

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS' VIRTUAL MEETING
SEPTEMBER 28, 2023, AT 6:00 P.M.**

Present for the Board: Chair John Hine, Vice Chair Denise Presley, Paul Dobosh,
Ron Coutu Absent: Kurt Schenker

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

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

Minutes Approval:

8/24/2023 Open Session:

On a motion by Mr. Dobosh and seconded by Ms. Presley, it was
VOTED: To approve minutes of August 24, 2023 open session, by a roll call vote: Mr.
Dobosh-aye, Ms. Presley-aye, Mr. Hine-aye. Mr. Coutu abstained as he was not at that
meeting.

8/24/2023 Executive Session:

On a motion by Ms. Presley and seconded by Mr. Dobosh, it was
VOTED: To approve, and not release, the executive session minutes of August 24,
2023, by a roll call vote: Mr. Dobosh-aye, Ms. Presley-aye, Mr. Hine-aye. Mr. Coutu
abstained.

Public Comment:

Mr. John Howard spoke asking the Board to consider having a future discussion
regarding net metering to use less power during peak times and moving to “time of use
rates” since we have smart meters. Mr. Hine said they would take it under advisement.
Mr. Fitzgerald stated there have been ongoing supply chain issues causing the AMI
meters to come in more slowly than expected, but he said installations should be
completed at the end of next year. Mr. Coutu commented that there was still a need for
a data management system to be able to access the information from the meters plus
there would need to be changes to billing. Mr. Fitzgerald said there would be an RFP
ready by the end of this year, to obtain pricing next year, on a data management system.

Manager’s Report:

Outages:

There was one outage of significance on Monday night when a large tree fell on Titans
Pier Road at Hadley Street and took out several crossarms. The outage impacted 42
electric and 2 fiber customers for 5 hours. Crews worked into the evening to restore
power.

Fiber Update:

A Spring into Fall flyer was sent out to residents. Mr. Fitzgerald stated there were currently 2050 connected South Hadley customers. He listed the fiberhoods that were recently opened for connection including the Brock Way fiberhood which is opening soon. He also listed the final areas currently under construction. There are ongoing conversations with owners of multi-dwelling units (MDUs).

July 2023 Financials:

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the financials for the month ending July 31, 2023.

Kilowatt hour sales of 62,149,000 for 2023 were down by 2.1 % from 2022 or 1,358,000 kilowatt hours. Year-to-date electric operating revenues of \$9,489,000 were up from 2022 by 20% or about \$1,615,000, consisting of an increase of \$1,783,000 in selling price offset by a decrease of \$168,000 in volume.

The 2023-kilowatt hour purchases of 64,158,000 were down by 4.5% from 2022, or 3,079,000. The 2023 cost of power sold of \$5,698,000 was down by about 13.5% from 2022, or \$894,000, consisting of a decrease of \$302,000 in kilowatt hour purchase volume, and a decrease of \$592,000 in purchase price.

There was an increase in revenue and a decrease in the cost of power; therefore, the net revenue of \$5,857,000 was up from 2022 by \$3,544,000 dollars. The actual net revenue was up from the budgeted amount by \$851,000.

All other 2023 operating expenses of \$5,083,000 on a combined basis, were up from 2022 by about \$1.2 million and up from the budgeted amount by \$241,000.

June 2023 ended with a net YTD gain of about \$1,000,000, compared to the 2022 net loss of \$2,300,000 and was up from the budgeted amount of a \$363,000 profit. Mr. Conchieri answered questions from the Board.

System Peaks – Managing Usage:

Mr. Coutu explained that ISO New England’s and SHELD’s peak usage day this year happened on September 7, 2023. It is unusual for the peak usage day to take place in September. He and Mr. Fitzgerald discussed slides explaining the importance of everyone in town reducing energy consumption on peak days because SHELD’s capacity costs for the upcoming year, starting next June for 12 months, are based on the energy usage on the current year’s peak day. If we can reduce consumption for those 2 hours, it will reduce costs for next year. It’s estimated that without all the behind the meter solar that’s in place, the peak would have still happened, it just would have been earlier in the day.

SHELD sends out text messages to ask customers to reduce their energy consumption for 2 hours when a peak time is expected. The slides showed that there was minimal change in SHELD's consumption on September 7 during the peak time of 5:00-7:00PM. This is voluntary but it will help everyone by lowering SHELD's future capacity costs if enough people postpone doing things to reduce their consumption, i.e. turning down their A/C, postponing household chores and charging car batteries during those 2 hours. An educational flyer will be sent out explaining this information to residents at some point.

Mr. Coutu and Mr. Hine discussed how the battery storage project, that SHELD is working towards installing, will also help because it can be used to reduce usage during the 2 hours on peak days.

SHELD Property & Building Search Overview:

Mr. Hine gave an overview of SHELD's need to relocate to a new facility. SHELD is an essential business located in a 100-year flood zone. Climate change is making this more problematic for the future. The current building is old, needs constant repairs, and is too small to house all SHELD staff, departments, and storage. The fiber division is located across town in rented space which is expensive and not efficient. We have had a commercial broker looking for a site for several years and have not found one yet to suit the needs of the organization. New building construction is estimated to cost \$20M to \$24M, which would increase rates approximately \$.02 per kilowatt hour, or \$10 for the average 500 kWh bill. Building construction costs will continue to rise in the future.

Mr. Hine said he and Mr. Fitzgerald would plan to schedule a public open forum to continue the discussion in more detail.

Old Business:

Mr. Hine stated the Board received a letter from the Attorney General's office regarding an open meeting complaint filed against the Board for the content in December 2022 executive meeting minutes. The AG's office decided the executive session minutes did not have enough detail. The letter stated that an informal action was needed, within 30 days, to submit rewritten minutes. If information included in the minutes should not be released to the public, it may be redacted before releasing the revised minutes. The original minutes had been rewritten by legal counsel but since the open meeting complaint was filed, SHELD's other legal counsel has been addressing the complaint and will review and revise the minutes for release. Mr. Fitzgerald stated that most of the information from that executive session had already been released during that evening's open session and in those minutes when they were posted.

New Business:

There was none.

Adjourn:

On a motion by Mr. Coutu, seconded by Mr. Dobosh the meeting was

VOTED: to adjourn, by a roll call vote: Mr. Coutu-aye, Mr. Dobosh-aye, Ms. Presley-aye, Mr. Hine-aye.

The open session ended at 6:42 P.M.



Paul Dobosh, Light Board Clerk

Approved: October 26, 2023

EXHIBIT A

List of Documents reviewed at the September 28, 2023, Municipal Light Board Meeting

1. Draft Open Session Minutes August 24, 2023
2. Draft Open Session Minutes August 24, 2023
3. Financial Statements July 31, 2023 and 2022
4. System Loads 9/7/2023
5. New Building Update