SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS' HYBRID MEETING
TRUSTEES ROOM AT THE LIBRARY
JULY 23, 2026, AT 6:00 P.M.

Present for the Board: Chair John Hine, Vice Chair Paul Dobosh, Ron Coutu, Darren Hamilton (virtual), Tom Terry

Present for SHELD: General Manager Sean Fitzgerald, Director of Operations Adam St. Martin, Administrative Services Specialist Kim Mendoza, Administrative Specialist-Human Resource Coordinator Holly Merchant, Financial Manager Michael Conchieri

Guest: Attorney Nicholas Scobbo Jr.

The virtual meeting was called to order at 6:00 PM by Chair Mr. Hine

Minutes Approval:
6/25/2026 Open Session:
On a motion by Mr. Terry, seconded by Mr. Dobosh, it was
VOTED: To approve the open session minutes of June 25, 2026, by roll call vote: Mr. Coutu-aye-, Mr. Dobosh-aye, Mr. Terry-aye, Mr. Hamilton-aye, Mr. Hine-aye.

Public Comment:
No public comments

Manager's Report
Outages: There were three outages, affecting nineteen customers, from tree contact. Two hours was the longest outage on Rita Circle.

Fiberspring Update:
Mr. Fitzgerald shared that Stoneybrook Village conversations have been re-engaged with SHELD and a recommended sprinkler vendor to secure an estimate on pathway. For Hadley Village, SHELD is still awaiting an estimate from the electrical contractor. Mr. St. Martin stated that all Rivercrest customers who applied for service are now connected.
Next week HG&E will be performing firmware upgrades, Tuesday and Thursday from 12:00 AM to 7:00 AM. Intermittent interruptions to service should be approximately twenty minutes, at which point service should return. SHELD will be sending out a Constant Contact email to all South Hadley, Shutesbury, and Leverett customers of this upcoming scheduled maintenance window.

April 2026 Financials:
Mr. Conchieri presented PowerPoint slides as he gave a brief overview of the financials for the month ending April 30, 2026.

April 2026 electric revenues decreased from 2025 by $330k, Kilowatt hours sales increased from 2025 by $1,206,000. The Kilowatt hours purchased increased from 2025 to $831,000. The cost of power increased $496,000.

Net revenue of $3,424,000 decreased from the prior year of $725,000 and was down from the budgeted amount by $947,000.

All other operating expenses compared to 2025 had an increase of $418,000 and compared to budget it was an increase of $80,000. The YTD loss is $116,000, compared to the 2025 profit of $1,117,000, and a budget of a $1,076,000 profit.

Mr. Conchieri stated that the YTD loss is less than last month. The utility rates operate on a 3-month trailing cycle. SHELD will make up for the loss in the 3rd and 4th quarter.

New Building Financing:
Mr. Fitzgerald shared that Attorney Nick Scobbo is SHELD's legal counsel for the new building pooled loan process. Mr. Fitzgerald stated that Mr. Scobbo drafted the legislation for the pooled loan program and is uniquely qualified. The board packet included a vote certificate authorizing and approving management to secure $37.5 million in financing through the MMWEC pooled loan program. It also included the pooled loan agreement between SHELD and MMWEC, which will be executed by board approval. This is the second time SHELD recommended the MMWEC pooled loan financing, following the successful use of $12 million from the program to fund the Fiberspring construction. This loan will not affect the Town's debt ceiling. Management recommends that the board authorize SHELD to borrow $37.5 million through the tax-exempt pooled loan program for the new building construction project.

Mr. Coutu stated in Attachment One (1) on the Pooled Loan Agreement, the principal on the loan read $37.5 million, but the project assets read $39 million. Mr. Coutu thought the max funding of the loan was $37.5 million not $39 million. Mr. Coutu also stated he believed that the $750k for the land was going to be deducted from $37.5 million loan.

Before Mr. Scobbo answered Mr. Coutu's questions, he explained his history working with MMWEC and the DPU (Department of Utilities) He has served as counsel to issuers of at least 6 billion dollars' worth of debt. Mr. Scobbo explained for the Pooled loan, MMWEC cannot borrow funds without DPU approval, if the borrowing of funds is for greater than one year. DPU approved bonding for MMWEC up to $400 million to be able to finance and refinance without the loan having to go back to the DPU for approval. The DPU approved the Pooled Loan Agreement documents presented to the board. Mr. Scobbo explained it can either be a pooled loan or a lease under a DPU order. Management of SHELD wanted to proceed with a pooled loan instead of a lease. He stated the staff at SHELD completed very detailed work on the project and it was well vetted. The DPU order requires MMWEC to put together a committee to approve the issuance of the debt, which was completed on Monday, July 21, 2026.

Mr. Scobbo explained that the loan is capped at $37.5 million; the $39 million is a contingent number for costs over and above $37.5 million. The board previously voted on the Reimbursement Resolution. The $750K for the land is not within $37.5 million. If the contingencies within the $37.5 million are more than sufficient, SHELD then can reimburse itself for the funds spent on the land. If the $37.5 million is spent for the building, the land which has been previously paid for by other funds would be prior expenditures which could bring the project total to $39 million. Mr. Fitzgerald explained that the $750k for the land would be reimbursed through the depreciation fund for the land.

Mr. Hine stated that we are only borrowing $37.5 million. He asked Mr. Scobbo if the fees associated with executing agreements from MMWEC would be covered by the loan. Mr. Hine also wanted to clarify that in the Pooled Loan Agreement Page 12 section 8 for the participants covenants rates, "the participant shall not be required to make payments from proceeds of a loan, the revenues, and other monies derived by the participant from its electric and/or gas department or system." Mr. Hine asked if Fiberspring is part of the electric revenues, and if it could be used to repay the loan. Mr. Scobbo said that Fiberspring revenues can be used to pay the loan. Mr. Scobbo stated the fees for executing the agreement will be covered by the loan, although Mr. Scobbo is unaware what the bank fees, MMWEC's, attorney, and bond counsel fees are at this time. Regarding the fees Mr. Fitzgerald explained that the mandate given states SHELD will not be borrowing over $37.5 million. If needed, SHELD will be using the depreciation fund for the difference. Mr. Fitzgerald stated that SHELD believes MMWEC fees will be under $250k. Mr. Scobbo explained that MMWEC is sending the RFP to a few banks. Once returned SHELD will then get returned responses with proposals. It may or may not be one or more loans and/or banks. Responses from the RFP's are expected around August 24th-26th. Term sheets will be provided to SHELD mid-September, at that time SHELD will then know the term fees.

Mr. Terry asked if SHELD knows what interest rates are being offered at this time. Mr. Fitzgerald stated that the rates may be around 4%, but SHELD will know more once the proposals are presented. Mr. Scobbo stated that if the rate is higher initially, SHELD can refinance the loan. Mr. Hine asked if SHELD has paid off the Fiberspring pooled loan. Mr. Fitzgerald stated that approximately $9 million is still owed. Mr. Conchieri stated that the Fiberspring loan is a 30-year amortization with a 20-year loan. Fiberspring income is paying for the Fiberspring pooled loan.

Mr. Hine asked to waive reading each of the 12 actions and that the board vote on the actions as listed on the Certificate. He asked for a motion. The Certificate will become part of the meeting minutes.

On a motion by Mr. Dobosh seconded by Mr. Terry it was:

VOTED: To approve the actions as listed one through twelve on the certificate document, by roll call vote: Mr. Terry -aye-, Mr. Dobosh -aye, Mr. Hamilton - aye, Mr. Coutu -No, Mr. Hine -aye. On a 4 to 1 vote the certificate was approved.

Mr. Coutu stated that he is strongly opposed to the project because he feels the board is ignoring the ratepayers who do not want the project.
Resident Cathy Allen stated she is dismayed by the decision about the new building as the town voted against it with a non-binding referendum, but the vote is completed.

Off Peak Rates/Time of Use:
Mr. Fitzgerald shared a chart that showed that on July 2nd, the region had likely reached its annual peak demand, which was 28,270 kw or 28.3 kw of demand at 5:25 pm. Our 10-year peak at SHELD was 28,500 kw which was slightly higher last year on June 24, 2025. SHELD's capacity costs are based on the single highest-demand hour of the year and are a significant amount of SHELD's wholesale energy cost. SHELD sent notifications on that day asking customers to conserve energy during the expected afternoon peak. From the graph Mr. Fitzgerald shared, it showed no significant drop in load. The slide contained a load-drop line which illustrated how the proposed 3 MW battery storage system could have reduced demand during the event. Under SHELD's current structured agreement with Light Shift Energy, this reduction could save over $100,000 or more per year just on a capacity market. This does not include the transmission market, which could provide additional savings by turning on the battery. It has a significant annual and monthly savings on wholesale market costs.

Old Business:
No Old Business

New Business:
The next meeting is August 27th.

Adjourn:
On a motion by Mr. Dobosh seconded by Mr. Hamilton, it was unanimously
VOTED: To adjourn the meeting, by roll call vote: Mr. Hamilton -aye, Mr. Dobosh -aye, Mr. Terry-aye, Mr. Coutu-aye, Mr. Hine-aye.

The open session ended at 6:53 pm.

Signed by:
Darren Hamilton
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Darren Hamilton, Light Board Clerk

Approved: August 27, 2026

EXIBIT A
List of Documents reviewed on July 23, 2026, at the Municipal Light Board Meeting

1. Draft Open Session Minutes of June 25, 2026
2. April 2026 Financials
3. Certificate for Pooled Loan Vote
4. Pooled Loan Program-Loan Agreement
5. SHELD Load Peak graph