

Electric Light Department

Town of South Hadley

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MINUTES OF THE MUNICIPAL LIGHT BOARD MEETING OF THURSDAY, AUGUST 27, 2015, AT 6:00 P.M.

PRESENT:

Anne S. Awad, Chair
Kurt C. Schenker, Clerk

Also Attending:

Wayne D. Doerpholz
Michael Conchieri

Called to Order

The meeting was called to order by Chair Awad at 6:00 p.m. She began by welcoming everyone to the meeting and explaining that Christine Archambault was removed from the voter rolls by the registrars over a concern about her residency. Chair Awad then thanked Christine for her service to the town.

Chair Awad then indicated that the Selectboard and two remaining Municipal Light Board members would join together on Tuesday, September 1, 2015, at 7:00 p.m. to appoint a new member of the Municipal Light Board to serve until the next election, at which time it will be an open seat for election.

Public Comments

There were no public comments.

Minutes – May 28, 2015 and June 24, 2015

After a pause for review of the minutes, on motion made by Commissioner Schenker, seconded by Chair Awad, the minutes of the meetings of May 28, 2015 and June 24, 2015 collectively were approved as submitted.

Manager's Report

Mr. Doerpholz presented the Manager's report for the month of June 2015. He began by discussing the statement of revenues and expenses and pointed out that the year-to-date revenues

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from the sale of electricity has decreased by four hundred eighty thousand (\$480,000) dollars compared to the same period in 2014 and that purchase power costs also decreased by five hundred eighty thousand (\$580,000) dollars for the same period. He also pointed out the cost per kilowatt-hour to the customer decreased by seven (\$0.007) mills in 2015. He next mentioned that distribution expenses increased by fifty-eight thousand (\$58,000) dollars over the previous year and that customer accounting, general and administrative expenses increased by a combined one hundred thirty-eight thousand (\$138,000) dollars over 2014. These results have led to a loss of four hundred fifty-seven thousand (\$457,000) dollars to date compared to three hundred seventy-six thousand (\$376,000) loss in 2014. Mr. Doerpholz also mentioned that non-operating decreased by forty thousand (\$40,000) dollars due to the write-off of the water heaters.

Mr. Doerpholz next discussed the compensated absences and the accruals. He mentioned that he has been providing the Board this information as part of the financial statements and is currently one million, one hundred sixty-seven thousand (\$1,167,000) dollars.

Mr. Doerpholz next reported on the customer outages for the month of June 2015 and gave a report on each of these events.

Mr. Doerpholz then reviewed graphs showing these trends. He did point out to the Board that sales of electricity have continued to decline on a steady basis for more than the last ten years. Chair Awad asked for an explanation for the loss of electric sales. Mr. Doerpholz responded that it was his opinion that the loss of sales was mostly due to the loss of industrial and commercial sales and that residential sales has also decreased due to conservation measures.

Mr. Doerpholz concluded his report by discussing changes in personnel. He stated that the department had a senior employee retire after twenty-eight (28) years of employment and that this was a position that management would not refill. He also discussed ongoing efforts to redefine some duties of existing positions as a result of operational and technical changes within the Department.

Finally, Mr. Doerpholz mentioned that the Department has launched its new website and as a result of bringing this function in-house realized a financial savings and the advantage of making changes to the web page with department employees rather than by a contractor.

During the Manager's Report, the Chair indicated she had a few things to report. She stated that she attended the Northeast Public Power Association conference on Monday, August 24, 2015, and found it very informative and that she had some material to take to the fiber optics committee. She further indicated that there would be a discussion later on the agenda of the process of a public review of facility needs for SHELD. Chair Awad then brought up the subject of the audit; she indicated that she did not feel that management had the authority to hire the auditor even though Mr. Doerpholz maintains that authority is given to management under Mass General Laws Chapter 164 Section 56. Chair Awad then stated that a full discussion should take

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place when a full board meets in September. On motion made by Commissioner Schenker, seconded by Chair Awad, it was unanimously voted to accept the Manager's Report.

Discussion on Public Review of Facility Needs

A discussion followed concerning ways to get more people aware of the process for determining the needs of the facility. Chair Awad suggested attending several different department/board meetings and cautioned that no two Municipal Light Board commissioners should attend the same meeting in order to avoid a violation of the Open Meeting Law, or at the very least, not discuss anything. Mr. Doerpholz reminded the Board that, at the May meeting, Chair Awad indicated that public reviews of the building plan would be completed within six months (have it done by the end of December). He reminded the Board that there were only two questions: "Is there a need for a new facility? And, if there is a need, what's the best location for that facility to be in?" He then stated the authority of the Planning Board would be to solicit comments from police, fire, electric, gas, water, sewer, Department of Public Works, Board of Health, ConCom. He suggested that, if the Board wanted to ask other boards any questions, they could have those comments returned to the Municipal Light Board by a specific date. At that time, Mr. Doerpholz indicated that it would be appropriate to hold a KYT meeting and present the comments. Chair Awad replied that she still would think it crucial to contact certain boards, i.e. Selectboard, Planning Board, and DPW. She stated her reason for contacting the DPW is that there might be a reason to consider combining services and functions. Mr. Doerpholz objected and stated that the Board was confusing operations of the Light Department with constructing a new facility. Chair Awad then stated she would develop a survey to finalize at the September Board meeting.

Next Meeting

Chair Awad set the next meeting for Thursday, September 10, 2015, at 6:00 p.m.

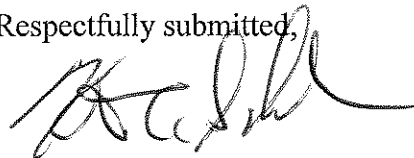
Adjournment

On motion made by Commissioner Schenker, seconded by Chair Awad, it was unanimously

VOTED: to adjourn.

The meeting was adjourned at 6:45 p.m.

Respectfully submitted,



Kurt C. Schenker, Clerk
Municipal Light Board

10/1/15