On a motion by Mr. Dubreuil, seconded Mr. Schenker, it was unanimously VOTED: (1) Pursuant to Massachusetts General Laws, Chapter 164 section 47D and other laws, the Board hereby approves the Department treating all electric, telecommunication, and other pricing, contracting, and strategic information as confidential, trade secrets, competitively sensitive or other proprietary information, and the Board hereby determines that disclosure of such information will adversely affect the Department's ability to conduct business in relation to other entities, all as allowed by law; and (2) The Board authorizes this vote to apply to all such information acquired prior and subsequent to this vote; and (3) The Manager and the Department are 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 (4) 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. Dubreuil-aye, Mr. Schenker-aye, Mr. Dobosh-aye, Ms. Presley-aye, Mr. Hine-aye.

Old Business:

There were none.

New Business:

There were none.

Adjourn:

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

The open session ended at 6:56 P.M.



Gregory Dubreuil, Light Board Secretary

Approved: September 22, 2022

EXHIBIT A

List of Documents reviewed at the August 25, 2022, Municipal Light Board Meeting

1. Draft Open Session Minutes July 28, 2022
2. Draft Executive Session Minutes July 28, 2022
3. FIBERSPRING PowerPoint by Darby O'Brien Advertising
4. Financial Statement June 30, 2022