



**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS' HYBRID MEETING
TRUSTEES ROOM AT THE LIBRARY
DECEMBER 12, 2024, AT 5:00 P.M.**

Present for the Board (in person): Chair John Hine, Vice Chair Paul Dobosh, Ron Coutu, Tom Terry

Absent: Kurt Schenker

Present for SHELD: General Manager Sean Fitzgerald, Financial Manager Michael Conchieri, Director of Operations Adam St. Martin, Administrative Services Specialist Kim Mendoza, Marketing & Customer Service Manager Kelly Frazier

The meeting was called to order at 5:00 PM by Chair John Hine who stated the Board would move to Executive Session for purpose pursuant to M.G.L. c.164, § 47D, to consider the purchase, exchange, lease, or value of real property AND for the purpose of discussing trade secrets, confidential, competitively sensitive, or other propriety information pertaining to fiber AND for contract negotiations with nonunion personnel, the General Manager, and to return to open session at approximately 6:00PM.

On a motion by Mr. Coutu and seconded by Mr. Terry, it was unanimously VOTED: To move to executive session for the reasons stated by the Chair and return to open session at approximately 6:00 PM.

The Board returned to open session at 6:00 PM.

Minutes Approval:

10/31/2024 Open Session:

On a motion by Mr. Coutu and seconded by Mr. Dobosh, it was unanimously VOTED: To approve minutes of October 31, 2024 open session.

Public Comment:

There were none.

Manager's Report:

Electric Outages: There were 4 minor outages and one blown lighting arrestor, which impacted 8 customers. Other outages were from animal contact and were less than one hour, impacting 26 customers.

Fiberspring Outages: We had one "intermittent fiber" bandwidth issue which impacted South Hadley customers intermittently for roughly 2 hours on 11/20. The cause of the intermittent bandwidth was an Optical Light Terminal (OLT) which was in service and being relocated from our pre-existing fiber hut to our new fiber hut which caused network interference that interrupted full bandwidth capabilities to some of our South Hadley subscribers. We received 30 calls from customers. There were no impacts to Leverett or Shutesbury subscribers.

AMI/MDM Update: Kelly Frazier updated the Board on the progression of our App. On Thursday, December 5th, 100 random active electric customers were sent Constant Contact notification emails asking for their feedback on using the App. To date, 42 people have opened the notification, but there has been no feedback yet.

In December electric bills, a bill insert was sent to all customers making them aware of the App and the functions that are available through the App and that it was available for download and use. To date, 99 people have downloaded the App.

We have a meeting scheduled for 12/13 to meet with our vendor, SEDC, to go over the concerns that have been brought forward to this point. SEDC emailed stating they could accommodate our recently requested changes. We will share the updates we receive on the progress of the requests/changes once we have more information. Also, our online portal has been updated and has much more detail on current usage and historical usage data, similar to the App.

Fiber Update: Fiberspring has been prequalified for the MBI Broadband Equity Access and Deployment (BEAD) funding program. The purpose of the pre-qualification process is to ensure potential grantees (Fiberspring) have the capacity, experience, and resources needed to participate in the BEAD program effectively. Your acceptance confirms that your submission meets the program's initial requirements. This positions Fiberspring for MBI funded expansion opportunities. These projects help our local communities get fiber and provide significant financial opportunities from state and federal funding.

Mr. Fitzgerald congratulated Bobby Liswell, Chris Geraghty, Adam St. Martin, Kelly Frazier, and Kim Mendoza, and the entire team at SHELD and Fiberspring, who worked extremely hard putting all the details associated with meeting the states qualifications. MBI is anticipating launching the BEAD solicitations and application webpage on December 19th. We are now qualified to apply for grant money for fiber projects.

On December 16th, we anticipate the IGA to be signed with Longmeadow. That will allow us to begin the design and engineering phase of their fiber project.

September 2024 Financials:

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the financials for the month ending September 30, 2024.

Kilowatt hour sales of 84,690,000 for 2024 were up by 2.44% from 2023 or 2,016,000 kilowatt hours. Year-to-date operating revenues of \$12,971,000 were up from 2023 by 4.14% or about \$516,000, consisting of an increase of \$304,000 in volume and an increase of \$212,000 in selling price.

The 2024-kilowatt hour purchases of 86,027,000 were up by 2.97% from 2023, or 2,483,000. The 2024 cost of power sold of \$8,036,000 was up by about 9.09% from 2023, or \$669,000, consisting of an increase of \$219,000 in kilowatt hour purchase volume, and an increase of \$450,000 in purchase price.

The increase in revenue was more than the cost of power; therefore, the net revenue of \$7,928,000 was up from 2023 by 2.34% or \$181,000. The actual net revenue was down from the budgeted amount by \$112,000.

All other 2024 operating expenses of \$7,623,000 on a combined basis were up from 2023 by about \$1,022,000 and up from the budgeted amount by \$650,000.

September 2024 ended with a net YTD gain of about \$941,000, compared to the 2023 net gain of \$1,219,000 and did not reach the budgeted amount of a \$1,212,000 gain. Mr. Conchieri is confident we are on track to meet the budget by year's end. The higher pension and benefits cost, which we estimate, account for the smaller gain than expected.

2025 Budget:

Operating revenues were calculated using current rates applied to 97% of projected kWh purchases. 2025 kWh price will average \$0.15, while the 2024 kWh price averaged \$0.16. The cost of power was derived from MMWEC's bulk power cost projections. These projections are based on the Town's estimated 2025 demand using historical / projected consumption patterns and expected / projected market costs from November 2024, and are expected to be \$08.8 in 2025, compared to 2024 projected cost of \$09.4.

Salaries and wages were calculated using current / projected staffing and pay rates in the union CBA. Nonunion payrates were based on current salaries. Estimated distribution wages were increased to include an overtime estimate of 10% of gross wages and decreased to exclude a capitalization estimate of 40% of gross wages. Cost of power, distribution, customer accounts, and general and administrative supplies and expenses were determined based on historical and projected costs. Pension and benefit costs were determined based on the best available estimates as of the date of the budget. SHELD is forecasting a \$1,884,000 profit for 2025.

Capital expenses for the year are estimated to be \$4,110,000 which includes transformer replacements / upgrades, system voltage upgrades, expansion of fiber optic network to facilitate telecommunications, advanced metering infrastructure / MDM System, and vehicle modernization and vehicle replacement plans. Next year also includes preliminary costs for the new building, battery storage, and a new digger derrick truck.

On a motion by Mr. Coutu and seconded by Mr. Terry, it was unanimously VOTED: To approve the 2025 budget as presented.

2025-2026 Vegetation Management RFP Approval:

Adam St. Martin presented information on the Vegetation Management RFP for 2025-2026. After reviewing the proposal rates, and terms and conditions, Management recommends awarding the contract to Davey Tree Expert Company. Their prices are considerably lower than the current provider's.

On a motion by Mr. Terry and seconded by Mr. Dobosh, it was unanimously VOTED: To approve the award of the 2025-2026 Vegetation Management contract to Davey Tree Expert Co.

General Manager’s Review and Contract:

Mr. Hine reviewed the performance review process for the General Manager, who is evaluated under several criteria with scores of 1-5. Each board member completed their review, with the exception of Commissioner Schenker, then the reviews were compiled. Mr. Fitzgerald’s average scores for all categories were between 4.4 - 4.8. Mr. Hine mentioned some of the GM’s accomplishments. The reliability for electric and telecom is very high. SHELD and Fiberspring each received awards for high reliability. The AMI meter deployment is complete. Titans Pier River Crossing has been completed across the river for additional connectivity to Holyoke. Customer surveys have very positive feedback on electric and fiber. Fiberspring acquired the Longmeadow fiber project. SHELD has maintained its AA financial rating and electric rates that are among the lowest in the state. Fiberspring has maintained its competitive rates, without an increase, for 5 years. The employee survey indicates satisfied workers, a 3-year union contract was approved by members and the board unanimously, and we worked with the high school to hire 2 summer interns. The Board will be working towards a new contract with Mr. Fitzgerald.

Old Business:

There was none.

New Business:

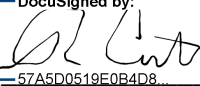
Mr. Dobosh asked if they could have virtual meetings during the winter months. The Board agreed for the months of January through March to have virtual meetings.

Mr. Fitzgerald said he had a conflict with the January 23rd MLB meeting date and asked if the meeting could take place on January 30, 2025 instead. The board agreed.

Adjourn:

On a motion by Mr. Dobosh, seconded by Mr. Coutu, it was unanimously VOTED: To adjourn the meeting.

The open session ended at 6:46 P.M.

DocuSigned by:

57A5D0519E0B4D8...

Ronald Coutu, Light Board Clerk

Approved: January 30, 2025

EXHIBIT A

List of Documents reviewed on December 12, 2024, Municipal Light Board Meeting

1. Draft Open Session Minutes October 31, 2024
2. September 30, 2024 Financial Management Report
3. Operating and Capital Budget Ending December 31, 2025
4. Vegetation Management Bid 2025A Recap for 1/1/2025-12/31/2026