

# BLOCK ISLAND UTILITY DISTRICT



*Lineworkers Jim Stockman and Evan Carey performing hot line work; changing a failed fused cut out which caused the Corn Neck outage on the evening of July 4<sup>th</sup>.*

**BOARD OF COMMISSIONERS MEETING  
JULY 31, 2019**

Block Island Utility District  
Wednesday July 31, 2019  
Town Hall, Old Town Road  
4:00 p.m.

1. Commissioner's Report
2. Public Input
3. Approve Minutes of June 25, 2019
4. Receive and Act on Treasurers Report
  - a. Review June 2019 Financials
  - b. Provide Feedback on New Financials Format
5. Receive and Act on Presidents Report
6. Review and Act on CFC Letter of Credit to be used for ISO-NE Financial Assurance
7. Review and Act on CFC Restatement of the Original \$670,000 Line of Credit (LOC) – Mortgage Supplement to Secure LOC
8. Review and Act on Rate Case Filing
9. Discuss and Act on Annual Meeting Agenda
  - a. Update on Election Schedule
10. Discuss and Act on NRECA Director Election
11. Discuss and Act on President's Job Description, Performance Review and Salary
12. Discuss and Act on Litigation\*

\*This item may be held in Closed Session pursuant to RIGL 42-46-5(2) (litigation: Sara McGinnes v. Town of New Shoreham & Howell Conant v. Block Island Power Company)

Individuals requesting services for the deaf and hard of hearing must call (401) 466-5851 forty-eight hours in advance of the meeting date. TTY: 711 Posted: 7/25/19

Agenda Item 1  
Commissioner's Report  
(NOTE TAKING SECTION)

Agenda Item 2  
Public Input  
(NOTE TAKING SECTION)

### Agenda Item 3

Approve Minutes of June 25, 2019

**Block Island Utility District  
Tuesday June 25, 2019  
Town Hall  
4:00 PM**

**Present:** Commissioners Mary Jane Balser, Barbara MacMullan, William Penn, Everett Shorey, Jeff Wright, President of BIPCo, Renee Meyers, Block Island Times, Bonnie Biocchi, Northeast Public Power Association. **Absent:** Jack Savoie

Meeting was called to order at 4:05 PM

**1. Public Input**

- Bonnie Biocchi said welcome to public power.

**2. Commissioners' Report**

- Barbara MacMullan provided the Commissioner's Report
  - i. Discuss and Act on Hiring Clerk/Assistant to the Board
    - Barbara MacMullan moved to offer the position to Christine Grele at \$20 per hour, seconded by Mary Jane Balser Ayes 4 (Balser, MacMullan, Penn, Shorey) Absent: Savoie
  - ii. Discuss and Act on Board Policy Development
    - Assign preparing policy drafts to Christine Grele

**3. Approve Minutes of June 12, 2019 and May 14, 2019**

- William Penn moved to approve the minutes, seconded by MacMullan Ayes 4 (Balser, MacMullan, Penn, Shorey) Absent: Savoie

**4. Receive and Act on Treasurer's Report**

- April and May Financials – need to update and work on presentation of P&L
- Draft Financial Policy, Barbara MacMullan moved to accept the policies as edited, seconded by Penn. Ayes 4 (Balser, MacMullan, Penn, Shorey) Absent: Savoie

**5. Review and Act on President's Report**

- Jeff Wright presented his President's Report and responded to questions

**6. Discuss and Act on Rate Case**

- Jeff Wright to provide rate filing materials as they are developed for submission by late July
- William Penn moved to delegate to Everett Shorey and Barbara MacMullan to review the rate case filing to approve it on the behalf of the Commission. Seconded by Balser. Ayes 4 (Balser, MacMullan, Penn, Shorey), Absent: Savoie

**7. Discuss and Act on Peak Shaving Proposal**

- Barbara MacMullan moved to add a referendum question on peak shaving to the election ballot. Shorey seconded. Ayes 4 (Balser, MacMullan, Penn, Shorey), Absent: Savoie

**8. Discuss and Act on President's Performance Review and Salary**

- Everett Shorey moved to have Barbara MacMullan collect Jeff Wright's job description, solicit feedback on his performance, review performance with Jeff Wright and recommend a salary adjustment to the Commission. MacMullan seconded. Ayes 4 (Balser, MacMullan, Penn, Shorey), Absent: Savoie

**9. Discuss and Act on Election Schedule**

- Jeff Wright presented a proposed bill stuffer and is planning to place an ad in the BI Times.
- Barbara McMullan to check with counsel on definition of residency for the purpose of determining eligibility of Commissioner candidates.

#### **10. Hull Suburban Propane Lease Update**

- Jeff Wright to continue study

#### **11. Discuss and Act on Litigation\***

- Barbara MacMullan moved to go into closed session per RIGL 42-46-5(2) (litigation Sara McGinnis, Seconded by Shorey, Ayes 4 (Balser, Penn, MacMullan, Shorey), Nays 0, Absent: Savoie

\*This item may be held in Closed Session pursuant to RIGL 42-46-45(2) (litigation: Sara McGinnis v. Town of New Shoreham)

William Penn moved to adjourn at 6:55PM, seconded by Shorey, Ayes 3 (MacMullan, Penn, Shorey), Absent Balser, Savoie, Nays 0

## Agenda Item 4

### Treasurers Report

#### Review of June 2019 Financials

#### Provide Feedback on Financials Format

**Block Island Utility District**  
**Balance Sheet**  
**June 30, 2019**

**ASSETS**

	June 30, 2019	Beginning March 26, 2019
<b><u>Property and Equipment</u></b>		
Land	\$ 840,271.79	\$ 822,024.06
Buildings	464,663.03	464,663.03
Machinery & Equipment	1,973,972.46	1,965,679.19
Distribution System	2,002,817.07	2,001,189.04
Office System, Furniture & Fixture	273,903.60	273,068.10
Transportation Equipment	12,289.57	12,289.57
Construction Work in Progress-Distribution	171,780.75	0.00
Total Property and Equipment	<u>5,739,698.27</u>	<u>5,538,912.99</u>
Total Accumulated Depreciation	<u>&lt;68,403.00&gt;</u>	<u>0.00</u>
<i>Net Utilities Plant</i>	5,671,295.27	5,538,912.99
<b><u>Current Assets</u></b>		
Cash - Main Checking	28,413.80	134,116.73
Cash - Sweep Acct	25,123.53	0.00
Accounts Receivable Elect	657,545.44	133,131.99
Allowance For Bad Debt	(19,587.93)	(19,587.93)
Accounts Receivable-Other	9,964.76	4,874.69
AR-Cash due from BIPCo	4,661.05	13,035.01
AR-Blackrock Acct due from BIPCo	176,244.02	105,435.21
Unbilled Revenue	0.00	172,271.82
Plant Material & Operation	192,752.84	155,645.53
Fuel Inventory	36,850.04	48,832.04
Prepaid Expenses	39,894.02	10,795.49
Total Current Assets	<u>1,151,861.57</u>	<u>758,550.58</u>
<b><u>Deferred Assets</u></b>		
Def. Regulatory Asset-retiremt	199,763.35	206,297.35
Def. Regulatory Asset-Eng.Res	0.00	0.00
Def. Regulatory Asset-RateCase	0.00	0.00
Def.Regulatory Asset-Interconnection	172,830.76	186,940.76
Total Deferred Assets	372,594.11	393,238.11
Total Assets	<u><u>\$ 7,195,750.95</u></u>	<u><u>\$ 6,690,701.68</u></u>



**Block Island Utility District**  
**Balance Sheet**  
**June 30, 2019**

**LIABILITIES AND CAPITAL**

	June 30, 2019	Beginning March 26, 2019
<b><i>Current Liabilities</i></b>		
Accounts Payable Trade	\$ 142,219.57	\$ 2,000.00
AP-NISC Admin Software	4,503.00	18,012.00
A/P - Customer Deposits	69,069.00	65,891.67
Accrued Purchase Power Expenses	271,885.77	156,548.64
Accrued Other Expenses	43,881.47	31,840.05
DSI Surcharge Payable	(44,037.76)	(56,429.18)
Accrued Payroll and Withholdings	0.00	0.00
Total Current Liabilities	487,521.05	217,863.18
<b><i>Deferred Credits</i></b>		
Deferred Revenue	19,799.95	80,954.99
SCR & Engine Maint Reserve	380,714.63	380,714.63
Total Deferred Credits	400,514.58	461,669.62
<b><i>Long-Term Liabilities</i></b>		
Line of Credit	340,943.22	90,943.22
Retirement Obligations	199,763.35	206,297.35
CFC Acquisition LOAN	5,800,000.00	5,800,000.00
Total Long-Term Liabilities	6,340,706.57	6,097,240.57
Total Liabilities	7,228,742.20	6,776,773.37
<b><i>Capital</i></b>		
Retained Earnings	<24,050.53>	<24,050.53>
Net Income	(8,940.72)	(62,021.16)
Total Capital	<32,991.25>	<86,071.69>
Total Liabilities & Capital	\$ 7,195,750.95	\$ 6,690,701.68

Block Island Utility District  
Income Statement  
For the Six Months Ending June 30, 2019

Please note this is the  
First year of Operation  
beginning 3/26/19

	Current Month Actual	Year to Date Actual
<b>Revenues</b>		
Residential Sales	\$ 78,727.98	\$ 123,432.96
Commercial Sales	23,463.30	41,229.07
Demand Electric	160,313.23	266,368.12
Public Authority	17,782.52	33,452.34
Street Lighting	584.03	1,869.99
Customer Charge	26,146.56	84,420.04
Demand - All Rates	62,459.76	92,815.44
System Charge	13,907.71	13,907.71
Interest Income	251.92	778.23
Rent - Tower	15,891.71	50,399.70
Rent - Property	7,297.54	35,535.41
Miscellaneous Income	1,996.49	1,996.49
Connection Charge	25.00	50.00
Biller Penalty	1,226.43	3,629.24
<b>Total Revenues</b>	<b>410,074.18</b>	<b>749,884.74</b>
<b>Expenses</b>		
Total Generation-Operating Expense	14,660.95	49,211.23
Total Generation-Maintenance Expense	4,513.88	26,721.01
Total Distribution-Operating Expense	10,241.86	46,942.46
Total Distribution-Maintenance Expense	6,916.25	51,331.63
Total Customer Accounts/Customer Service	5,463.18	21,041.66
Total Administrative/General Expenses	74,258.45	408,391.82
Total Miscellaneous (Revenue)/Expense	88,602.38	136,623.38
<b>Total Expenses</b>	<b>210,053.50</b>	<b>758,825.46</b>
<b>Net Profit Before Fuel Rev./Exp.</b>	<b>200,020.68</b>	<b>(8,940.72)</b>
<b><u>Fuel Expenses/(Revenue)</u></b>		
Fuel/Standard Offer/Transmission income	(228,125.48)	(519,816.55)
Purchase Power Expenses	173,887.65	580,971.59
Net SO/TC due to ratepayers	54,237.83	(61,155.04)
<b>Net Fuel Expense/(Revenue)</b>	<b>-</b>	<b>-</b>
<b>Net Income</b>	<b>\$ 200,020.68</b>	<b>\$ (8,940.72)</b>
<b><u>Reserves Expenditures</u></b>		
Remove Depreciation Adj (A)	(22,801.00)	(68,403.00)
Debt Service Principal (includes CAT)	0.00	0.00
Inventory Purchased	15,528.14	37,107.31
Capital Exp - Work In Progress	42,477.84	171,780.75
Capital Exp - Distrib Work	-	-
Capital Exp - Other Assets	20,710.62	29,004.56
<b>Total Reserve for Exp.</b>	<b>78,716.60</b>	<b>237,892.62</b>
<b>Net Income Cash Budgetary Basis</b>	<b>\$ 121,304.08</b>	<b>\$ (246,833.34)</b>

Block Island Utility District  
Supplemental Information Statement  
For the Six Months Ending June 30, 2019

Please note this is the  
Fist year of Operation  
beginning 3/26/19

	June 2019	June 2018	Mar 26, 2019 2019 thru June	Mar 26, 2018 2018 thru June
<b>Rate Revenues</b>				
Residential Sales	\$ 78,727.98	\$ 90,118.00	\$ 123,432.96	\$ 143,418.00
Commercial Sales	23,463.30	29,962.00	41,229.07	64,325.00
Demand Electric	160,313.23	165,303.00	266,368.12	257,967.00
Public Authority	17,782.52	18,993.00	33,452.34	34,621.00
Street Lighting	584.03	583.00	1,869.99	1,867.00
Customer Charge	26,146.56	25,571.00	84,420.04	81,659.00
Demand - All Rates	62,459.76	70,987.00	92,815.44	99,350.00
System Charge	13,907.71	14,901.00	13,907.71	14,901.00
<b>Total Revenues</b>	<b>383,385.09</b>	<b>416,418.00</b>	<b>657,495.67</b>	<b>698,108.00</b>
<b>Rate Revenues -KWH Usage</b>				
Residential Sales	328,170	375,647	819,433	960,085
Commercial Sales	88,474	112,980	235,908	398,151
Demand Electric	733,702	756,535	1,706,683	1,606,669
Public Authority	88,796	95,065	245,647	250,561
<b>Total Revenues</b>	<b>1,239,142</b>	<b>1,340,227</b>	<b>3,007,671</b>	<b>3,215,466</b>
<b>Rate Revenues -Customer Counts</b>				
Residential Sales	1,285	1,328	3,972	4,115
Commercial Sales	286	307	978	1,054
Demand Electric	335	262	1,118	807
Public Authority	33	32	105	102
<b>Total Revenues</b>	<b>1,939</b>	<b>1,929</b>	<b>6,173</b>	<b>6,078</b>
<b>Payroll</b>				
<b>Capital Exp - Work In Progress</b>				
Capitalized Labor	\$ 11,814.14	\$ 19,479.03	\$ 53,024.00	\$ 53,094.31
<b>Generation-Maintenance Expense</b>				
Inside Maintenance	3,816.00	-	3,873.77	-
Maint of Station Equipment	9,464.96	10,738.30	38,372.11	40,888.26
<b>Distribution-Operating Expense</b>				
Overhead lines	4,389.82	7,808.81	8,612.51	56,763.76
<b>Distribution-Maintenance Expense</b>				
Overhead Lines	7,139.05	8,947.61	16,758.30	9,865.29
<b>Customer Accounts/Customer Service</b>				
Records & Collections	4,876.99	4,751.16	15,701.44	17,479.15
<b>Administrative/General Expenses</b>				
Vacation Pay	585.04	973.24	5,730.24	5,323.92
Holidays worked	-	-	1,395.46	1,854.16
Holidays not worked	-	-	-	-
Sick Leave	1,154.48	1,140.24	4,080.57	1,503.44
Personal time	-	389.60	1,170.08	599.68
CEO Salary	11,826.92	11,826.92	40,211.53	39,793.12
<b>Total</b>	<b>\$ 55,067.40</b>	<b>\$ 66,054.91</b>	<b>\$ 188,930.01</b>	<b>\$ 227,165.09</b>

## Agenda Item 5

### Presidents Report

President's Update  
July 31, 2019

Operational Update

BIUD's system hit an all-time peak of 5.082 MW on Saturday July 20<sup>th</sup> at hour ending 7:00, which was coincident with ISO-NE's peak to date this summer. I suspect the ISO-NE will peak again this week which is important to BIUD in limiting our ISO-NE Capacity Charges which right now costs us \$42,683 per month. The historical ISO-NE peaks, coincident BIUD loads and Capacity Charges are shown below:

Date	Day	Hour	System Peak Load (MW)	BIUD Coincidental Load (MW)	Monthly (FCM) Capacity Charge	BIUD Summer Peak (MW)	BIUD Peak Day/Date
7/6/2010	Tuesday	15	26,701				
7/22/2011	Friday	15	27,312				
7/17/2012	Tuesday	17	25,543				
7/19/2013	Friday	17	26,911				
7/2/2014	Wednesday	15	24,068				
7/29/2015	Wednesday	17	24,052				
8/12/2016	Friday	15	25,111				
6/13/2017	Tuesday	17	23,508	2.314		4.193	Thu 7/20/19
8/29/2018	Wednesday	17	25,528	3.867	\$40,814.06	4.825	Thu 7/5/19
7/20/2019	Saturday	19	23,865	5.082	\$42,682.93	5.082	Sat 7/20/19
2020-21 (Estimate)					\$34,941.00		
2021-22 (Estimate)					\$30,724.00		
NOTE - FCM Monthly Charges are based on BIUD's coincidental load at the time the ISO-NE peaks in the previous year.							

These charges are recovered through our Standard Offer Rate so any relief in our load when ISO-NE does peak for the year 2019 will help along with the downwards trend of the Forward Capacity markets.

BIUD barley missed being impacted by two significant storms on Monday night 7/22 and Tuesday morning 7/23. Both storms contained water spouts and tornadoes, one that caused the widespread damage on Cape Cod on Tuesday morning after it passed within 3 miles of the south end of the island. Our meteorologist (eWeather) was on the phone with us during both storms updating us on their paths so we could be prepared.

BIUD's Summer Readiness Program helped keep the lights on during this year's peak period so far. The loads over the July 4<sup>th</sup> weekend were nearly as high (4.802 MWH) as the 20<sup>th</sup>. We experienced three outages; one on the Airport Circuit that affected approximately 160 members, and two on Corn Neck that affected 163 members each. Each outage lasted less than an hour and all were due to weakened fuse links that failed. To date we have had no outages due to bad connections or fused cutout failures (our leading cause of outages last summer). We found four imminent failures during our infra-red inspections and made repairs prior to the season.



Payne's Dock overloaded their service over the July 4<sup>th</sup> weekend. Their service is rated for 225 kVA and they ran it up to 296 kVA before they reported problems. Last year they peaked at 229 kVA so there was a significant increase in load this year. They shed dock load during the weekend at our request to keep the service within its capacity. We have their commitment to upgrade the service for next year.

National Grid took the cable out of service for roughly three hours on July 17<sup>th</sup> to remove Osprey nesting debris from the same pole that has been giving them problems. BIUD ran the diesels for approximately three hours burning 838 gallons of fuel. We will recover that cost in a small FAC charge in the July billing. The repair was made the day after the line faulted to ground tripping the wind project off for the second time this year. There was no impact to the BIUD system other than a very slight voltage disturbance.

BIUD Fiber Connection: The BIUD facility is being connected to the TNS fiber today and tomorrow. The one-time capital expense required for the drop and the equipment is \$5,800. The monthly fee is slightly less than we are paying Verizon at this time.

New Services: We are currently working on two new primary underground services; Cherry Hill Lane and the Coast Guard Station/Rosenfeld services. We are also installing a new service for Verizon Wireless for a new pole top antenna near the beach pavilion.

AMI/Access Point (AP) Site Concerns: We recently experienced a failure of an AP site on Beacon Hill that exposed a weakness in that we have no spare GE AP equipment in stock. I have a quote for one set of AP site equipment that we plan to purchase. We are also going to have GE perform a site review in the fall to determine locations that would be best for redundant AP sites for purposes of system resiliency. The cost of the spare is roughly \$25K and will be placed into inventory.

Nation Grid Spare Transformer: I have a meeting scheduled with National Grid on August 7<sup>th</sup> to discuss the spare transformer.

Digger Truck Break Down: The digger truck was taken out of service following its annual inspection and testing. We are using a rental truck while ours is being repaired at the Altec factory in Massachusetts. The unbudgeted expense is expected to approach \$15,000.

#### Environmental Update

Due to ferry congestion, our remediation work on the front monitoring well systems is postponed until October.

#### Regulatory Update

Our Long-term Debt Filing was approved by the DPUC on July 14<sup>th</sup>. The 30-day appeal period ends on August 14<sup>th</sup>. Mike McElroy and I plan to execute the Mortgage documents and loan agreements and make the necessary recordings on August 15<sup>th</sup>.

Retail Choice Exemption: We plan to file our retail choice exemption shortly after we file the rate case. This will allow us to send out an RFP for power supply in the early fall.

## Agenda Item 6

Review and Act on CFC Letter of Credit  
to be used for ISO-NE Financial Assurance  
(and Supplement to Mortgage to Secure LOC Agreement)

### NRUCFC Terms for Letter of Credit

- To be used to post ISO-NE Financial Assurance.
  - Term 364 Days (renewable each year)
    - Amount = \$250,000
  - Cost = \$250,000 X 75 bps = \$1,875/Year

Contingent on Execution and Recording of \$5.8M Mortgage Documents



## CERTIFICATE OF RESOLUTIONS AND INCUMBENCY

I, **Clyde Everett Shorey III**, do hereby certify that (i) I am the Secretary of BLOCK ISLAND UTILITY DISTRICT (hereinafter called the "District"); (ii) the following are true and correct copies of resolutions duly adopted by the board of directors of the District at a meeting held on **Wednesday, July 31, 2019**; (iii) the meeting was duly and regularly called and held in accordance with the State of Rhode Island General Laws and the bylaws of the District; (iv) the District is duly incorporated, validly existing and in good standing under the laws of the state of its incorporation and there is no pending or contemplated proceeding for the merger, consolidation, sale of assets or business or dissolution of the District; (v) none of the following resolutions has been rescinded or modified as of this date; and (vi) the persons authorized below have been duly elected or appointed to their respective positions:

"RESOLVED, that the District is hereby authorized to apply for a letter of credit to be issued by National Rural Utilities Cooperative Finance Corporation ("CFC"), in accordance with the terms and conditions of a Letter of Credit Reimbursement Agreement with CFC in such form as the persons authorized herein may negotiate with CFC (the "Letter of Credit Agreement"), *provided that* such letter of credit shall be issued to ISO New England, Inc., as Beneficiary thereof and shall be in an aggregate principal amount not to exceed \$250,000.00;

RESOLVED, that following execution of the loan documents for the District's \$5,800,000.00 term loan with CFC and the recordation of the mortgage therefor ("Mortgage"), the individuals listed below are hereby authorized to negotiate, execute and deliver to CFC the following documents (including as many counterparts as may be required):

- a) the Letter of Credit Agreement; and
- b) a supplement to the Mortgage for purposes of securing the District's obligations under the Letter of Credit Agreement, in such form as the persons authorized herein may negotiate with CFC.

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the District to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to execute any future amendments to said Letter of Credit Agreement as such individual may deem appropriate within the amount authorized herein, to make all payments, and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

<u>Office or Title</u>	<u>Name (typed or printed)</u>
President	Jeffery M. Wright
Board Chairperson	Barbara A. MacMullan
Treasurer	William J. Penn

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the District this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
Secretary

## Agenda Item 7

### Review and Act on Restatement of the Original (\$670,000) Line of Credit Agreement

(and Supplement to Mortgage to Secure LOC Agreement)

## CERTIFICATE OF RESOLUTIONS AND INCUMBENCY

I, **Clyde Everett Shorey III**, do hereby certify that (i) I am the Secretary of BLOCK ISLAND UTILITY DISTRICT (hereinafter called the "District"); (ii) the following are true and correct copies of resolutions duly adopted by the board of directors of the District at a meeting held on **Wednesday, July 31, 2019**; (iii) the meeting was duly and regularly called and held in accordance with the State of Rhode Island General Laws and the bylaws of the District; (iv) the District is duly incorporated, validly existing and in good standing under the laws of the state of its incorporation and there is no pending or contemplated proceeding for the merger, consolidation, sale of assets or business or dissolution of the District; (v) none of the following resolutions has been rescinded or modified as of this date; and (vi) the persons authorized below have been duly elected or appointed to their respective positions:

"WHEREAS, the District has previously established a line of credit and authorized borrowing from National Rural Utilities Cooperative Finance Corporation ("CFC") in the aggregate amount of Six Hundred Seventy Thousand and 00/100 Dollars (\$670,000.00) pursuant to the Revolving Line Of Credit Agreement, dated as of March 18, 2019 (the "Original Agreement"), between the District and CFC;

WHEREAS, the District has requested additional credit facilities from CFC which CFC has agreed to extend, subject to the District securing its obligations under the Original Agreement by the Mortgage (as hereinafter defined) and restating the Original Agreement to reflect the terms and conditions under which CFC is willing to advance funds following such additional extensions of credit; and

NOW THEREFORE, BE IT RESOLVED, that following execution of the loan documents for the District's \$5,800,000.00 term loan with CFC and the recordation of the mortgage therefor ("Mortgage") the District secure its obligations under the Original Agreement by the Mortgage and that the individuals listed below are hereby authorized to negotiate, execute, and deliver to CFC the following documents (including as many counterparts as may be required) (the "Amendment Documents"):

- a) a restatement of the Original Agreement, in such form as the persons authorized herein may negotiate with CFC (the "Restatement"); and
- b) a supplement to the Mortgage, for purposes of securing the District's obligations under the Original Agreement, in such form as the persons authorized herein may negotiate with CFC.

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the District to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to execute any future amendments to said Restatement as such individual may deem appropriate within the amount authorized herein, to make all payments, and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

Office or Title

Name (typed or printed)

President

Jeffery M. Wright

Board Chairperson

Barbara A. MacMullan

Treasurer

William J. Penn

\_\_\_\_\_

\_\_\_\_\_

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the District this  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
Secretary

Agenda Item 8  
Review Rate Case Filing

## Agenda Item 9

Review and Act on BIUD Annual Meeting Agenda  
and Update on Commissioners Election Schedule

**Block Island Utility District**  
**2019 Annual Meeting Agenda**  
**(PROPOSED)**

Commissioner's Welcome and Introductions

Board Chairperson Report

Treasurer's Report

President's Report

Peak Shaving Presentation

Election Review and Intro of Candidates

Other....

Block Island Utility District  
Board of Commissioners  
2019 Election Calendar

BIUD to Advertise in BI Times Soliciting Candidates	Friday	June 28, 2019 Edition
Bill Stuffer Soliciting Candidates in July Bills	Tuesday	July 2, 2019
Qualified Elector Candidates Declaration of Candidacy	Thursday	July 25, 2019
Annual Meeting	Saturday	August 24, 2019
Mail Ballots to Qualified Electors (5 Days After Annual Meeting)	Thursday	August 29, 2019
Deadline to Return Completed Ballots (30 Days after Annual Meeting)	Monday	September 30, 2019 – 4PM
Count Ballots and Announce Winners	Tuesday	October 1, 2019

For your convenience I have included the applicable section from the by-laws and a calendar.

Section 5. Board members are elected by mail ballot. Ballots will be mailed to all Qualified Electors five (5) days after the Annual Meeting and must be returned within thirty days (30). Qualified Elector candidates have thirty (30) days prior to the Annual Meeting to submit in writing their declaration of candidacy. The secretary of the Utility District will oversee the tabulation and certification of the results of any election of members to the Board.





## Agenda Item 10

Discuss and Act on NRECA Director Election

## **Notice of NRECA Director Election**

To: NRECA Voting Members Located in the State of **Rhode Island**  
From: Jim Matheson, NRECA Chief Executive Officer  
Date: July 18, 2019



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As a NRECA voting member located in the state, ***and regardless of whether you are a member of a NRECA statewide member***, you may vote for the NRECA Director. You may vote, however, only for the NRECA Director representing this state. The NRECA Director elected will serve the term which begins with the adjournment of the 2020 annual meeting of the NRECA Board of Directors (“Board”) and ends with the adjournment of the 2022 annual meeting of the Board.

NRECA notifies you that the NRECA Director representing your state for this term will be elected at the following date, time, and place, and under the following procedure:

**Date: July 31, 2019**

**Time: During the Block Island Utility District Board of Directors Meeting**

**Place: Block Island Utility District, Block Island, Rhode Island**

**Procedure:** In nominating and electing the NRECA Director:

- Each NRECA voting member located in the state may select a voting delegate and alternate voting delegate, each voting delegate has one vote only, no voting delegate may vote for more than one NRECA voting member, and ***each voting delegate must complete the enclosed Certification of Voting Delegate for NRECA Director Election and submit it at the election on July 23;***
- Voting by proxy is prohibited, voting by mail is prohibited and the presence of voting delegates representing at least 20 percent of the NRECA voting members located in the state is a quorum;
- The incumbent NRECA Director presides over the election, but, if the incumbent is a candidate and comments regarding the election, then an individual designated by the incumbent, and approved by the NRECA voting members present, presides over the election;
- A NRECA Director candidate may be nominated from the floor only and no second is required;
- Voting is by secret ballot unless only one candidate is nominated, in which case the candidate may be declared elected by acclamation; and
- The NRECA Director must be elected by a plurality of votes cast (largest number of votes cast), and, if there is a tie vote, then voting is repeated and the nominee receiving the lowest number of votes is not removed from the next ballot.

A NRECA Director candidate must be located in the state, and must be a member, director, officer, or employee of a NRECA voting member in good standing located in the state.<sup>1</sup> To become and remain a NRECA Director, an individual must comply with the *NRECA Board of Directors Conflict of Interest Policy* (“Policy”) and annually complete and sign a *Conflict of Interest Certification and Disclosure Form* (“Form”). The *Policy*, *Form*, and the *NRECA Director Job Description* are available upon request.

For a copy of these documents, or for ***administrative*** questions about the NRECA Director Election process, please contact Bernita Faulkner, Liaison to the NRECA Board of Directors, at 703-907-5541 or [bernita.faulkner@nreca.coop](mailto:bernita.faulkner@nreca.coop). For ***legal*** questions about the election process, please contact Jessica Healy, NRECA Office of General Counsel, at 703-907-5846 or [jessica.healy@nreca.coop](mailto:jessica.healy@nreca.coop).

<sup>1</sup> If the individual is a director or officer of an NRECA voting member, the individual shall be considered to be “located” in the same jurisdiction as the voting member for which the individual is a director or officer. NRECA Bylaw Article III. Section 1. D. (2) a.

## **Report and Certification of NRECA Director Election**

Following the election, please promptly complete and sign the form and return:

**To: NRECA Secretary-Treasurer**  
**c/o Bernita Faulkner, Liaison to the NRECA Board of Directors**  
**[bernita.faulkner@nreca.coop](mailto:bernita.faulkner@nreca.coop); fax: 703-907-5511; phone: 703-907-5541**

Pursuant to the NRECA Bylaws, the undersigned person reports and certifies that the following eligible candidate was elected as the member of the NRECA Board of Directors representing Rhode Island for a two-year term beginning on March 1, 2020 with the adjournment of the 2020 annual meeting of the NRECA Board of Directors, held in conjunction with the 2020 NRECA Annual Meeting.

### **NRECA Director Elected**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
E-Mail: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
\_\_\_\_\_

### **NRECA Voting Member at which NRECA Director Elected is a Member, Director, Officer, or Employee**

System Name: Block Island Utility District  
City, State: Block Island, RI

### **Reporting and Certifying Person\***


Printed Name: Barbara A. MacMullan  
Title: Board Chair  
System Name: Block Island Utility District

Signature: \_\_\_\_\_  
Date: July 31, 2019

\*This person must be someone other than the NRECA Director Elected.

## Agenda Item 11

Discuss and Act on President's Review and Salary

 <b>BLOCK ISLAND UTILITY DISTRICT</b> dba Block Island Power Company P.O. Box 518 Block Island, Rhode Island 02807	Department:	Senior Management/Board of Directors
	Title:	President Job Description and Delegation of Duties
	Date:	7/24/19

## I. OBJECTIVE

**DRAFT**

To document the Board's expectations regarding managerial performance and to delegate authority to the President.

## II. POLICY/DUTIES

The President is the chief corporate officer of the corporation, capable of binding it legally and responsible for day-to-day operations. To enable the Company to achieve its mission, the President shall carryout the duties described in this policy:

### Planning

1. Engage in a planning process with the Board to develop the mission, objectives and strategic priorities of the Company.
2. Conduct studies and market research to develop proposed action plans and reports in such areas as load forecasts, power requirements, financial plans, energy management and marketing plans, and engineering requirements.
4. Develop plans for an Annual Meeting and the Board of Director's meetings.
5. Develop long-range financial plans, cash management plans, work plans and budgets for recommendation to the Board, and provide periodic reports on revenue, expenses and other results compared to such plans.
6. Periodically analyze the Company's rates and service rules and regulations to make sure they meet operating requirements and make appropriate recommendations to the Board.

## Organization and Human Resource Management

1. Review activities of the Company and determine the organization structure best suited to carry out its objectives within the limitations of the budget, including recommending the need for additional positions.
2. Ensure that written position descriptions and job specifications are prepared and reviewed as necessary for all personnel. Such completed descriptions will not require Board approval.
3. Develop standards and qualifications for use in recruitment, transfer and promotion of personnel, and approve all new hire selections, transfers, promotions and terminations.
4. Ensure that staff members are trained in accordance with the qualifications and requirements of their positions.
5. Appraise, at least annually, the performance of immediate staff members, and ensure that a performance appraisal program is established and carried out for all personnel.
6. Determine all salary adjustments, except the President's within the Board-approved compensation plan and policy and within the limitations of the budget. Salary adjustments for the PRESIDENT shall be determined by the Board.
7. Authorize and approve travel expenses of personnel (except his/her's) on company business within the limitations of the budget and within established policy. Such expenses shall be supported by itemized expense accounts with receipts attached, as appropriate. Expenses of the President will be reviewed by the Board Treasurer.

## Operations

1. Direct day-to-day operations of the Company except as specified otherwise by the bylaws or the Board of Directors; delegate authority to immediate staff; authorize further delegation of authority to any level of management with full recognition that the President cannot be relieved of overall accountability.
2. Designate an appropriate person to serve as acting manager, invested with appropriate legal authority, in the case of a planned extended absence of the President. In that event, the President shall notify all employees of the designated acting manager.

3. Maintain an Emergency Succession Plan, to be approved by the Board, which will designate a person to serve as acting manager, invested with appropriate legal authority, in the case of an unplanned extended absence. In that event, the President shall notify the Board and the employees of the designated acting manager.
5. Serve as the authorized spokesperson for the Company.
6. Administer the approved budget, including approval of non-budgeted items up to \$15,000 or all non-budgeted items, which, in her or his judgment, are vital to affect unanticipated emergency maintenance or repairs. Non-budgeted items exceeding \$15,000 which are not items vital to effect unanticipated emergency maintenance or repairs, must be presented to the Board for approval.
7. Determine insurance coverages required for effective risk management and negotiate purchase of such coverage within the limitations of the budget and Board Policy.

#### Reporting to and Working with the Board

1. Develop with the Board Chair a schedule of topics to be discussed and reports to be presented to the Board to ensure that adequate attention can be devoted to strategic issues and challenges.
2. Develop with the Board Chair an agenda for each Board meeting to ensure that issues are discussed in a timely fashion. Ensure that the agenda reflects the distinction between Board reports that address past actions and decisional issues that involve future issues that must be addressed.
3. Report to the Board on conformity of operations with approved policies, plans and budgets, and recommend revisions requiring Board approval. Periodic and special reports include:
  - a) Status of the long-range financial plan
  - b) The Annual Financial Audit and Management Letter
  - c) Reports on electric service reliability
  - d) Reports on consumer satisfaction
  - e) Loss Control
  - f) Others as appropriate

### **III. RESPONSIBILITY**

The President shall report to the Board on how these delegations are being carried out. The President may delegate any of the foregoing legal authorities to the acting manager. The President shall delegate these responsibilities in writing to an acting manager in his or her absence with notification to the Board.

The Board of Directors is responsible for seeing that the performance of the President is appraised each year by the Board, including a recommendation on a salary adjustment when appropriate, and that the results of such appraisal are discussed with the President.

### **IV. SKILLS/EXPERIENCE/TRAINING REQUIRED**

1. Duties require knowledge of business administration, electrical distribution, or related discipline equivalent to completion of a Bachelor's degree and over ten years related experience, or equivalent combination of education and experience.
2. Ability to recognize Company priorities and work cooperatively to support their accomplishment.
3. Ability to conceptualize and operationalize goals and objectives for the Company.
4. Ability to analyze complex issues and to develop relevant and realistic plans, programs, and recommendations.
5. Leadership, planning, management, organizational, supervisory, and employee relations skills.
6. Financial management skills.
7. Ability to market programs and ideas, to communicate effectively both verbally and in writing; to establish positive public relations for the Company; and to interact effectively with a wide variety of people.
8. Ability to prepare and present effectively in public forums.
9. Expert knowledge of the statutes, bylaws, regulations, codes, policies, and procedures relevant to the District.



## Agenda Item 12

### Discuss and Act on Litigation\*

\*This item may be held in Closed Session pursuant to RIGL 42-46-5(2) (litigation: Sara McGinnes v. Town of New Shoreham & Howell Conant v. Block Island Power Company)