



**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT  
BOARD OF COMMISSIONERS' VIRTUAL MEETING  
MAY 30, 2024, AT 5:00 P.M.**

Present for the Board: Chair John Hine, Paul Dobosh, Ron Coutu, Tom Terry, Kurt Schenker - (arrived 5:02)

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

The virtual open meeting was called to order at 5:00P.M. by Chair Hine.

The virtual meeting open session was called to order at 5:00 PM by Chair John Hine who stated: The Board would move into Executive Session to discuss strategy with respect to collective bargaining with IBEW 455 and return to open session at approximately 6:00 PM.

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

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

**Introduction of New Commissioner Tom Terry:**

Mr. Hine introduced Mr. Tom Terry as the newest Light Board Commissioner. Mr. Terry brings years of board and financial experience, most recently as the Chair of the Appropriations Committee.

**Minutes Approval:**

4/25/2024 Open Session:

On a motion by Mr. Coutu and seconded by Mr. Dobosh, it was VOTED: To approve minutes of April 25, 2024 open session, by a roll call vote: Mr. Schenker-aye, Mr. Coutu-aye, Mr. Dobosh-aye, Mr. Hine-aye, Mr. Terry-abstained.

5/21/2024 Joint Meeting with the Selectboard:

On a motion by Mr. Coutu and seconded by Mr. Dobosh, it was VOTED: To approve the minutes of the May 21, 2024 joint meeting with the Selectboard minutes, by a roll call vote: Mr. Dobosh-aye, Mr. Coutu-aye, Mr. Schenker-aye, Mr. Hine-aye, Mr. Terry-abstained.

**Public Comment:**

There were none.

**Manager's Report:**

Outages: There was one outage on Linda Street impacting 4 customers for 1.2 hours due to animal contact.

Fiber Update: Total South Hadley Fiber Customers: 2480, Total Fiberspring Customers: 4,006 including Leverett and Shutesbury customers. Fiberspring take rate is 46%, exceeding plan goals.

AMI Meter Update: SHELD has installed 6,516 meters, installation is 82% complete.

**December 2023 Financials:**

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

2023 was a much better year than 2022. The power markets became more stable, and the investment markets returned positive results. SHELD's 2023 balance sheet shows current assets and current liabilities were consistent with 2022. There was a decrease in restricted assets attributed to the spend-down of the loan proceeds for the fiber plant build out and an increase in the deferred inflows showing money going back into the rate stabilization fund.

During 2023, SHELD's total capital assets increased by about \$4,000,000, which consisted of the completion of the fiber public build ahead of schedule and under budget, 75% completion on the AMI conversion, and upgrades to the electric distribution system. Also, SHELD's long-term liabilities increased from 2022, attributable to an increase in the pension liability which was significantly impacted by 2022's poor investment market performance. During 2023, SHELD increased its net position by about \$1,000,000.

2023 kWh sales were down from 2022 by about 3.7 million. SHELD kWh sales have been flat for the past five years and have yet to see the impact of "electrification." There are ongoing conversions, but new demand is being offset by efficiencies.

SHELD's 2023 overall revenues increased by \$.5 million over 2022, mostly from fiber revenues doubling for the year. kWh purchases decreased by 5.3 million, the cost of power sold decreased by \$7 million.

Other operating expenses were up over 2022 by about \$2.3 million. Overall wages increased due to an increase in the number of employees to facilitate succession planning. Pension and benefit costs increased. Supplies and expenses increased, mostly due to the increase in fiber expenses to support the increase in fiber revenue.

Nonoperating income increased significantly by \$1.7 million over 2022, due to the rebound in the investment market. The Statement of Revenues and Expenses shows a \$1.2 million profit for 2023, compared to a \$650,000 profit for 2022. This is the fifth consecutive year that SHELD's

electric operations achieved the allowable return on net plant value. 2023 marked the first year the fiber operation became cash flow positive.

**Cyber Security Grant:**

In March of 2023, the US Department of Energy announced a \$70 million funding opportunity for rural and municipal utilities to strengthen cybersecurity. SHELD's IT Generalist Dave Sullivan, with the assistance of Paul Byrne, Matt DelMonte, and Mike Conchieri, applied for the grant on behalf of SHELD. SHELD was awarded \$50,000 for cyber security investments and access to 120 hours of technical assistance. The grant is funded by the Department of Energy Office of Cybersecurity, Energy Security, and Emergency Response. SHELD will be working to produce a roadmap for technical assistance and give the Board an update in the future.

**APPA Certificate of Excellence in Reliability:**

SHELD has received national recognition for achieving exceptional reliability in 2023 by significantly exceeding the 5-year average for all U.S. electric utilities for reliable electric service. American Public Power (APPA)'s Reliability team tracks power outages and restoration data and compares SHELD's data to national statistics tracked by the US Energy Information Administration for all types of electric utilities. Mr. Fitzgerald congratulated the Board and the entire SHELD Staff for their hard work and dedication, especially the line crews and operations staff who endure harsh weather conditions to ensure South Hadley has great reliability.

**IBEW 455 CBA Vote:**

Mr. Hine stated that the Board had earlier met in executive session to discuss contract negotiations with the IBEW. Details could not be released yet because the CBA has not been ratified, but the Board will take a vote based on what was discussed in the executive session.

On a motion by Mr. Dobosh and seconded by Mr. Schenker, it was unanimously VOTED: To approve the IBEW contract revisions as presented by management in executive session, by a roll call vote: Mr. Schenker-aye, Mr. Terry-aye, Mr. Dobosh-aye, Mr. Coutu-aye, Mr. Hine-aye.

**Old Business:**

Hybrid Meetings: This topic is being revisited. After a brief discussion it was decided to look into moving from virtual monthly meetings to hybrid meetings, using the smaller conference room at the Senior Center. All Commissioners agreed they would like to move to hybrid meetings. Mr. Hine asked that Ms. Mendoza and Mr. Fitzgerald investigate the possibility and report back to the Board in June.

Audit Committee Reappointment: Mr. Hine asked Mr. Terry if he would like to take Mr. Dobosh's place on the audit committee to meet with the auditors prior to their presentation to the Board. Mr. Terry accepted.

On a motion by Mr. Schenker and seconded by Mr. Dobosh, it was unanimously VOTED: To appoint Tom Tery as second member of the audit committee replacing Mr. Dobosh, by a roll call vote: Mr. Coutu-aye, Mr. Schenker-aye, Mr. Dobosh-aye, Mr. Terry-aye, Mr. Hine-aye.

**New Business:**

August & October Meeting Date Change:

Mr. Hine stated that there are five Thursdays in August and October and a board member requested to change the August 22<sup>nd</sup> meeting to the 29<sup>th</sup> and the October 24<sup>th</sup> meeting to the 31<sup>st</sup> (Halloween). Everyone agreed to the August date change but Halloween at 6:00 was more difficult for everyone. Sean suggested 4:00 PM on October 31. Everyone agreed.

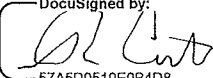
Also, Mr. Fitzgerald said SHELD sponsored an event at the Gaylord Library, and he has tickets for Saturday June 8<sup>th</sup> from 5:00-7:00PM. If any Board member wants to attend, let him know.

**Adjourn:**

On a motion by Mr. Schenker, seconded by Mr. Coutu, it was

VOTED: To adjourn the meeting, by a roll call vote: Mr. Terry-aye, Mr. Dobosh-aye, Mr. Coutu-aye, Mr. Schenker-aye, Mr. Hine-aye.

The open session ended at 6:38 P.M.

DocuSigned by:  
  
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Ron Coutu, Light Board Clerk

Approved: June 27, 2024

EXHIBIT A

List of Documents reviewed at the May 30, 2024, Municipal Light Board Meeting

1. Draft Open Session Minutes April 25, 2024
2. Draft 5/21/2024 Joint Meeting with the Selectboard
3. December 31, 2023 Financial Review
4. APPA Certificate of Excellence in Reliability