

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS EXECUTIVE SESSION VIRTUAL MEETING
AUGUST 24, 2023**

Present for Board: Chair John Hine, Vice Chair Denise Presley, Paul Dobosh, Kurt Schenker (arrived 6:40) Absent: Ron Coutu

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

Guest: David Moore, Commercial Real Estate (for the property)

At the end of the open session meeting, after the Chair stated the reasons to move into executive session, a motion was made and seconded, and by a roll call vote (see open session minutes), the Board moved into executive session to discuss a possible property and fiber contract. The executive session began at 6:32pm.

PROPERTY:

Mr. Fitzgerald stated that the deal at 75 Canal Street had fallen through when the owner leased it to someone else. SHELD has continued to search for property for the past four years including writing letters to, and inquiring of, landowners. Most properties were over a million dollars, but there has been nothing that meets SHELD's needs.

In January of 2022, SHELD's MLB approved a Letter of Intent to purchase land adjacent to the Big Y property which was indicated to have 6 usable acres of the 9.38 acres listed. Big Y wanted \$750K for the entire plot of land. The offer was contingent upon there being 6 buildable acres. Big Y conducted a wetlands delineation which resulted in 4.43 usable acres. SHELD walked away at that point, but management has decided to revisit that property believing we can make that location work. Management requests the Board to reconsider the Big Y property.

The Board was given a map showing the wetland area and a couple of drawings showing where the buildings could be placed. Construction prices have risen considerably since a building price was quoted ten years ago at \$10-12 million dollars. The architect said we can fit a building if we can utilize some of the 100foot buffer zone, while staying out of the 50foot buffer zone. He gave a current construction price of \$22-24 million dollars, which could be as high as \$25-26 million by the time construction is completed for a building to house electric and fiber at the same location.

Mr. Conchieri stated that the cost of a new building at the Big Y property would probably increase the electricity cost to ratepayers by 2.5-3 cents per kilowatt hour, which equates to \$15.00 on 500 megawatts usage, or a 20% increase.

Board members asked their questions. Ms. Presley was concerned about the site, the increase in electric rates for the ratepayers, and for the extra expenses while we are still paying on the loan

for fiber. Mr. Schenker said that prevailing wages and material costs would just continue to increase so waiting longer would just make the price of a new building continue to escalate. Mr. Dobosh felt there was a need for a new building with possible future weather changes, due to climate change, which could cause problems at 85 Main Street. After a brief discussion it was decided to move forward with asking Big Y for an updated wetlands delineation before deciding to make an offer. Mr. Moore said Big Y was still interested in selling the property to SHEL D and he would work on getting a new wetlands delineation.

Dave Moore left the meeting.

The second topic was a possible fiber contract with the WiredWest group of six communities who were currently with Whip City Fiber. Their contract expires in December of 2024. They put out an RFP earlier this year. SHEL D has had preliminary meetings with them and has an indication that there is interest in our SHEL D/Fiberspring ISP services. They are fully constructed, similar to Leverett and Shutesbury.



Mr. Fitzgerald feels SHEL D could handle the workload in IT and Customer Service/Billing but would need to hire 2 more techs and a contractor for back-up service. Mr. Hine thought that the risk was small because it is already built. After a discussion, Mr. Hine asked the Board for a motion to move forward with the project.

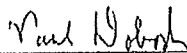
On a motion by Ms. Presley and seconded by Mr. Schenker, it was VOTED: To allow Mr. Fitzgerald to move forward to pursue a contract with WiredWest, by roll call vote; Mr. Schenker-aye, Ms. Presley-aye, Mr. Dobosh-aye, Mr. Hine-aye.

Adjourn

On a motion by Mr. Dobosh and seconded by Ms. Presley, it was

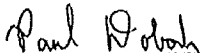
VOTED: To adjourn the executive session and not return to open session, by roll call vote; Mr. Dobosh-aye, Ms. Presley-aye, Mr. Schenker-aye, Mr. Hine-aye.

The Executive Session ended at 7:13 PM.



Paul Dobosh, Clerk

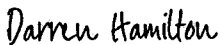
Approved: September 28, 2023



Paul Dobosh, Clerk

Approved for Release with Redactions: March 28, 2024

Signed by:



TADBQEBSDOFF402
Darren Hamilton, Light Board Clerk

Approved for release w/ redactions: October 22, 2026