

BLOCK ISLAND UTILITY DISTRICT



3rd Class Lineworker Evan Carey changing his first pole unassisted on Clayhead Trail in March, 2019.

**BOARD OF COMMISSIONERS MEETING
JUNE 25, 2019**

Block Island Utility District
Tuesday June 25, 2019
Town Hall, Old Town Road
4:00 p.m.

1. Commissioners' Report
 - a. Discuss and Act on Hiring Clerk
 - b. Discuss and Act on Board Policy Development
2. Public Input
3. Approve Minutes of June 12, 2019 and May 14, 2019
4. Receive and Act on Treasurer's Report
 - a. April and May Financials
 - b. Draft Financial Policy
5. Receive and Act on President's Report
6. Discuss and Act on Rate Case
7. Discuss and Act on Peak Shaving Proposal
8. Discuss and Act on President's Performance Review and Salary
9. Discuss and Act on Election Schedule
10. Hull Suburban Propane Lease Update
11. 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

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: 6/20/2019

Agenda Item 1A

Discuss and Act on Hiring Clerk

JOB POSTING

**Administrative Assistant
to Block Island Utility District Board of Commissioners**

The BIUD Board of Commissioners is seeking to hire a part time assistant to assist with the following tasks:

Prepare monthly meeting agendas, draft correspondence with the Board Chair and President, Post meeting notices as required, Attend monthly meetings and others as necessary, Prepare, post and file meeting minutes, Maintain records, notices, correspondence, etc Assist with special projects, Prepare background information for the new Commissioners and facilitate continuity.

The following skills are required:

Be highly organized and professional, Have strong written and verbal communication skills, Be self-directed and work independently and cooperatively, Competent in word processing and spreadsheet applications, Be, or become, familiar with RI open meeting laws.

The position is part time, will be paid hourly with no benefits and averaging 20 hours per month. Hourly rate is commensurate with experience.

Applicants should contact Jeff Wright at 466-5851 prior June 21st.

TO: BLOCK ISLAND UTILITY DISTRICT BOARD OF COMMISSIONERS

Re: Administrative Assistant to the Board of Commissioners

June 3, 2019

Dear BIUD Board of Commissioners,

I am submitting my application materials for the position of Administrative Assistant to the BIUD Board of Commissioners. Throughout my work life, I have had multiple opportunities to work for and on nonprofit boards as a professional and as a volunteer. Earning a Master's in Public Administration deepened and expanded my understanding of the context and operations of both nonprofit and government agencies. My recent experience as an URI Energy Fellow brought me into contact with the highest-level decision makers in the energy industry in our area. In addition to several site visits to utilities, we were hosted at the Independent Systems Operation New England control room and discussed policy with the Public Utility Commissioners. I believe that I have more knowledge than the average person of the challenges and opportunities related to running a utility in New England.

I understand that my commitment to live on Block Island has limited my professional opportunities, so since finishing school I have volunteered to serve on several boards, both private and municipal. As a former Zoning Board Member, current Planning Board member, and a student of administration, I understand the requirements and best practices related to the Open Meetings Act, the Administrative Procedures Act, and the Ethics Commission. In almost every capacity, I have worked well independently while collaborating with or leading a wide variety of teams. In my previous career in education, I was a Head Start Manager and more recently the Director of the Early Learning Center; in each of these roles I supported the Board of Directors by preparing agendas, reports, data for grant compliance, correspondences, and minutes. In my teaching practice and program leadership, I consistently demonstrated very strong organization and preparation skills with countless hours facilitating groups and presenting complex material verbally and in writing. With my skills and experiences, I am well-prepared to serve the ongoing and special project administrative needs of the BIUD Board of Commissioners.

Working for the BIUD Board of Commissioners aligns strongly with my interests and skill set while allowing me to continue to live on Block Island. The part-time nature of the position provides stability and flexibility for me to maintain other commitments. Having run for the board and followed your activities, I know that I would enjoy working with each of you, as you are a dedicated and thoughtful group of people.

Thank you very much for your time and consideration. I look forward to speaking with you soon.

Best,

Christine Grele

PROFILE

- Cumulative experience in administration, planning, energy, land use, program design, policy and research
- Demonstrated experience delivering thorough, concise and engaging reports and presentation products
- Able to manage multiple complex processes with strong attention to detail and effective problem solving
- Able to coordinate projects and design outreach for complex teams of stakeholders and community members
- Computer proficient: Microsoft Suite (Word, Excel, PowerPoint, Outlook, Access), Quick Books, Learning Management Systems, Email Marketing and Social Media, Adobe CS, Google Platform
- Clifton Strengths: Achiever, Ideation, Strategic, Includer, Adaptability

EXPERIENCE

Block Island Planning Board, Rhode Island

Appointed Volunteer Board Member

January 2019 to Present

- Serve the community on land use best practices and community concerns
- Current topics include proposed revisions to the town solar siting ordinance and expansion of inns and hotels

OnIslandCo, Block Island, RI

Founding Volunteer Board Member

October 2018 to Present

- Research models and best practices in micro-industry and maker-economies to design local programs
- Created a logic model, a first-year plan, business plans, and by-laws while developing key relationships

URI Cooperative Extension, Campus Sustainability Office, Rhode Island

2018 Energy Fellow

January 2018 to August 2018

- Researched and analyzed best practices in campus sustainability behavior change programs
- Reviewed current programming design and made recommendations for future programming
- Helped to design performance measures for a campus-wide survey and analyzed resulting data
- Created reports and infographics for college administration revealing the influence of peer leaders
- Participated in regional site visits to leading public and private energy industries and agencies

Block Island Economic Development and HBC Affordable Apartments, Block Island, RI

Volunteer Board Member

December 2017 to Present

- Research, analyze, and review island affordable housing programs and practices to respond to current needs
- Represent BIED on the HBC Affordable Apartment Board to assist in program design and implementation

Block Island Zoning Board of Appeals

Appointed Volunteer Alternate Board Member

December 2016-December 2017

- Prepared and contributed to monthly zoning hearings and often voted on individual decisions
- Thoroughly researched current state and local zoning regulations to inform decision-making

Littlefield Bee Farm, Rhode Island

Sales and Office Manager

November 2015 - Present

- Redesigned branding concepts and media outlets to coincide with new ownership vision
- Updated office processes and tools for efficiency and cost reduction
- Manage accounts receivable, payable, vendors, payroll, sales, marketing, and e-commerce
- Coordinate and contribute to product production and employee training

Southerly's Sullivan Real Estate, formally Attwood Real Estate, Rhode Island

Sales Agent

June 2015 to Present

- Rhode Island Real Estate Sales Agent RES #0041594 Member RI Realtor's Association and KWRA
- Represent sellers and buyers in real estate transactions with attention to detail and integrity using MLS
- Prepared weekly rental packets and cleaning schedules for 50 vacation properties using Excel
- Reviewed properties, solved problems, greeted guests and ensured payments, amenities, and services

State of Rhode Island, Rhode Island

Consultant - RI Early Childhood Quality Improvement

April 2014 -January 2018

- Contracted with the RI Department of Education, RI Department of Health, and private clients
- Conducted over 20 Comprehensive Early Childhood Education curriculum monitoring and facilities visits
- Delivered over 30 certification courses in Foundations of RI Early Childhood Developmental Standards
- Reliably attended Trainings for Trainers and contributed data for federal grant reporting

Block Island Early Learning Center, Rhode Island

Nonprofit Director

August 2013 to April 2014

- Successfully developed and submitted application portfolios for state and national accreditation
- Comprehensively oversaw daily operations, facilities and staff
- Supported the Board of Directors, posted meetings, prepared reports, and supported fundraising events
- Secured \$80,000 in capital improvement and capacity grants

Isles, Inc., New Jersey

New Jersey Bonner VISTA Fellow

August 2012 to August 2013

- Managed individual and group volunteers, and re-developed a volunteer handbook
- Contributed text and image content from all program areas for digital and analog media platforms
- Frequently supported planning and implementation of fundraising events as well as the annual mailing
- Led the coordination of a 5K race netting \$5,000 in donations

Landmark College, Vermont

Assistant Professor of Art, Academic Advisor, Individual Tutor

January 2000 to May 2011

- Developed and implemented foundations art studio curriculum to a high standard of achievement
- Developed new curricula and studio facilities to expand department offerings
- Served on faculty and community committees to foster excellence in campus culture
- Provided skilled, intensive advising services for eight years for students and their families
- Led two six-week study abroad programs to Italy and a Learning Community of new students and their faculty

EDUCATION

University of Rhode Island, Kingston, RI

Master of Public Administration

Graduate Certificate in Community Planning

Candidate for Graduate Certificate in Human Resources

Antioch University New England, Keene, NH

Master of Early/Elementary Education

Antioch College, Yellow Springs, OH

Bachelor of Arts, Visual Arts

REFERENCES

Jennifer Brady Brown

Land Use Administrator
Town Hall
Block Island, RI 02807
401 466 3205
jennbradybrown@yahoo.com

Benjamin Martin

Founder, OnIslandCo
Owner, Coastal Quality Construction
West Side Road
Block Island, RI 02807
401 439 3328
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Peter Wood

Personal Assistant Client
PO Box 922
Old Mill Road
Block Island, RI 02807
401 595 2253
pswbiri@gmail.com

Agenda Item 1B

Discuss and Act on Board Policy Development

Basic Elements of an Ethics Policy

- **Conflicts of Interest**
- **Confidential Information**
- **Gifts or Offers**
- **Compliance with Law, Fraud**
- **Public Communications**
- **Enforcement & Accountability**

Agenda Item 3

Approve Minutes of June 12, 2019

and May 14, 2019

**Block Island Utility District
Wednesday June 12, 2019
Community Center
4:00 PM**

Present: Commissioners Barbara MacMullan, William Penn, Everett Shorey, Jeff Wright, President of BIPCo, Jim Meiers, Allyn Amato from CFC, Absent: Mary Jane Balser, Jack Savoie

Meeting was called to order at 4:05 PM

1. Commissioners' Report

- Barbara MacMullan provided the Commissioner's Report
 - i. Sara McGinnis's attorney has subpoenaed any and all documents referred to in Schedule A (attached) and the Utility District and its Commissioners are to retain all such documents

2. Public Input

- None

3. Discuss and Act on Net Metering Policy

- Deferred because legislative session is over

4. Receive and Act on Treasurer's Report

- Bill Penn has reviewed disbursements for April and May and they are in accord with our policies

5. Meet with Representatives of Cooperative Finance Corporation to Discuss Board Governance

- Presentation by Ally Amato and Jim Meiers of CFC, attached

William Penn moved to adjourn at 6:00PM, seconded by Shorey, Ayes 3 (MacMullan, Penn, Shorey), Absent Balser, Savoie, Nays 0

**Block Island Utility District
Tuesday May 14, 2019
Town Hall, Old Town Road
4:00 PM**

Present: Commissioners Mary Jane Balser, Barbara MacMullan, William Penn, Everett Shorey, Jeff Wright, President of BIPCo, Renee Meyer from the Block Island Times, Cliff McGinnis, Henry Hill, Peter McNerney, Don McClusky, **Absent:** Jack Savoie

Meeting was called to order at 4:00 PM

1. Commissioners' Report

2. Public Input

- Peter McNerney asked for consideration of long-term lease for Hull Propane operations at BIPCo

3. Approve Minutes of April 10, 2019

- William Penn moved to approve the minutes, seconded by Balser. Ayes 4 (Balser, Penn, Shorey), Nays 0, Absent: Savoie

4. Receive and act on Treasurer's Report

- William Penn provided draft Financial Management Policies and Procedures
- Jeff Wright and Bill Penn will prepare a second draft to include suggested edits
- Bill Penn preparing draft RFP for an auditor
- Bill Penn and Jeff Wright discussed alternatives to the BlackRock ISO collateral account
- Barbara MacMullan moved to accept the Treasurer's Report, Ayes 4, (Balser, Penn, MacMullan, Shorey), Absent: Savoie

5. Discuss and Act on CFC Financing Proposal

- Everett Shorey moved to approve "Option C" which pays back the CoBank loan amount over 15 years and the RUS Prepayment penalty amount over 10 years. Seconded by Balser. Ayes 4 (Balser, Penn, MacMullan, Shorey), Nays 0, Absent: Savoie
- Mary Jane Balser moved to pass the resolution authorizing the signing of the Certificate of Resolutions and Incumbency, Seconded by MacMullan, Ayes 4 (Balser, Penn, MacMullan, Shorey), Nays 0, Absent: Savoie

6. Receive and Act on President's Report

- Retail Choice Exemption: Barbara MacMullan moved to ask the PUC for an additional five-year exemption from the retail access provisions of the Utility Restructuring Act from April 30, 2020 to April 30, 2025. Seconded by Penn. Ayes 4 (Balser, Penn, MacMullan, Shorey), Nays 0, Absent: Savoie
- Net Metering Policy: Jeff Wright to come up with parameters for alternative options within state net metering laws
- Spare Transformer: Jeff Wright to prepare a proposal for another transformer
- Rate Case: in process and close

7. Discuss and Act on Board Attorney and Clerk positions

- Everett Shorey moved to authorize Jeff Wright to advertise the BIUD Administrative Assistant Job Description, seconded by Penn. Ayes 4 (Balser, Penn, MacMullan, Shorey), Nays 0, Absent: Savoie

Schedule A of Subpoena re: Sara McGinnes v. Town of New Shoreham

1. The executed Asset Purchase and Sale Agreement, by and between the Block Island Utility District and Block Island Power Company with all schedules and exhibits both original and as amended as of the time of financial closure on or about March 25, 2019.
2. Audited financial statements of Block Island Power Company for fiscal year end 2018.
3. Any and all documents, including electronically stored information (“ESI”), which the Block Island Utility District reviewed, relied upon and/or received in preparation for and/or pursuant to its negotiations with BIPCO regarding how a range of purchase prices could be financed, including but not limited to how a range of purchase prices may have required a change in the acquired entity’s rate structure.
4. Any and all documents, including ESI, referring and/or relating to negotiations by and between the Block Island Utility District and BIPCo which resulted in the Asset Purchase and Sale Agreement being executed and reaching financial closure on or about March 25, 2019.

(Note: this is a transcription, the original document contains the controlling language if there are any discrepancies between these two documents.)

Agenda Item 4

Treasurers Report

Review of April and May 2019 Financials

Review and Approve Draft Financial Policy

Block Island Utility District
Balance Sheet
April 30, 2019

ASSETS

	April 30, 2019	Beginning March 26, 2019
<u>Property and Equipment</u>		
Land	\$ 822,738.98	\$ 822,024.06
Buildings	464,663.03	464,663.03
Machinery & Equipment	1,973,972.46	1,965,679.19
Distribution System	2,001,189.04	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	67,253.83	0.00
	<hr/>	<hr/>
Total Property and Equipment	5,616,010.51	5,538,912.99
Total Accumulated Depreciation	<19,276.00>	0.00
	<hr/>	<hr/>
<i>Net Utilities Plant</i>	5,596,734.51	5,538,912.99
 <u>Current Assets</u>		
Cash - Main Checking	236,641.95	134,116.73
Cash - Sweep Acct	12,272.15	0.00
Accounts Receivable Elect	289,292.15	133,131.99
Allowance For Bad Debt	(19,587.93)	(19,587.93)
Accounts Receivable-Other	7,447.96	4,874.69
AR-Cash due from BIPCo	1,275.82	13,035.01
AR-Blackrock Acct due from BIPCo	158,864.04	105,435.21
Unbilled Revenue	0.00	172,271.82
Plant Material & Operation	170,837.06	155,645.53
Fuel Inventory	48,832.04	48,832.04
Prepaid Expenses	30,090.70	10,795.49
	<hr/>	<hr/>
<i>Total Current Assets</i>	935,965.94	758,550.58
 <u>Deferred Assets</u>		
Def. Regulatory Asset-retiremt	206,297.35	206,297.35
Def. Regulatory Asset-Eng.Res	0.00	0.00
Def. Regulatory Asset-RateCase	0.00	0.00
Def.Regulatory Asset-Interconnection	181,367.76	186,940.76
	<hr/>	<hr/>
<i>Total Deferred Assets</i>	387,665.11	393,238.11
Total Assets	<u>\$ 6,920,365.56</u>	<u>\$ 6,690,701.68</u>

Block Island Utility District
Balance Sheet
April 30, 2019

LIABILITIES AND CAPITAL

	April 30, 2019	Beginning March 26, 2019
<i>Current Liabilities</i>		
Accounts Payable Trade	\$ 139,883.50	\$ 2,000.00
AP-NISC Admin Software	18,012.00	18,012.00
A/P - Customer Deposits	66,569.00	65,891.67
Accrued Purchase Power Expenses	188,839.82	156,548.64
Accrued Other Expenses	38,450.00	31,840.05
DSI Surcharge Payable	(56,429.18)	(56,429.18)
Accrued Payroll and Withholdings	0.00	0.00
Total Current Liabilities	395,325.14	217,863.18
<i>Deferred Credits</i>		
Deferred Revenue	15,988.57	80,954.99
SCR & Engine Maint Reserve	380,714.63	380,714.63
Total Deferred Credits	396,703.20	461,669.62
<i>Long-Term Liabilities</i>		
Line of Credit	340,943.22	90,943.22
Retirement Obligations	206,297.36	206,297.35
CFC Acquisition LOAN	5,800,000.00	5,800,000.00
Total Long-Term Liabilities	6,347,240.58	6,097,240.57
Total Liabilities	7,139,268.92	6,776,773.37
<i>Capital</i>		
Retained Earnings	<24,050.53>	<24,050.53>
Net Income	(194,852.83)	(62,021.16)
Total Capital	<218,903.36>	<86,071.69>
Total Liabilities & Capital	\$ 6,920,365.56	\$ 6,690,701.68

Block Island Utility District
Income Statement
For the Four Months Ending April 30, 2019

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

	Current Month Actual	Year to Date Actual
Revenues		
Residential Sales	\$ 19,579.83	\$ 21,347.28
Commercial Sales	6,533.15	5,855.12
Demand Electric	35,180.19	49,677.12
Public Authority	6,642.04	8,335.17
Street Lighting	584.03	701.93
Customer Charge	26,146.56	32,090.20
Demand - All Rates	7,676.38	11,583.57
System Charge	-	-
Interest Income	256.73	270.46
Rent - Tower	15,891.00	18,646.28
Rent - Property	7,676.38	8,548.67
Miscellaneous Income	2,106.75	4,685.75
Connection Charge	-	25.00
Biller Penalty	1,374.50	1,260.66
Total Revenues	129,647.54	163,027.21
Expenses		
Total Generation-Operating Expense	15,340.25	16,691.85
Total Generation-Maintenance Expense	2,933.16	13,623.72
Total Distribution-Operating Expense	20,752.83	23,555.59
Total Distribution-Maintenance Expense	29,945.09	29,945.09
Total Customer Accounts/Customer Service	9,937.62	10,454.04
Total Administrative/General Expenses	124,107.81	235,031.20
Total Miscellaneous (Revenue)/Expense	18,395.09	21,679.05
Total Taxes	6,118.83	6,899.50
Total Expenses	227,530.68	357,880.04
Net Profit Before Fuel Rev./Exp.	(97,883.14)	(194,852.83)
<u>Fuel Expenses/(Revenue)</u>		
Fuel/Standard Offer/Transmission income	(106,929.69)	(133,631.14)
Purchase Power Expenses	160,224.85	198,597.56
Net SO/TC due to ratepayers	(53,295.16)	(64,966.42)
Net Fuel Expense/(Revenue)	-	-
Net Income	\$ (97,883.14)	\$ (194,852.83)
<u>Reserves Expenditures</u>		
Remove Depreciation Adj (A)	(16,150.00)	(19,276.00)
Debt Service Principal (includes CAT)	0.00	0.00
Inventory Purchased	15,191.53	15,191.53
Capital Exp - Work In Progress	67,253.83	67,253.83
Capital Exp - Distrib Work	-	-
Capital Exp - Other Assets	8,293.27	8,293.27
Total Reserve for Exp.	90,738.63	90,738.63
Net Income Cash Budgetary Basis	\$ (188,621.77)	\$ (285,591.46)

Block Island Utility District
Balance Sheet
May 31, 2019

ASSETS

	May 31, 2019	Beginning March 26, 2019
<u>Property and Equipment</u>		
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	2,001,189.04	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	129,302.91	0.00
Total Property and Equipment	<u>5,695,592.40</u>	<u>5,538,912.99</u>
Total Accumulated Depreciation	<u><35,426.00></u>	<u>0.00</u>
<i>Net Utilities Plant</i>	5,660,166.40	5,538,912.99
<u>Current Assets</u>		
Cash - Main Checking	144,217.95	134,116.73
Cash - Sweep Acct	0.00	0.00
Accounts Receivable Elect	359,356.34	133,131.99
Allowance For Bad Debt	(19,587.93)	(19,587.93)
Accounts Receivable-Other	7,467.19	4,874.69
AR-Cash due from BIPCo	897.21	13,035.01
AR-Blackrock Acct due from BIPCo	164,769.51	105,435.21
Unbilled Revenue	0.00	172,271.82
Plant Material & Operation	177,224.70	155,645.53
Fuel Inventory	48,832.04	48,832.04
Prepaid Expenses	32,093.75	10,795.49
Total Current Assets	<u>915,270.76</u>	<u>758,550.58</u>
<u>Deferred Assets</u>		
Def. Regulatory Asset-retiremt	201,941.35	206,297.35
Def. Regulatory Asset-Eng.Res	0.00	0.00
Def. Regulatory Asset-RateCase	0.00	0.00
Def.Regulatory Asset-Interconnection	177,736.76	186,940.76
Total Deferred Assets	379,678.11	393,238.11
Total Assets	<u><u>\$ 6,955,115.27</u></u>	<u><u>\$ 6,690,701.68</u></u>

Block Island Utility District
Balance Sheet
May 31, 2019

LIABILITIES AND CAPITAL

	<u>May 31, 2019</u>	<u>Beginning March 26, 2019</u>
<i>Current Liabilities</i>		
Accounts Payable Trade	\$ 110,177.42	\$ 2,000.00
AP-NISC Admin Software	13,509.00	18,012.00
A/P - Customer Deposits	68,869.00	65,891.67
Accrued Purchase Power Expenses	231,458.82	156,548.64
Accrued Other Expenses	43,881.47	31,840.05
DSI Surcharge Payable	(56,429.18)	(56,429.18)
Accrued Payroll and Withholdings	<u>0.00</u>	<u>0.00</u>
Total Current Liabilities	411,466.53	217,863.18
<i>Deferred Credits</i>		
Deferred Revenue	19,998.93	80,954.99
SCR & Engine Maint Reserve	<u>380,714.63</u>	<u>380,714.63</u>
Total Deferred Credits	400,713.56	461,669.62
<i>Long-Term Liabilities</i>		
Line of Credit	340,943.22	90,943.22
Retirement Obligations	201,941.35	206,297.35
CFC Acquisition LOAN	<u>5,800,000.00</u>	<u>5,800,000.00</u>
Total Long-Term Liabilities	<u>6,342,884.57</u>	<u>6,097,240.57</u>
Total Liabilities	7,155,064.66	6,776,773.37
<i>Capital</i>		
Retained Earnings	<24,050.53>	<24,050.53>
Net Income	<u>(175,898.86)</u>	<u>(62,021.16)</u>
Total Capital	<u><199,949.39></u>	<u><86,071.69></u>
Total Liabilities & Capital	<u><u>\$ 6,955,115.27</u></u>	<u><u>\$ 6,690,701.68</u></u>

Block Island Utility District
Income Statement
For the Five Months Ending May 31, 2019

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

	Current Month Actual	Year to Date Actual
Revenues		
Residential Sales	\$ 23,357.70	\$ 44,704.98
Commercial Sales	10,667.62	16,522.74
Demand Electric	56,398.23	106,075.35
Public Authority	7,334.65	15,669.82
Street Lighting	584.03	1,285.96
Customer Charge	26,196.08	58,286.28
Demand - All Rates	18,774.33	30,357.90
System Charge	-	-
Interest Income	255.70	526.16
Rent - Tower	15,891.71	34,507.99
Rent - Property	19,689.20	28,237.87
Miscellaneous Income	-	4,685.75
Connection Charge	-	25.00
Biller Penalty	1,142.15	2,402.81
Total Revenues	180,291.40	343,288.61
Expenses		
Total Generation-Operating Expense	14,660.95	31,352.80
Total Generation-Maintenance Expense	4,513.88	18,184.50
Total Distribution-Operating Expense	10,241.86	33,797.45
Total Distribution-Maintenance Expense	6,916.25	42,741.16
Total Customer Accounts/Customer Service	5,463.18	16,004.97
Total Administrative/General Expenses	74,258.45	326,293.64
Total Miscellaneous (Revenue)/Expense	16,195.91	37,647.23
Total Taxes	6,266.22	13,165.72
Total Expenses	138,516.70	519,187.47
Net Profit Before Fuel Rev./Exp.	41,774.70	(175,898.86)
<u>Fuel Expenses/(Revenue)</u>		
Fuel/Standard Offer/Transmission income	(156,502.54)	(290,133.68)
Purchase Power Expenses	146,992.70	351,089.74
Net SO/TC due to ratepayers	4,010.36	(60,956.06)
Net Fuel Expense/(Revenue)	(5,499.48)	-
Net Income	\$ 47,274.18	\$ (175,898.86)
<u>Reserves Expenditures</u>		
Remove Depreciation Adj (A)	(16,150.00)	(35,426.00)
Debt Service Principal (includes CAT)	0.00	0.00
Inventory Purchased	6,387.64	21,579.17
Capital Exp - Work In Progress	62,049.08	129,302.91
Capital Exp - Distrib Work	-	-
Capital Exp - Other Assets	-	8,293.27
Total Reserve for Exp.	68,436.72	159,175.35
Net Income Cash Budgetary Basis	\$ (21,162.54)	\$ (335,074.21)

Financial Management Policies and Procedures

For

Block Island Utility District

Date: _____

Table of Contents

Section 1: Purpose	3
Section 2: Responsibilities	3
Section 3: Planning Documents	4
Section 4: Financial Goals and Parameters	5
Section 5: Financial Forecasting	7
Section 6: Financial Statements	9
Section 7: Receipts	8
Section 8: Disbursements	8
Section 9: Petty Cash	8
Section 10: Short Term Investments	9
Section 11: Short Term Debt	9
Section 12: Long Term Debt	9
Section 13: Procurement	9
Section 14: Financial Management and Accounting System	10
Section 15: Financial Statements	10

Section 1: Purpose

This Financial Policy is to provide guidelines and direction from the Board of Commissioners (hereinafter “Board”) to Management in order to maintain a sound financial position and provide for the security of the financial resources of the Block Island Utility District (hereinafter “Utility District”).

The Utility District is organized under the laws of the State of Rhode Island and will at all times be operated on as a quasi-municipal corporation, having a distinct legal existence from the state, established and empowered to:

1. Fulfill electric utility functions, powers, rights and obligations;
2. Exercise certain powers as an electric distribution company and power producer; and
3. Provide additional utility services not inconsistent with the duties, power and obligations of the utility district.

In addition to these legal requirements, the Utility District is guided in its operations by regulations and operational practices prescribed by various regulatory bodies and/or lender(s). Beyond these legal, regulatory, and lending requirements, the Utility District has an obligation to its members to ensure the financial integrity of the Utility District so that it can provide high quality electric service at the lowest possible long-term cost consistent with prudent business practices not only for today, but long into the future.

Section 2: Responsibilities

Review and Approval by the Board. The Board is responsible for: (1) reviewing, discussing, and evaluating the Utility District PRESIDENT’s (hereinafter “PRESIDENT”) recommendations for the Financial Policy; (2) approving the Financial Policy as presented or amended; (3) reviewing and evaluating this Policy annually; (3) revising this Policy as circumstances warrant.

Implementation of the Policy. The PRESIDENT is responsible for implementing this Policy and for overseeing development of the practices and procedures necessary to maintain the financial integrity of the District.

Recommendations to the Board. The PRESIDENT is responsible for recommending to the Board revisions to this Policy as circumstances warrant.

Compliance with the Policy. The Board and PRESIDENT are responsible for assuring compliance with this Policy.

Section 3: Planning Documents

In order to maintain a sound financial position and provide for the most effective management and security of the financial resources of the Utility District, the Board directs the PRESIDENT to create and/or update or see to the creation and/or updating of the following planning reports and documents (hereinafter "Reports"). These Reports shall be created/updated on a regular basis with frequencies no less than the timeframes in the table below. All Reports shall be reviewed and approved by the Board. Note that from time to time there may be other planning reports not included below that may be necessary to meet this policy's intent.

Planning Report Description	To Be Created/Updated with frequencies no less than the following
Wholesale Power Contract	Annually
Load Forecast Study (formerly PRS)	Annually
Long Range Construction Plan	2 Years
Construction Work Plan	2 Years
Cooperative Strategic Plan	2-3 Years
10 Year Financial Forecast	Annually
Capital Budget	Annually
Operating Budget	Annually

The Utility District shall use all resources at its disposal to assist in preparing the aforementioned planning reports. These resources shall include, but are not limited to: annual independent audit; CFC Key Ratio Trend Analysis (KRTA); historical operating statements, balance sheets, and cash flow analyses; and cost of service study.

Section 4: Financial Goals and Parameters

The Board directs Management to operate the Utility District so that its financial operating results are within the following goals and parameters as established by the Board. Utility District management shall review these financial goals and parameters annually and recommend changes to the Board, if necessary.

Equity Ratio

In order to minimize the risks associated with insolvency and maintain an optimal cost of capital, management shall strive to achieve the following equity ratio(s):

Total Equity: The Board will set a short term and long equity goal which is acceptable to the Utility District's lenders.

Equity ratio is defined as Total Margins & Equity divided by Total Assets, as calculated by KRTA ratio 16, on a consolidated basis.

Coverage ratios

In order to minimize liquidity and insolvency risk, management shall achieve the following coverage ratio:

CFC

In accordance with the security agreement requirements of NRUCFC, The Utility District shall maintain a minimum average MDSC (2 of 3 year high average) of 1.35. MDSC (2 of 3 year high average) is defined as the average of the high two MDSC ratios of the last three years, as calculated by KRTA ratio 11.

Other (TBD)

Note: In addition to the coverage ratio above, select other coverage ratios including but not limited to the following CFC KRTA ratios:TBD

Short-Term Debt

- The District shall maintain a line-of-credit for short-term operating purposes in an amount not to exceed what is Board approved..
- The PRESIDENT shall consider and discuss establishing a line-of-credit for interim or bridge financing with the board on a case-by-case basis.
- The PRESIDENT is authorized to establish emergency lines-of-credit as necessary to support the capital and operating needs of storm recovery efforts.

Long-Term Debt

The aggregate amount of all loans drawn and available to be drawn by the District shall not exceed the maximum debt limit (MDL) as identified in the District's mortgage documents.

Cost of Service Study

Management and Board shall strive to maintain a fair, equitable and risk rated balance between the collection of revenue and incurring of expenses between all revenue classes. This balance shall be determined through completion of an industry accepted cost-of-service study, completed on a regular basis, but no less frequently than once every 3 years.

Section 5: Financial Forecasting

Management shall create financial forecasts including an Annual Budget and a 10-year financial forecast, further described below. The forecasts shall use the planning documents identified in section 3 and incorporate the financial goals identified in section 4.

Annual Budget

Based on the planning documents and the financial goals identified in sections 3 and 4, management shall prepare or cause to be prepared an annual financial budget. The budget shall be prepared for the ensuing fiscal year and shall be presented to the Board for their approval no later than October. An Annual Financial Forecast will be presented annually at the Utility District's Annual Meeting each year.

The budget shall include, at a minimum, the following:

- Assumptions used to prepare the budget
- Description of the primary changes and projects contemplated for the coming year
- Statement of operations by month
- Balance sheet
- Statement of changes in cash flow, detailing cash from operations, investing and financing
- Capital Expenditures (CAPEX) by month

10-year financial forecast

Based on the planning documents and the financial goals identified in sections 3 and 4, management shall prepare, or cause to be prepared, a 10-year financial forecast. The first forecast year will contain the financial data from the annual budget above. A summary of the financial forecast shall be reported to the Board no later than October at its regular or special board meeting each year. The financial forecast shall include and comply with all of the financial goals and parameters identified by the Board in section 4 plus include significant assumptions utilized in its preparation. In order to comply with typical lender requirements, the 10-year financial forecast shall, at a minimum, contain the following sections:

- Ratios
- Balance sheet
- Statement of operations
- General funds
- Load projections
- Determination of operating revenue
- Plant investment
- Determination of debt and debt service
- Cash flow

Conflicts with financial goals

If the financial goals in section 4 conflict with each other to such a degree that the financial forecast cannot reasonably achieve all of them at the same time, management shall communicate the conflict(s) to the Board. The Board shall, with Management's guidance, discuss and resolve these conflicts.

Rate policies/philosophy

Management shall recommend to the Board retail electric rates as recommended or amended to meet the aforementioned financial goals established by the Board. The rates shall include a power cost factor adjustment designed to automatically adjust revenues based on changes in the Utility District's wholesale power cost.

Section 6: Collateralization of Bank Accounts

All deposits shall be secured by obligations of the United States or of Rhode Island with the market value at all times must being greater than or equal to 100% of the deposits.

Section 7: Receipts

All receipts are to be deposited into the Washington Trust Company Receipt or Sweep Account.. Once the deposits are cleared, they are automatically transferred to the General Checking Account.

Section 8: Disbursements

All Disbursements are to be made from the Washington Trust Company General Checking Account..

- Invoices: All invoices are to be approved by the PRESIDENT and at least one other employee familiar with the invoice.
- ACH Payments: All ACH Payments are to be approved by the PRESIDENT and at least one other employee familiar with the invoice.
- Payroll: ADP will provide payroll services and will be administered by the PRESIDENT. Payroll records will be reviewed by the District's Treasurer on a monthly basis.
- Credit Card: The PRESIDENT's company credit card statements and supporting backup will be reviewed by the District's Treasurer on a monthly basis.
- Check Run Reports: Check run reports will be reviewed by the Utility District's Treasurer on a monthly basis.
- PRESIDENT Expense Report: The Utility District's Treasurer or Chairperson must approve the PRESIDENT's expense reports before the reimbursement is paid.

Section 9: Petty Cash

The amount of Petty Cash shall not exceed \$750.

Section 10: Short Term Investments

Short Term Investments shall be limited to Washington Trust Company ICS, the Insured Cash Sweep Service, and/or CDARS.

Section 11: Short Term Debt

The District will maintain a Short Term Working Capital Line of Credit with CFC. The amount of the Line of Credit will be based on short term Cash Flow Projections. The outstanding balance under the Line of Credit will zero during each fiscal year. The Chair, President and Treasurer are authorized to drawdown and repay amounts under the Line of Credit.

Section 12: Long Term Debt

The District will use Long Term Debt with the National Rural Cooperative Finance Corporation (CFC) to finance long term capital investments.

Section 13: Procurement

The Utility District President will approve all purchases made by the Utility District and its employees.

The Utility District President is authorized to approve budgeted purchases up to \$100,000. He/she will inform the Board of any purchase >\$100,000 prior to committing to the purchase.

The utility District President is authorized to approve unbudgeted purchases up to \$15,000. He/she will obtain Board Approval for purchases >\$15,000 prior to committing to the purchase.

Exception: In the event of an emergency need such as storm damage repair or other immediate urgent need, the President is authorized to make purchases after informing the Board Chairperson or Treasurer of the need. In the event of an imminent threat that may require pre-planning and staging of materials and contract help, the President shall ensure adequate lines of credit to cover anticipated costs and if appropriate inform the RI-PUC and DPUC of the unplanned financial impact.

Section 14: Financial Management and Accounting System

National Information Solutions Cooperative (NISC).

Section 15: Financial Statements

- Monthly Balance Sheet, Profit and Loss Statement and Cash Flow Statement in accordance with GAAP shall be prepared to be reviewed at monthly Board Meeting.
- Audited and Certified Financial Statement shall be prepared within 120 days at the end of each fiscal year.

Agenda Item 5

Presidents Report

President's Update
June 21, 2019

Operational Update

National Grid Cable Outage: BIUD ran its back up generation during a three-day cable outage that National Grid took to repair some bad connections on the mainland. All BIUD systems operated flawlessly. We generated 85,293 kilo-watt hours using 6,387 gallons of fuel. The fuel used is priced at \$1.91 for a total fuel cost of \$12,200. This cost will be charged out in our June bills. I estimate the June FAC to be \$0.009 for the fuel. Last year we would have carried the cost of fuel usage until our next SO/Trans reconciliation by in our last hearing the PUC asked that we charge it out in the month we used it.

Pole Replacements: This year's pole replacement program has slowed due to the time of year. This year we replace just over 140 poles. Verizon has kept up with transferring off the retired poles.

Summer Readiness: BIUD recently performed its first ever Infra-Red Inspection of the system to identify bad connections, failing fuses, overloaded transformers and other connection related problems. The three-day inspection identified several immediate problems that were imminent outages – all immediate problems have been repaired. The cost of the inspection was less than \$4,000 and avoided two imminent circuit outages on the High Street circuit (school and medical center) and one imminent outage on the West Side Circuit.

BIUD Fiber Connection: The TNS Town Council approved BIUD's connection to the fiber. Plans are for the BIUD office and plant to be connected by mid-July.

BlackRock/ISO-NE Financial Assurance: CFC is prepared to issue a letter of credit shortly after our long-term debt is approved (PUC hearing is set for July 11th) and the mortgage documents are recorded. We have to post the letter before July 23rd to avoid having to fund BlackRock for our August obligations. Once the letter of credit is posted, the BlackRock fund will be drawn down as transmission invoices are billed and paid. It will take two months to run this down and close out.

ISO-NE Application: BIUD's application has been approved with a tentative market entry date of August 1st.

NYPA Allocation: The NYPA allocation for Rhode Island has been calculated by ENE and an agreement has been drafted between BIUD, PASCOAG, ENE and the Massachusetts Municipal Wholesale Electric Company (MMWEC who is the Resource Lead Participant which prepares the allocations for Mass and the RI). The settlement process will flow through the ISO-NE once we are a participant starting August 1st – PASCOAG has agreed to settle June and July by issuing BIUD a check for our amount after the monthly allocation is determined.

The NYPA allocation for BIUD is 17.66% of Rhode Island's total share. This power supply will be added to our 100% load following contract with Shell N.A. This will make us "long" each day which will allow us to sell the NYPA power back into the ISO-NE market daily at the Local Regional Price (LMP) which varies

hourly. Because of the variables it is extremely difficult to estimate our annual savings but my rough estimate is that it could save BIUD between \$30K-\$75K per year. I will know better once the June settlement is calculated which I will share with everyone at the next meeting. The allocation calculations are shown below:

Residential KWH Sales Summary							
	2018	2017	2016	KWH Sales Summation 2018 - 2016	KWH Sale Pro Rata Decimal	Rounded Average of Both Pro Rate Decimals	New Individual Purchase's %
Block Island	4,209,687	4,073,673		8,283,360	0.11243	0.17658	17.66%
Pascoag	33,917,350	31,476,866		65,394,216	0.88757	0.82342	82.34%
Annual Total	38,127,037	35,550,539		73,677,576	1.00000	1	100.00%

The chart below shows what BIUD will receive hourly:

TOWN	PURCHASER'S %	KILOWATTS FIRM	KILOWATTS PEAKING
BLOCK ISLAND	17.66	282.56	17.66
PASCOAG	82.34	1,317.44	82.34
TOTALS	100.00	1,600.00	100.00

The chart below shows the monthly cost/benefit for PASCOAG for 2018 and 2019 YTD

Month	Cost \$/MWH	Wgtd Ave LMP \$/MWH	NYPA Benefit (+) Loss (-) \$/MWH
Jan-18	\$ 48.60	\$ 106.44	\$ 57.84
Feb-18	\$ 54.59	\$ 38.15	\$ (16.43)
Mar-18	\$ 14.72	\$ 31.57	\$ 16.86
Apr-18	\$ 28.95	\$ 39.23	\$ 10.28
May-18	\$ 26.96	\$ 27.36	\$ 0.40
Jun-18	\$ 27.11	\$ 31.03	\$ 3.92
Jul-18	\$ 25.36	\$ 41.27	\$ 15.91
Aug-18	\$ 19.65	\$ 49.29	\$ 29.63
Sep-18	\$ 20.43	\$ 39.41	\$ 18.98
Oct-18	\$ 23.68	\$ 41.05	\$ 17.36
Nov-18	\$ 28.46	\$ 56.95	\$ 28.50
Dec-18	\$ 38.89	\$ 49.25	\$ 10.36
Jan-19	\$ 33.04	\$ 56.94	\$ 23.90
Feb-19	\$ 34.64	\$ 37.47	\$ 2.83
Mar-19	\$ 21.79	\$ 37.27	\$ 15.48
Apr-19	\$ 25.41	\$ 29.17	\$ 3.76

Environmental Update

RI-DEM is working with BIUD to remove the front capture drains that were used for ground water monitoring and testing. We will be doing test borings in mid-July to determine next steps, which will most likely be removal of the drainage/testing area soils, piping, wells. Upon RI-DEM's recommendation, the goal of this project is to close out the BIUD site in RI-DEM's programs. This will result in savings from not having to monitor the four test wells we currently test quarterly.

RI-DEM will reimburse our expenses for any soil disposal as they did with the UST removals.

Regulatory Update

Rate Case: A meeting was held on June 4th with PUC and DPUC Staff and the Interim Division Administrator to review BIUD's rate case. Attending for BIUD was Mike McElroy, Dave Bebyn, Rich LaCapra (by phone) and myself. The discussions mostly addressed schedule and rate design concepts. We plan to submit a full filing before July 31 to ensure we have new rates in place on May 1, 2020.

The DPUC specifically is really focused on leveraging BIUD's use of smart meters in the case and would like us to update our filing with summer 2019 meter data rate class to ensure proper allocations. They are recommending some technical sessions at BIUD to investigate the systems capabilities.

Debt Filing: A hearing has been scheduled for July 11, 2019 for our long-term debt filing.

Retail Choice Exemption: We plan to file our retail choice exemption in July. This will allow us to send out an RFP for power supply by September 1st.

National Grid DAF Order: No update but I am going to ask Mike if there is a mechanism to force an order be issued.

Agenda Item 6

Rate Case Update

Block Island Power Company

Cost of Service Study and Rate Design

Rate Case Schedule:

Filing submitted by July 31, 2019

Update COS and Allocations in September 2019 using actual individual meter data from NISC MDM for summer peak day/hour.

New rates will go into effect on May 1, 2020

Goal is 0% Rate Increase

Rate Case Goals – RI Docket 4600

Goal:	<p>Provide reliable, safe, clean, and affordable energy to Rhode Island customers over the long term (this applies to all energy use, not just regulated fuels);</p> <p>Response: BIUD to ensure adequate revenues to upgrade the infrastructure and fund maintenance and efficiency programs.</p>
Goal:	<p>Strengthen the Rhode Island economy, support economic competitiveness, retain and create jobs by optimizing the benefits of a modern grid and attaining appropriate rate design structures;</p> <p>Response: BIUD is proposing a revenue neutral case that will support all programs while maintaining stable rates to support the local Block Island economy which supports the statewide tourism economy.</p>
Goal:	<p>Address the challenge of climate change and other forms of pollution;</p> <p>Response: BIUD has shut down its diesel generators (reducing carbon emissions and noise pollution) and has supported the development and operation of the BI Wind Farm.</p>
Goal:	<p>Prioritize and facilitate increasing customer investment in their facilities (efficiency, distributed generation, storage, responsive demand, and the electrification of vehicles and heating) where that investment provides recognizable net benefits;</p> <p>Response: BIUD's rate design encourages beneficial electrification/fuel switching during off peak seasons (by offering a lower winter period rate) and encourage efficiency during the peak season by increasing peak season rates.</p>

Rate Design Principals– RI Docket 4600

Goal: Appropriately compensate distributed energy resources for the value they provide to the electricity system, customers, and society;

Response: BIUD seeks to develop a net metering policy that will accept projects over a 3% cap that meets this goal.

Goal: Appropriately charge customers for the cost they impose on the grid;

Response: BIUD Cost of Service Study ensures proper allocation of costs.

Goal: Appropriately compensate the distribution utility for the services it provides;

Response: As a not for profit, member owner Utility District our goal is to set rates to support NO MORE THAN our revenue requirements necessary to meet these goals and maintain our loan covenants.

Goal: Align distribution utility, customer, and policy objectives and interests through the regulatory framework, including rate design, cost recovery, and incentives.

Response: BIUD is trying to make this rate case as inclusive as possible to incorporate its member's concerns and interests.

Rate Case Goals – RI Docket 4600

Ensures safe, reliable, affordable, and environmentally responsible electricity service today and in the future;

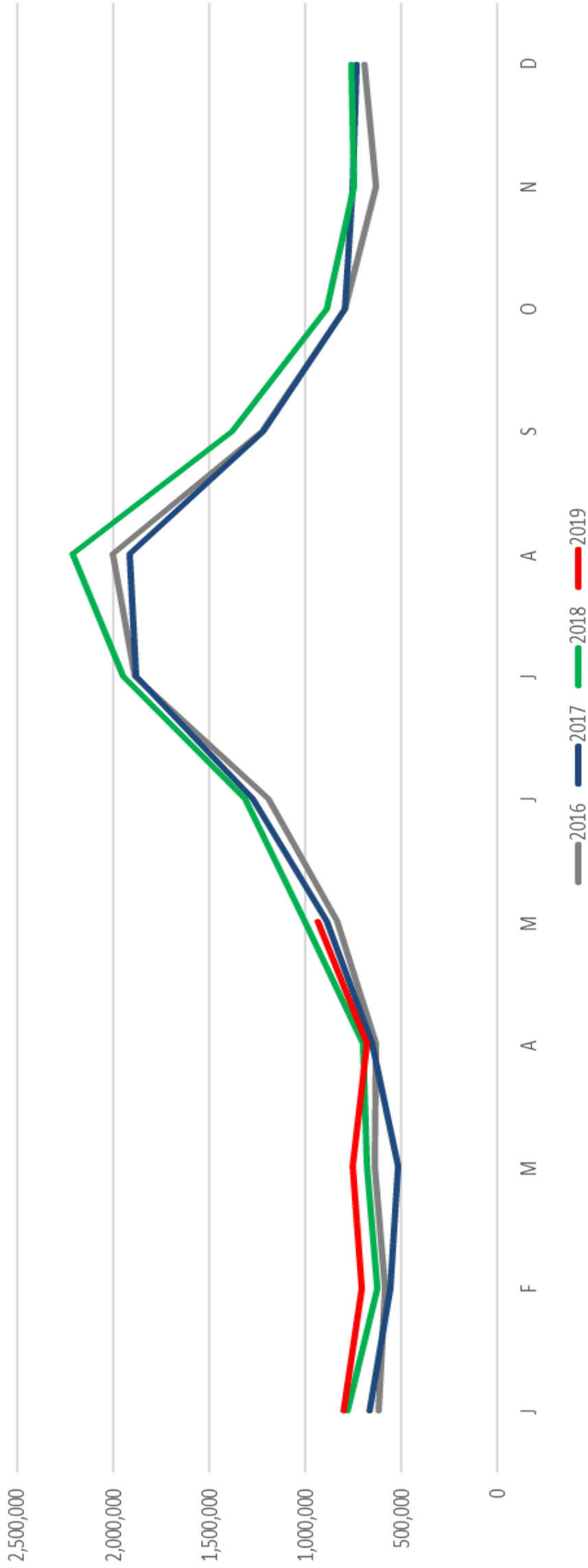
1. Promotes economic efficiency over the short and long term;
2. Provides efficient price signals that reflect long-run marginal cost;
3. Identifies future rates and rate structures that appropriately addresses “externalities” that are not adequately counted in current rate structures;
4. Empowers consumers to manage their costs;
5. Enables a fair opportunity for utility cost recovery of prudently incurred costs and revenue stability;
6. Ensures that all parties should provide fair compensation for value and services received and should receive fair compensation;
7. Constitutes a design that is transparent and understandable to all customers;
8. Ensures that any changes in rate structures are be implemented with due consideration to the principle of gradualism in order to allow ample time for customers (including DER customers) to understand new rates and to lessen immediate bill impacts;
9. Provides opportunities to reduce energy burden, and address low income and vulnerable customers’ needs;
10. Ensures consistency with policy goals (e.g. environmental, climate (Resilient Rhode Island Act), energy diversity, competition, innovation, power/data security, least cost procurement, etc.);
11. Evaluates rate structures based on whether they encourage or discourage appropriate investments that enable the evolution of the future energy system.

BLOCK ISLAND POWER COMPANY							
Test Year June 1, 2017 - May 31, 2018							
Rate Revenue Requirement and Deficiency Summary*							
	Total System	Residential	General Service	Public Auth 7,8	Public Auth 9,10	Large Power	
TOTAL COST OF SERVICE EXPENSES	\$2,771,048	\$943,423	\$290,348	\$167,783	\$21,299	\$1,348,196	
RETURN ON RATE BASE	\$201,654	\$67,513	\$20,521	\$12,641	\$1,496	\$99,482	
OTHER INCOME	245,059	81,824	29,132	14,350	2,078	117,674	
TOTAL RATE REVENUE REQUIREMENT	\$2,727,643	\$929,112	\$281,737	\$166,074	\$20,717	\$1,330,004	
% of System Revenue Requirement		34.06%	10.33%	6.09%	0.76%	48.76%	
RATE REVENUE - FY 2018							
Customer Charges	\$301,281	\$198,849	\$46,227	\$2,228	\$3,132	\$50,845	
Demand Charges	\$322,100			\$33,195		\$288,905	
Distribution Charges	\$2,048,327	\$669,300	\$256,174	\$125,259	\$18,774	\$978,820	
System Charge	\$88,317	\$59,156	\$26,966	\$591	\$1,604		
TOTAL RATE REVENUE - FY 2018	\$2,760,025	\$927,305	\$329,367	\$161,274	\$23,509	\$1,318,570	
% of System Rate Revenue		33.59%	11.93%	5.84%	0.85%	47.78%	
RATE SURPLUS/(DEFICIENCY \$)	\$32,608	(\$1,806)	\$47,631	(\$4,800)	\$2,792	(\$11,208)	
RATE SURPLUS/(DEFICIENCY %)	1.20%	-0.19%	16.91%	-2.89%	13.48%	-0.84%	

58

- 1) Presently updating COS and allocations based on Calendar Year 2018 and finalizing revenue requirements.
- 2) The DPUC and PUC have asked that we used actual smart meter data from NISC’s MDM to update allocations based on this summer’s peak.

Block Island Power Company
Monthly kWh Sales



1) The annual load data change from Fiscal Year 2018 to Calendar 2018 is up by 6% which will change rate values.

Summary of Proposed Substantive Changes

- Eliminate Public/Public Demand Rate – Convert to General/Demand
- Eliminate System Charge (\$90K)
- Remove Demand Charge from Residential Class (172 Accounts - \$118K)
- Switch Demand from Monthly Calc to Annual Calc using Peak During July/August

Add 3rd Seasonal Rate for Shoulder Months

Current Periods

WINTER PERIOD					SUMMER PERIOD				WINTER PERIOD		
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

Proposed Periods

WINTER PERIOD				SHOULDER		PEAK		SHOULDER		WINTER PERIOD	
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

Customer Classes

Current	Proposed
(R) Residential	(R) Residential
(G) General Service	(G) General Service
(D) Demand Metered General Service	(D) Demand Metered General Service
(P) Public Authority Service	_____
(PD) Public Demand Service	_____

Rate Component

Current	Proposed
Customer Charge	Customer Charge
Plant And Distribution	Plant and Distribution
System Charge	Demand – Does not Apply to Residential
Demand Charge	

Current Rates Summary

RESIDENTIAL SERVICE “R”			
	Summer Rate (June-September)	Winter Rate (October-May)	
Customer Charge per Month	\$12.38	\$12.38	
System Charge per Month	\$22.51	None	
Plant/Distribution Charge per kWh	\$0.2399	\$0.0910	

GENERAL SERVICE “G”			
	Summer Rate (June-September)	Winter Rate (October-May)	
Customer Charge per Month	\$12.38	\$12.38	
System Charge per Month	\$42.20	None	
Plant/Distribution Charge per kWh	\$0.2652	\$0.1205	

DEMAND METERED GENERAL SERVICE “D”			
	Summer Rate (June-September)	Winter Rate (October-May)	
Customer Charge per Month	\$18.57	\$18.57	
Demand Charge per kW per Month	\$19.58	\$6.53	
Plant/Distribution Charge per kWh	\$0.2185	\$0.1090	

PUBLIC AUTHORITY SERVICE “P”			
	Summer Rate (June-September)	Winter Rate (October-May)	
Customer Charge per Month			
a. Non-Demand	\$12.38	\$12.38	
a. Demand Metered	\$18.57	\$18.57	
Demand Charge per kW PER Month	\$18.57	\$6.19	
Plant/Distribution Charge per kWh			
a. Non-Demand	\$0.2425	\$0.1213	
a. Demand Metered	\$0.1957	\$0.0978	

R

Residential Service		
	Winter	Summer
Customer Charge	12.38	12.38
Plant and Distribution Charge per kWh	\$0.0910	\$0.2399

Residential Service			
	Winter	Shoulder	Summer
Customer Charge	\$15.00	\$15.00	\$15.00
Plant and Distribution Charge per kWh	\$0.0725	\$0.1850	\$0.2750

Annual Cost for 500 kWh Residential Customer	
Old Rates	New Rates
\$1,986.76	\$2,016.90



General Service		
	Winter	Summer
Customer Charge	\$12.38	\$12.38
Plant and Distribution Charge per kWH	\$0.0910	\$0.2399

General Service			
	Winter	Shoulder	Summer
Customer Charge	\$15.00	\$15.00	\$15.00
Plant and Distribution Charge per kWH	\$0.0925	\$0.2300	\$0.2950

Annual Cost for 500 kWH General Customer	
Old Rates	New Rates
\$2,155.36	\$2,186.90



Demand Service		
	Winter	Summer
Customer Charge	\$18.57	\$18.57
Demand Charge	\$6.5300	\$19.5800
Plant and Distribution Charge per kWh	\$0.1090	\$0.2185

Demand Service			
	Winter	Shoulder	Summer
Customer Charge	\$25.00	\$25.00	\$25.00
Demand Charge	\$7.2500	\$7.2500	\$7.2500
Plant and Distribution Charge per kWh	\$0.0700	\$0.1600	\$0.2600

Annual Cost for 1000 kWh Demand Customer	
Old Rates	New Rates
\$3,957.64	\$4,208.80

This estimate does not take into account the demand component which is proposed to be set using the customer’s peak load in July and August – creating a flat expense for the next 12 months. This will build in cost stability and allocate demand charges based on BIUD’s most demanding period.

Agenda Item 7

Peak Shaving Proposal

LOAD SHEDDING PROGRAM PROPOSAL

JUNE 25, 2019

Any reduction of load (LOAD SHEDDING) during key times during the year can result in significant savings in ISO-NE Capacity Charges, ISO-NE Transmission Charges and National Grid Charges for transmission, use of the submarine cable and distribution roll up charges.

Load shedding comes in different forms;

- 1) Demand Response which is voluntary (mostly pay for performance) from large customers,
- 2) Demand Response from utility-controlled load shed devices such as hot water heater controls,
- 3) Dispatching internal customer owned generation such as Medical Center, Sewer Plant, Water Plant which is usually done on a pay for performance basis, and
- 4) Running Utility Owned (behind the meter) Generation

Most all distribution companies have a program that uses some combination of these components.

Block Island Utility District has great opportunity in especially Dispatching Customer Owned Generation and running BIUD's Generation.

ENE estimated in 2017 that for every 1 MW of load we shed (when the ISO-NE hits their annual peak), we could save roughly \$97,000 in 2020. Currently BIUD pays ISO-NE \$42,000/month or \$504,000/year for Capacity Charges.

ENE's program targets monthly peaks in addition to annual peaks which target capacity charges – they estimate we'd need to run generation (at the level we chose) between 90 and 170 hours per year if we target all monthly and annual peaks.

If we were to target only the annual peak, I estimate we would have to run no more than 75 hours per year. BIUD burns approximately 100 gallons of fuel for every MWH of generation. Today's cost is \$1.91/gallon. The cost of fuel to run 75 MWH per year is roughly \$14,325/year. That provides us with a 100% guarantee of targeting the ISO-NE summer peak.

There are other costs associated with running generation such as labor and maintenance but I could consider running 75 hours per year purely a good test of our systems and haven't factored in that expense.

Below is ENE's total estimate of savings (does not account for program costs) for BIUD if we were to run 1MW for between 90-170 hours annually.

Project Assumptions				
MW			1 1/1/2018 RI 35% 100%	
Commerical Operation Date				
Load Zone				
Est Reserve Margin				
RNS Ratio (10/12 months etc)				
Row Labels	Total ISO Capacity Savings	ISO RNS Savings	Total Savings	
2018	\$ -	\$ 24,900	\$ 24,900	
2019	\$ 66,434	\$ 26,560	\$ 92,994	
2020	\$ 97,509	\$ 27,598	\$ 125,107	
2021	\$ 85,811	\$ 28,428	\$ 114,239	
2022	\$ 85,811	\$ 29,282	\$ 115,094	
2023	\$ 85,811	\$ 30,163	\$ 115,975	
2024	\$ 85,811	\$ 31,070	\$ 116,882	
2025	\$ 85,811	\$ 32,005	\$ 117,816	
2026	\$ 85,811	\$ 32,967	\$ 118,779	
2027	\$ 85,811	\$ 33,959	\$ 119,770	
2028	\$ 85,811	\$ 33,959	\$ 119,770	
2029	\$ 85,811	\$ 33,959	\$ 119,770	
2030	\$ 85,811	\$ 33,959	\$ 119,770	
2031	\$ 85,811	\$ 33,959	\$ 119,770	

I am recommending we utilize ENE's program to run a maximum of 1.5 MW (one generator) for approximately 75 hours only this summer to test out the savings for the year 2020 – TARGETING ONLY THE ISO-NE ANNUAL PEAK. After the summer season we will evaluate the program and consider changes to the program for next summer.

Estimated Capacity and RNS Savings and Program Costs						
Hours	Gallons	Cost/Gal	Total Fuel Cost	Est Program Savings	Net Benefit to Ratepayers	Net Benefit in kWh
75	150	\$1.91	\$21,487	\$140,000	\$118,513	1 Cent

The following document details the capabilities of Energy New England (ENE) in regards to their load shedding program.

ENE Load Shedding Capabilities Overview

Energy New England (“ENE”) regularly participates in the New England energy markets by monitoring the key factors for this market, participating in short, medium and long term energy, capacity and renewable energy credit purchases/sales, consulting on natural gas and various electric load serving issues as well as monitoring regulatory matters important to our customers. ENE’s resources, experience and knowledge make us the best choice to provide critical load shedding information to your organization. As more entities begin to “chase the peak” ENE’s experience and knowledge will become more important in order to accurately determine the timing of peak shedding event.

For Independent System Operator New England (“ISO-NE”) market participants, the complexity

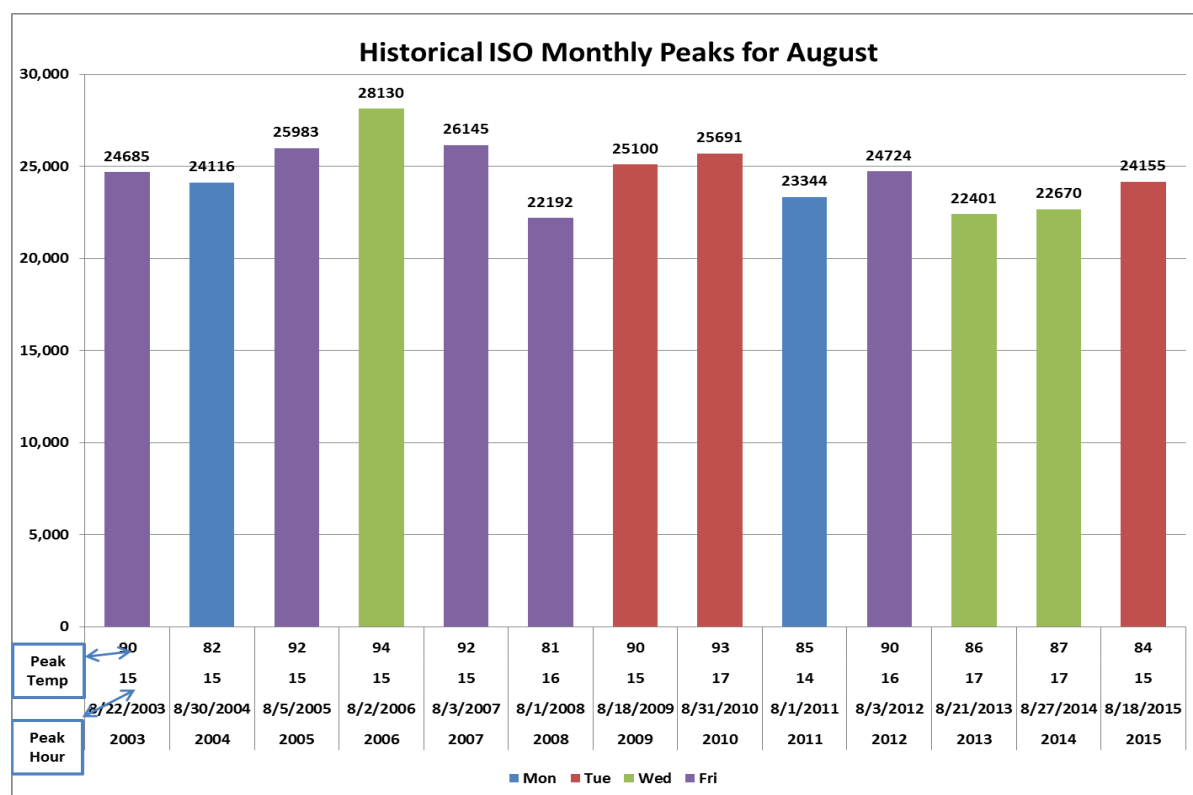


Figure 1 – ISO-NE Historical Peaks for August

of the ISO-NE demand shed program could create a financial risk and negate any savings generated by the program. To avoid such penalties, a utility could design a voluntary load shed program for their customer base which could offer incentives to residential, commercial, and retail customers based on their participation.

ENE developed a tool that tracks monthly ISO-NE potential peak hours. If load is able to “shed” during potential peak hours the utility could reduce their capacity MW obligation, for the next capacity year. Also if the program is run throughout the year the utility also has potential to shave MW’s during Local Network Service transmission and ISO-NE RNS transmission, albeit if the coincident peak corresponds to a shedding event.

By using monthly ISO-NE historical peak hours and MWs, ENE creates a bandwidth as a guide for potential peak events. Although we view over ten years of historic data, ENE focuses on the most recent four years of data because we believe it provides the most relevant information. Figure 1 above is the historical August peaks that are analyzed. ENE couples historic data with the current ISO-NE forecast for the next seven days to determine the progression of the weekly electric load, as seen in Figure 2 below.

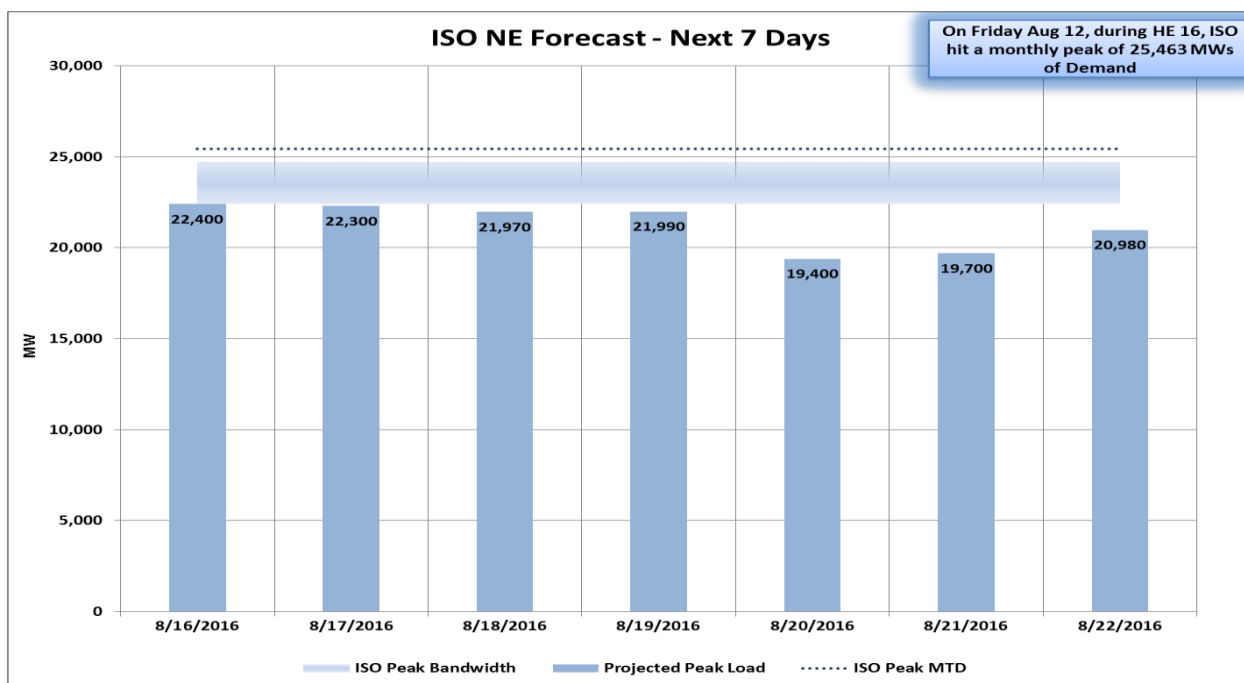


Figure 2 ISO-NE August bandwidth and forecasted peaks

Because the market rules and the market itself (battery storage, behind the meter solar, etc.) is changing rapidly focusing on the most recent history is more pertinent, but there are many challenges to be analyzed as well in the determination of potential peak events:

- Expansion of Energy Efficiency (“EE”) programs in each New England state resulted in ISO-NE creating a forecast of the impact of EE on summer peaks going forward.
- Behind the meter (“BTM”) generation, largely solar projects. Through financial incentives and the desire to reduce greenhouse gases the growth of BTM solar (“PV”)

projects increased throughout New England. The increase in PV correspondingly increases the chance of ISO-NE's variances when comparing actual to forecasted load.

- ISO-NE has estimated the MW amount of solar in the region in their 2016 Capacity, Energy, Loads and Transmission ("CELT") report issued on 5/1/2016
 - Annual total of all PV categories starts at 1,700 MW in 2016 and increases to 3,200 MW by 2025
 - BTM PV only starts at 1,100 MW in 2016 and increases to 2,300 MW by 2025
- Massachusetts alone has registered 653 MW of operational solar capacity.
- Accurate weather forecast data is much more critical. Indexes such as cloud coverage, humidity, dew point, and apparent (feels-like) temperature all play a larger role in the equation. As weather changes, for example a storm front moving at greater/lesser speed can/will affect exactly what hour ISO-NE will reach its peak, creating a need for more frequent monitoring of observed weather. Additionally, changing weather significantly impacts solar and wind dispatch during a day resulting in a corresponding shift in the resulting overall peak usage hour. Furthermore, the weather is much more of a factor to consider because ISO-NE is made up of many different locations that are likely to experience different weather patterns on a given day or at a particular time. ENE considers all the ISO-NE load zones when considering how temperature will affect electric load.
- Distributed generation, demand response, and utility based programs all contributed to the creation of a more unstable picture of the load shape and usage for any given potential peak day. With more load being reduced on typical peak hours such as Hour Ending 18, peak hours could shift to more mid-day hours where shedding has not generally occurred or is more difficult to implement in some cases.

ENE Load Shedding Performance Statistics

Since July 2012:

ISO Monthly Peaks – 98%

Yes – 61

No – 1

ISO Capacity Peaks – 100%

Yes – 6

No – 0

Local Transmission (NGrid) - 97%

Yes – 59

No – 2

ENE LOAD SHEDDING EVENTS 2012 to 2017				
Year	Hours	Days	% of Year	
			Hours	Days
2012*	91	19	2.08%	10.41%
2013	138	35	1.58%	9.59%
2014	128	34	1.46%	9.32%
2015	169	45	1.93%	12.33%
2016	157	39	1.79%	10.68%
2017**	99	25	1.70%	10.27%
* 2012 was for 6 months				
** 2017 is for 8 months				

In summary, ENE knows the New England energy markets and the municipal utilities with this market and we have tracked monthly ISO-NE potential peak hours for over ten years. If load is able to “shed” during potential peak hours the utility could reduce their capacity MW obligation, for the next capacity year. Also, if the load shedding program is run throughout the year the municipal utility can potentially shave MW’s during Local Network Service transmission and ISO-NE RNS transmission. ENE’s program has worked well to date and is an effective tool in monitoring and reducing costs related to peak usage and as more entities begin to “chase the peak” ENE’s experience and knowledge will become more important in order to accurately determine the timing of peak shedding event.

Agenda Item 9

Election Schedule (Update)

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

Hull Suburban Propane Lease Update



National Grid/DWW

Hull Suburban Propane
6,500' sq/ft
Proposed Lease

Hull Suburban Lease Proposal

Current Lease

- 1,500’ of open space in back of Plat 17: Lot 40 and approximately 500’ square feet of office/storage space in BIUS office building basement.
- Includes all utilities except for internet and phone.
- Term – month to month.
- Price - \$900/month

Potential Long Term Lease Proposal

- 6,500 square feet of open space for propane operations with allowance for office/trailer or building as approved by TNS.
- Does not include any space in BIUD office building basement.
- Term – Ten Years with two options to renew.
- Price – TDB
- Future water/sewer access at lease’s expense.
- Lease requirements:
 - Access through power company back entrance only.
 - Propane operations to be completely fenced, locked and secured.
 - All Hull Suburban property to be stored inside fenced area.
 - Electric service will be installed/metered (at lease’s expense) and billed accordingly.
 - All tanks, storage, buildings, trailers shall be in compliance with all governing/regulatory agencies.

Next Steps

- Clarify environmental set-backs/boundaries to determine location.
- Value the lease.
- Verify regulatory rules.