

# BLOCK ISLAND UTILITY DISTRICT



*The season's first nor'easter, named Tropical Storm Melissa by the National Weather Service, which stalled off the coast of New England for nearly three days started on Wednesday October 9th . The BIUD system held up well with the only damage being a broken pole that was already on the list to change this year.*

**BOARD OF COMMISSIONERS MEETING  
OCTOBER 22, 2019**

**Block Island Utility District  
October 22, 2019  
Town Hall, Old Town Road  
3:30 PM**

**Agenda**

1. Public Input
2. Commissioner's Report
3. Approve Minutes of July 31, August 24 3:30, and August 24 Annual Meeting, 2019
4. Receive and Act on Treasurers Report
  - a. Review and Act on Audit RFP
5. Receive and Act on Presidents Report
6. Receive an update on Rate Case Filing
7. Receive an efficiency program presentation and draft efficiency program for future discussion
8. Discuss Net Metering: Receive Public Input and Discuss (Respond to Warfel Correspondence)
9. Discuss and Act on Draft Conflict of Interest and Record Retention Policies
10. Review potential items for future agenda and confirm next meeting times
11. Review and Act on a Long-Term Solar Purchase Power Agreement\*
12. Discuss and Act on Litigation\*
13. Discuss and Act on President's Job Description, Performance Review and Salary\*

\*These items may be held in Closed Session pursuant to RIGL 42-46-5 (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: 10/18/2019

**AGENDA ITEM 1**  
**COMMISSIONER'S REPORT**

**AGENDA ITEM 2**  
**PUBLIC INPUT**

**(PAGE PROVIDE FOR NOTE TAKING PURPOSES)**

**AGENDA ITEM 3**  
**APPROVE BOD MEETING MINUTES**

**JULY 31, 2019 REGULAR MEETING**  
**AUGUST 24, 2019 REGULAR MEETING**  
**2019 ANNUAL MEETING**

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

**Present:** Barbara MacMullan, Everett Shorey, William Penn and Mary Jane Balser. Absent Jack Savoie  
**Also, present,** Jeff Wright, Christine Grele and a representative from the Block Island Times

4:00 PM MacMullan called the meeting to order

#### **1. Commissioner's Report**

- Barbara MacMullan reported that she has an unavoidable out-of-town conflict with the Annual Meeting on August 24th. As Secretary, Everett Shorey will present at and facilitate the Annual Meeting.
- Barbara MacMullan requested that the Board consider creating a policy and plan around community requests for support from BIUD and the use of the lands. There was general agreement to schedule a discussion in the future. No action taken.

#### **2. Public Input**

None

#### **3. Approve Minutes of June 25, 2019**

The following corrections were requested

- Item 4 -Bill Penn would like to include an outline of the discussion regarding the new Financial Policy in the minutes and have this posted on the web site, BIBB and copy made for each commission.
- Item 7-Barbara MacMullan requested adding the board decision to add a referendum question on the ballot for the election.
- Adjournment – Mary Jane Balser pointed out that she was not absent as recorded in the minutes.

Bill Penn moved to approve minutes of June 25, 2019, with the above changes seconded by, Everett Shorey

Ayes 4 (MacMullan, Shorey, Penn and Balser) Absent - Savoie

#### **4. Receive and Act on Treasurers Report**

##### **a. Review June 2019 Financials**

- Bill Penn asked about the new item 'construction work in progress distribution' Jeff Wright explained that was for ongoing work, such as pole replacement, that will not capitalize until the end of year. The number has always been included in the report but with the new accounting system it is now presented separately.
- Jeff Wright reported that the June 30th bank balance was roughly \$350,000. Wright reported that sales are down 6% mostly due to weather, but that July is strong.
- Bill Penn noted that liability and capital are building up slowly improving the company's equity ratio.

- Bill Penn reported that he reviewed the June disbursements and credit card statements, and all were in line.
- Bill Penn has drafted an RFP for the BIUD Annual Audit, and he will review it with Jeff and the accountant to have it ready for the next meeting.

**b. Provide Feedback on New Financials Format**

Several suggestions were made:

- Bill Penn suggested that small items on page 9 be consolidated and that large items, such as Operations be broken down further for clarity and public review. He asked Jeff Wright why payroll was down this month and year to year. Jeff Wright reported that overall payroll is down 18% due to headcount reductions and less emergency call outs, which reduces overtime costs.
- Barbara MacMullan asked to include more detail about the \$88,000 general expense item on page 1, and that the general administrative and miscellaneous items be broken out in more detail since they were so large. She asked why there was a loss of 40 residential customers, and Jeff Wright responded that they had been moved to demand, which is all automated with the new billing system. Everett Shorey would like to see the interest charge and related expenses in the statements. He also asked that the last two columns be listed by total customer number and kWh instead of revenue to allow for comparisons.
- Jeff Wright is working with the accountant to add a budget column.

Barbara MacMullan moved to accept the Treasurer's Report, Seconded by Everett Shorey

Ayes 4 (MacMullan, Shorey, Penn and Balser) Absent - Savoie

**5. Receive and Act on Presidents Report**

- Jeff Wright reported that last night (Tuesday) ISO peaked, surpassing the last peak on Saturday 7/20. The BIUD load was down slightly resulting in \$35,000 annual savings.
- Jeff Wright reported there were only three outages during the fourth of July holiday period, all less than an hour each.
- Bill Penn asked about outages caused by fatigued fuse links, and Jeff noted that they were old, not heating up making them weak and in need replacement or elimination. Bill Penn then asked who will pay for the increased transformer capacity at Payne's dock. Jeff Wright reported that the customer will pay for the upgrade due to their increased use, 30% higher this year than last.

Bill Penn moved to accept the President's Report, seconded by Everett Shorey

Ayes 4 (MacMullan, Shorey, Penn, and Balser) Absent Savoie

**6. Review and Act on CFC Letter of Credit to be used for ISO-NE Financial Assurance**

- Jeff Wright explained that the letter of credit will be used to post ISO-NE financial assurance, replacing the unsecured Blackrock fund. The Letter of Credit is for \$250,000 at a rate of 75 bps, annual cost of \$1,825. It is being secured by the BIUD's mortgage.

Bill Penn moved to accept the resolution, seconded by Barbara MacMullan

Ayes 4 (MacMullan, Shorey, Penn and Balser) Absent Savoie

Everett Shorey then signed the resolution with the corporate seal.

**7. Review and Act on CFC Restatement of the Original \$670,000 Line of Credit (LOC) – Mortgage Supplement to Secure LOC**

- Jeff Wright reported that the amend mortgage documents for line of credit to be secured after August 15<sup>th</sup> when the mortgages will be executed and recorded.

Bill Penn moved, to sign the Mortgage Supplement, seconded Barbara MacMullan

Ayes 4 (MacMullan, Shorey, Penn and Balser) Absent Savoie

Everett Shorey signed with the corporate seal

## **8. Review and Act on Rate Case Filing**

- Jeff Wright shared a presentation package (on file) that included the results of the Cost of Service study and the allocation sheet. Testimonies are almost complete. The filing is delayed until August 16.
- Bill Penn asked about the \$60,000 efficiency surcharge. Jeff Wright explained that an efficiency program was a requirement of the Restructuring Act and that RI-OOE had committed to matching it with \$60,000. Barbara MacMullan and Everett Shorey said that the Board needs to approve the plan before it appears in the rate case. Everett Shorey asked to see the plan at a future meeting so the Board could approve it and that it be put as a below the line number in the rate filing. Everett Shorey and Barbara MacMullan will need to approve the final rate case before it is filed.
- Barbara MacMullan noted that the proposed three-rate period schedule is a significant change in the rate structure. It would be helpful to have a tool for customers to plug in sample usage and see how they will be affected by the new rates.
- Comment for the floor noting an error in the General Service rate chart.
- Mary Jane Balser asked why the rates couldn't go into effect this January, and Jeff Wright explained that the PUC approval process takes 9 months. Barbara MacMullan said that since the Net Metering cap has not been changed, that projections with a change should be left out of the rate plan until the Board has discussed and made any necessary changes to the policy.

No action needed on this item at this time

## **9. Discuss and Act on Annual Meeting Agenda**

- Jeff Wright presented a draft agenda for the Annual Meeting on August 24<sup>th</sup>. Barbara MacMullan said that the item on peek shaving was more than a discussion, but an upcoming vote for the membership to guide the Commissioner in the decision making. Supporting materials will be sent with the ballot.
- There was a discussion about how to word the question and Barbara MacMullan and Jeff Wright will draft the question and present it at the next meeting.

### **a. Update on Election Schedule**

- The Board Clerk reported that the draft membership list currently has 1650 members. She asked how many votes a legal entity has if they have several dba businesses operating under that entity. The board agreed that the policy is that they receive one vote for each legal entity as registered with the RI Secretary of State.

## **10. Discuss and Act on NRECA Director Election**

- Barbara MacMullan explained that NRECA has asked for a member from the utility to represent the state, and that she recommends Jeff Wright for the position.

Barbara MacMullan made a motion to elect Jeff Wright to the NRECA Board, seconded, Mary Jane Balser. Ayes 4 (MacMullan, Shorey, Penn and Balser) Absent Savoie  
4:37 Everett Shorey left the meeting

**11. Discuss and Act on President's Job Description, Performance Review and Salary**

- Barbara MacMullan explained that the item should be "Discuss and Act on President's Job Description [to be used for] Performance Review and Salary" as there is no job description to work from.
- Jeff Wright presented a draft job description. Bill Penn requested that the duty to establish policies include "as specified by BIUD policies and procedures". There was a discussion about tools for creating performance metrics used in evaluations and salary adjustments. As the President has not had a salary review, Barbara MacMullan suggested a closed session item on the President's salary for the next meeting.

**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)

5: 55 pm Barbara MacMullan made a motion to go into closed session, seconded by Bill Penn  
Ayes 3 (MacMullan, Penn, and Balser) Absent Shorey, Savoie

- Nothing to report

605 pm Barbara MacMullan made a motion to come out of closed session, seconded by Mary Jane Balser Ayes 3 (MacMullan, Penn, and Balser) Absent Shorey, Savoie

6:05 Barbara MacMullan made a motion to Adjourn, seconded by Bill Penn  
Balser Ayes 3 (MacMullan, Penn, and Balser) Absent Shorey, Savoie

Approved:



**Block Island Utility District  
Saturday August 24, 2019  
Town Hall, Old Town Road  
3:00 PM**

Present: Everett Shorey, William Penn, Mary Jane Balser. Absent Barbara MacMullan and Jack Savoie. Also, present, Jeff Wright and Christine Grele

Meeting was called to order by Everett Shorey at 3:03 pm.

**Amendment to July 25, 2019 minutes**

*The actions taken in this meeting redo the votes and amend the minutes from June 25, 2019 meeting in which the agenda had not been posted.*

**1. Public Input – none.**

**2. Commissioners' Report**

**Discuss and Act on Hiring Clerk/Assistant to the Board-** William Penn moved to offer the position to Christine Grele at \$20 per hour, seconded by Mary Jane Balser. Ayes 3 (Shorey, Penn and Balser) Absent: MacMullan and Savoie

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

William Penn moved to approve the minutes, seconded by Mary Jane Balser. Ayes 3 (Shorey, Penn and Balser) Absent: MacMullan and Savoie

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

**Draft Financial Policy:** Everett Shorey moved to accept the policies as edited, seconded by Mary Jane Balser. Ayes 3 (Shorey, Penn and Balser) Absent: MacMullan and Savoie

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

No action taken.

**6. Discuss and Act on Rate Case –**

William Penn moved to delegate Everett Shorey and Barbara MacMullan to review the rate case filing to approve it on behalf of the Commission. Seconded by Balser. Ayes 3 (Shorey, Penn and Balser) Absent: MacMullan and Savoie

**7. Discuss and act on Peak Shaving Proposal –**

Everett Shorey moved to add a referendum question on peak shaving to the election ballot. Seconded by William Penn. Ayes 3 (Shorey, Penn and Balser) Absent: MacMullan and Savoie

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

Everett Shorey moved to have Barbara MacMullan collect Jeff Wrights' Job description, solicit feedback on his performance, review performance with Jeff Wright and recommend a salary

adjustment to the Commission. Seconded by William Penn. Ayes 3 (Shorey, Penn and Balser)  
Absent: MacMullan and Savoie

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

No vote taken

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

No vote taken

**11. Discuss and Act on Litigation\*** \*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 go into closed session at 3:09 pm. Seconded by Everett Shorey. Ayes 3 (Shorey, Penn and Balser) Absent: MacMullan and Savoie

No action taken

Everett Shorey moved to come out of closed session at 3:10 pm. Seconded by William Penn. Ayes 3 (Shorey, Penn and Balser) Absent: MacMullan and Savoie

#### **New business**

Jeff Wright reported that he will present the most recent news about rates at the annual meeting. Everett Shorey reported that there has not been a rate increase for twelve (12) years. William Penn reported that the consultant had advised that rate be raised regardless, but that the Board felt that they should only ask for what is needed. Everett Shorey agreed that it was wise to focus on the changes in the rate design and Mary Jane Balser pointed out that there would be a savings on lawyer's fees if there was not a rate increase.

#### **Adjourn**

William Penn moved to adjourn at 3:12 seconded by Mary Jane Balser. Ayes 3 (Shorey, Penn and Balser) Absent: MacMullan and Savoie

Posted:

**Block Island Utility District  
2019 Annual Meeting Agenda  
August 24, 2019  
Town Hall, Old Town Rd  
4:00 PM**

Present Everett Shorey, William Penn, Mary Jane Balser, Absent Barbara MacMullan and Jack Savoie. Also, present Jeff Wright, President, Christine Grele, Board Clerk, Christina Braudry and Michelle Coscia from Energy New England.

Everett Shorey called the meeting to order at 4:03 PM

**1. Commissioner's Welcome and Introductions**

- Everett Shorey welcomed all in attendance and introduced staff and guests. He then opened the floor to public comment.
- Donna Cory from Southwest Point stated that she appreciated all the updates and improved efficiency and thanked BIUD staff for doing a great job.
- David Lewis asked that information be more accessible through self-serve systems such as those used by the town and that agendas and supporting documents be posted on the web site. Everett Shorey responded that the board has made transparency a priority.
- John Warfel from Westside Road commented that the crew and company has done a great job and they have made lot of improvements, such as trimming trees to reduce line loss. He suggested that with the move to smart meters there is an opportunity to test out new ideas to make a better system and increase affordability.
- Everett Shorey closed the public comment period

**1. Board Chairperson Report**

- Everett Shorey reported that this first annual meeting comes after years of hard work to acquire the power company. He thanked Jeff Wright for implementing so many innovations, noted that the company had survived a fire, the cable has been installed and we have learned how to purchase power with good contracts that control transmission costs. All of this could not have done without the crew and staff and Jeff Wright's leadership through storms and day-to-day operations. Everett Shorey reported that a rate filing will be submitted at the end of September and there will be no rate increase, thanks to costs saved from converting to a not-for-profit company.
- Chris Warfel asked for more details on the rate design and that information be share well before the filing. William Penn and Everett Shorey noted that the rate design has been on the Board agendas for several months yet there has been little public participation.

**2. Treasurer's Report**

- William Penn presented the Treasurer's Report (attached) noting three major categories; assets, liabilities and financial goals for the next ten years.

- Donna Cory asked if account receivables were so high because bills haven't gone out yet. Everett Shorey clarified that the item combines unbilled receivables. William Penn reported that the balance is high as they are collecting now.
- Chris Warfel asked about demand rate revenues. Jeff Wright responded that it affects commercial customers.
- Tom Mandel asked what makes you a demand customer. Jeff Wright explained that demand is automatically triggered by peaks in usage.
- Doug MacDougal asked about budget fluctuations in the winter. Jeff Wright reported revenue is about \$200,000 in a winter month compared to about \$2,000,000 in July.
- Doug MacDougal asked if an audit will be required. William Penn responded that there will be one in the first quarter of next year, within 120 after fiscal year, and it will be public.

### **3. President's Report**

- Jeff Wright thanked the membership for welcoming to him to Block Island, he presented the report (attached) that outlined improvements and the rate forecast.
- David Lewis asked for more information about the shareholder dividends. William Penn reported that the previous owners no longer collect dividends. And Everett Shorey reported that in the two years that the town owned the company there was a transition period, but now there are no shareholders.
- Chris Warfel asked if the annual savings on page three were fixed. Jeff Wright responded yes, since taxes will continue to not be paid.
- Doug MacDougal asked if there were opportunities for grants and other funding? Jeff Wright respond yes, but they not all will that meet the needs.
- Chris Warfel asked about mutual aid with other utilities. Jeff Wright responded that Block Island is unique due to isolation, but there is some opportunity to do pre-storm work that could cost less than bringing contractors to the island.
- David Lewis asked for examples of improvements with the connection to broadband. Jeff Wright reported that what was close to a \$3,000 monthly cost is now \$158 and the system works faster and is much more reliable.
- Bill McCombe asked if rate payers will be paying for re-splicing the cable. Jeff Wright reported that a final decision has not been made, but National Grid is allowed to share the cost among all Rhode Island rate payers, yet the Division and PUC staff are supportive of BIUD not being responsible for paying their share.
- Catherin Diamond asked if she installed solar now why she couldn't realize benefit. Jeff Wright reported that BIUD has reached the 3% maximum for net metering and increasing the cap will not be in this rate case as it is a long process to study the implications, develop a tariff and apply for changes in the law. In the meantime, an individual can still qualify for the federal rebate on the installation of the equipment. Chris Warfel reported that the federal rebate is sunseting in two years, and he requested for more details on the agendas to know when net metering will be discussed by the board.

#### **4. Peak Shaving Presentation and Discussion**

- Everett Shorey explained that the board will soon be deciding on whether or not to use the diesel generators during peak demand, and that when the island doesn't reach the established peak for New England for the year, the capacity charge will be lowered for the year. The board has decided to poll the membership in a question on the ballots, and to help explain peak shaving and answer questions, representatives from Energy New England will present.
- Christina Beaudry and Michelle Coscia introduced themselves and Christina Beaudry went through her presentation (attached) on average savings and how a program can be introduced to the island.
- Elliot Taubam asked about coincident peak. Christina Beaudry explained that it was 260,000 MW last year.
- Chris Warfel asked about the influence on contracted power. Christina Beaudry reported that a load falling contract on Block Island would mean the utility would buy less from supplier. Everett Shorey pointed out that the generators are what we have in place now.
- Elliot Taubman asked if using more solar during peak would help. Christina Beaudry reported that peak typically happens with it is cloudy, so it would be difficult to rely on solar. Chris Warfel suggested adding battery storage.
- A question from the floor about the typical time the generators currently run for maintenance. Crew member, Jim Stockman, reported that they are run once or twice a month for short periods of time.
- Doug MacDougal asked what the savings would be. Jeff Wright reported there could be a reduction of up to 4 cents per KW on the standard offer rate the following year.
- William Penn asked about the emission costs. Elliot Taubman asked if the pollution from generators could be offset and if there were alternatives. Chris Warfel asked if we could invest the savings in alternative capacity. Jeff Wright reported that PUC requires the savings to go directly to the rate payers. Everett Shorey mentioned that there are multiple ways to address peak shaving and that we can sign up to try the generators with no capital investment and research other options. Sven Risom asked if the question could include an adjustment to invest in new projects in this budget. Jeff Wright reported that a cost-benefit analysis has not been done since the diesel generators are already in place.
- Steve Robinson asked if this is unique to Block Island. ENE reported on several other projects in communities throughout New England using a variety of sources.
- There was a question from the floor on the administrative costs from ENE. Chris Warfel asked if these costs are factored into the savings calculated. ENE reported that they had not been included and the fuel cost has not been calculated.
- Elliot Taubman asked if energy efficiency programs would help reduce peak demand. Jeff Wright said yes.
- Sven Risom suggested wording the question in a way that made the savings more relatable. Jeff Wright clarified that it was dependent upon usage.

- John Warfel spoke in support of peak shaving generally. The generators are what is available now, but it is important to look at other ways to do it, to develop storage of clean energy, and to look at how to implement in the future.
- Sam Bird asked to know how much fuel is consumed in 53 hours to achieve peak shaving.
- Everett Shorey closed the discussion

#### **5. Election Review and Introduction of Candidates**

- Everett Shorey went over the election process, noting that the deadline to designate an elector has passed. He then introduced the candidates.
- Mary Jane Balser, a non-resident incumbent talked about her service and representing the members.
- Elliot Taubam, resident, talked about his experience, his goals and his desire to serve.
- William Penn asked Elliot Taubman if he would apply to the Ethics Commission of an opinion on his previous relationship with the previous owners of the company. Everett Shorey clarified that the request for an opinion does not mean that there is a conflict. Elliot Taubman reported that he didn't think it was necessary, but he would get an opinion.

#### **6. Adjourn**

- Everett Shorey thanked everyone for attending and moved to close the meeting at 6:23 PM

Posted:

**AGENDA ITEM 4**  
**TREASURER'S REPORT**

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

**ASSETS**

	September 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	2,026,708.07	2,001,189.04
Office System, Furniture & Fixture	273,068.10	273,068.10
Transportation Equipment	19,945.60	12,289.57
Construction Work in Progress-Distribution	228,919.28	0.00
Total Property and Equipment	5,827,548.33	5,538,912.99
Total Accumulated Depreciation	<133,344.00>	0.00
<i>Net Utilities Plant</i>	5,694,204.33	5,538,912.99
<b><u>Current Assets</u></b>		
Cash - Main Checking	957,906.27	134,116.73
Cash - Sweep Acct	0.00	0.00
Accounts Receivable Elect	992,707.14	133,131.99
Allowance For Bad Debt	(19,587.93)	(19,587.93)
Accounts Receivable-Other	16,199.22	4,874.69
AR-Cash due from BIPCo	6,422.12	13,035.01
AR-Blackrock Acct due from BIPCo	143,813.56	105,435.21
Unbilled Revenue	0.00	172,271.82
Plant Material & Operation	236,962.96	155,645.53
Fuel Inventory	55,827.45	48,832.04
Prepaid Expenses	82,425.73	10,795.49
Total Current Assets	2,472,676.52	758,550.58
<b><u>Deferred Assets</u></b>		
Def. Regulatory Asset-retiremt	197,585.35	206,297.35
Def. Regulatory Asset-Eng.Res	0.00	0.00
Def. Regulatory Asset-RateCase	0.00	0.00
Def.Regulatory Asset-Interconnection	151,181.76	186,940.76
Total Deferred Assets	348,767.11	393,238.11
Total Assets	\$ 8,515,647.96	\$ 6,690,701.68



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

**LIABILITIES AND CAPITAL**

	September 30, 2019	Beginning March 26, 2019
<b><i>Current Liabilities</i></b>		
Accounts Payable Trade	\$ 110,561.10	\$ 2,000.00
AP-NISC Admin Software	0.00	18,012.00
A/P - Customer Deposits	70,569.00	65,891.67
Accrued Purchase Power Expenses	296,885.77	156,548.64
Accrued Other Expenses	30,831.81	31,840.05
DSI Surcharge Payable	11,744.80	(56,429.18)
Accrued Payroll and Withholdings	0.00	0.00
Total Current Liabilities	520,592.48	217,863.18
<b><i>Deferred Credits</i></b>		
Deferred Revenue	210,494.48	80,954.99
SCR & Engine Maint Reserve	380,714.63	380,714.63
Total Deferred Credits	591,209.11	461,669.62
<b><i>Long-Term Liabilities</i></b>		
Line of Credit	365,943.22	90,943.22
Retirement Obligations	197,585.35	206,297.35
CFC Acquisition LOAN	5,800,000.00	5,800,000.00
Total Long-Term Liabilities	6,363,528.57	6,097,240.57
Total Liabilities	7,475,330.16	6,776,773.37
<b><i>Capital</i></b>		
Retained Earnings	<24,050.53>	<24,050.53>
Net Income	1,064,368.33	(62,021.16)
Total Capital	1,040,317.80	<86,071.69>
Total Liabilities & Capital	\$ 8,515,647.96	\$ 6,690,701.68

Block Island Utility District  
Income Statement  
For the Nine Months Ending September 30, 2019

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

	Current Month Actual	Year to Date Actual
<b>Revenues</b>		
<u>Revenue from Rates</u>		
Residential Sales	\$ 82,133.69	\$ 480,210.64
Commercial Sales	21,796.42	145,750.65
Demand Electric	159,607.99	968,128.58
Public Authority	20,998.73	108,308.31
Street Lighting	584.03	3,622.08
Customer Charge	26,264.17	163,076.37
Demand - All Rates	71,795.53	342,116.55
System Charge	14,613.99	77,369.12
<u>Other Revenue from Operations</u>		
Biller Penalty (Interest on Delinquent Accts)	-	7,211.32
Rent - Tower	15,891.71	98,074.56
Rent - Property	7,297.54	57,428.03
Misc. Income (Misc., Interest & Connections)	-	3,055.44
<b>Total Revenues</b>	<b>420,983.80</b>	<b>2,454,351.65</b>
<b>Expenses</b>		
<u>GENERATION-Operating Expense</u>		
Total Generation-Operating Expense	14,667.05	106,829.08
Total Generation-Maintenance Expense	-	36,545.00
Total Distribution-Operating Expense	17,753.22	105,225.66
Total Distribution-Maintenance Expense	9,955.70	102,259.21
Total Customer Accounts/Customer Service	4,739.00	36,279.16
Total Administrative/General Expenses	89,390.77	707,026.42
Total Depreciation Expenses	21,647.00	133,344.00
Total Interest Exp on Line & Long- term debt	59,333.30	126,205.08
Total Miscellaneous Expense	346.65	3,629.65
Total Taxes	3,587.76	32,640.06
<b>Total Expenses</b>	<b>221,420.45</b>	<b>1,389,983.32</b>
<b>Net Profit Before Fuel Rev./Exp.</b>	<b>199,563.35</b>	<b>1,064,368.33</b>
<u>Fuel Expenses/(Revenue)</u>		
Fuel/Standard Offer/Transmission income	(233,592.84)	(1,498,565.01)
Purchase Power Expenses	266,623.65	1,369,025.52
Net SO/TC due to ratepayers	(33,030.81)	129,539.49
<i>Net Fuel Expense/(Revenue)</i>	<i>-</i>	<i>-</i>
<b>Net Income</b>	<b>\$ 199,563.35</b>	<b>\$ 1,064,368.33</b>
<u>Reserves Expenditures</u>		
Remove Depreciation Adj (A)	(21,647.00)	(133,344.00)
Debt Service Principal (includes CAT)	0.00	0.00
Inventory Purchased	0.00	81,317.43
Capital Exp - Work In Progress	3,189.99	228,919.28
Capital Exp - Distrib Work	-	-
Capital Exp - Other Assets	-	59,716.06
<i>Total Reserve for Exp.</i>	<i>3,189.99</i>	<i>369,952.77</i>
<b>Net Income Cash Budgetary Basis</b>	<b>\$ 196,373.36</b>	<b>\$ 694,415.56</b>

Block Island Utility District  
Supplemental Information Statement  
For the Nine Months Ending September 30, 2019

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

	Sept 2019	Sept 2018	Mar 26, 2019 thru Sept 2019	Mar 26, 2018 thru Sept 2018
<b>Rate Revenues</b>				
Residential Sales	\$ 82,133.69	\$ 94,329.00	\$ 480,210.64	\$ 528,198.03
Commercial Sales	21,796.42	33,370.00	145,750.65	202,177.04
Demand Electric	159,607.99	167,909.00	968,128.58	927,758.02
Public Authority	20,998.73	19,290.00	108,308.31	105,594.53
Street Lighting	584.03	583.00	3,622.08	3,616.00
Customer Charge	26,264.17	25,763.00	163,076.37	158,904.31
Demand - All Rates	71,795.53	64,392.00	342,116.55	326,872.24
System Charge	14,613.99	16,623.00	77,369.12	82,866.83
<b>Total Revenues</b>	<b>397,794.55</b>	<b>422,259.00</b>	<b>2,288,582.30</b>	<b>2,335,987.00</b>
			-2.03%	
<b>Rate Revenues -KWH Usage</b>				
Residential Sales	344,451	393,201	2,308,711	2,564,004
Commercial Sales	108,414	125,828	690,257	917,955
Demand Electric	774,692	768,463	4,965,960	4,672,073
Public Authority	105,843	96,666	621,057	605,775
<b>Total Revenues</b>	<b>1,333,400</b>	<b>1,384,158</b>	<b>8,585,985</b>	<b>8,759,807</b>
			-1.98%	
<b>Rate Revenues -Customer Counts</b>				
Residential Sales	1,263	1,301	7,769	8,045
Commercial Sales	286	305	1,838	1,969
Demand Electric	359	293	2,181	1,665
Public Authority	33	30	204	194
<b>Total Revenues</b>	<b>1,941</b>	<b>1,929</b>	<b>11,992</b>	<b>11,873</b>

	Sept 2019	Sept 2018	Mar 26, 2019 thru Sept 2019	Mar 26, 2018 thru Sept 2018
<b>Payroll</b>				
<b>Capital Exp - Work In Progress</b>				
Capitalized Labor	\$ 3,189.99	\$ 9,120.84	\$ 79,577.32	\$ 101,292.78
<b>Generation-Maintenance Expense</b>				
Inside Maintenance	-	1,878.72	3,873.77	5,108.00
Maint of Station Equipment	6,647.04	9,289.68	69,329.47	71,410.94
<b>Distribution-Operating Expense</b>				
Overhead lines	2,719.40	7,861.05	25,125.45	76,450.26
<b>Distribution-Maintenance Expense</b>				
Overhead Lines	9,561.61	12,558.29	45,665.93	61,747.96
<b>Customer Accounts/Customer Service</b>				
Records & Collections	4,739.00	4,885.62	30,576.44	33,712.44
<b>Administrative/General Expenses</b>				
Vacation Pay	1,819.20	201.88	15,185.68	7,885.40
Holidays worked	2,089.44	2,005.36	5,951.14	5,864.88
Holidays not worked	-	-	-	-
Sick Leave	5,590.08	389.60	16,378.41	3,931.92
Personal time	-	354.96	2,397.12	2,127.24
CEO Salary	11,826.92	11,826.92	78,649.02	78,230.61
<b>Total</b>	<b>\$ 48,182.68</b>	<b>\$ 60,372.92</b>	<b>\$ 372,709.75</b>	<b>\$ 447,762.43</b>



**BLOCK ISLAND  
UTILITY DISTRICT**  
dba Block Island Power Company  
P.O. Box 518  
Block Island, Rhode Island 02807

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October\_\_\_\_, 2019

«First\_Name» «Last\_Name»

«Address\_Line\_1»

«City» «State» «ZIP\_Code»

Dear «First\_Name» «Last\_Name»:

### **Request for Audit Proposal**

Block Island Utility District dba Block Island Power Company (“the District”), a not-for-profit distribution electric company, is requesting proposals from CPA firms that have extensive experience in providing audit and tax services for not for profit organizations. The auditing services will be for fiscal years 2019, 2020 and 2021. The District is regulated by the Rhode Island Public Utilities Commission.

The Block Island Utility District is a quasi-municipal corporation having a distinct legal existence from the state. The District was created by the enactment of R.I.G.L. 45-67-1, *et seq.* in July 2017. A copy of the Block Island Utility District Act of 2017 is attached to this RFP.

The District presents its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. The Federal Energy Regulatory Commission (“FERC”) uniform system of accounts is used. The District’s fiscal year is based on calendar year.

The District is a relatively small company with approximately \$5 million in revenues annually and less than \$6 million in net utility plant.

#### **Scope of services to be performed:**

1. Audit the year-end balance sheet of the District and the related statements of revenue, expense, surplus and cash flows for the years then ended; balance sheets, cash flow statements and profit and loss. The audit will be conducted in accordance with auditing standards generally accepted in the United States.
2. Verification of loan covenant calculations prepared by the District for the District’s lender; National Rural Utilities Cooperative Finance Corporation

- (“CFC”). There is only one covenant to verify which is Modified Debt Service Coverage (“MDSC”) defined by CFC.
3. Management letter containing comments and recommendations with respect to accounting and administrative controls and efficiency.
  4. Determine tax reporting requirements and if deemed necessary, preparation the District’s form 990, Return of Organization Exempt of Income Tax for the years ending December 31, 2019, 2020, 2021, and

**As needed services that should be priced separately:**

5. Consultation on an “as needed” basis to provide advice and guidance on financial accounting and reporting issue with corresponding hourly rates.

**Schedule**

The audit is required to be submitted the District’s lender CFC within 120 days after the end of the District’s fiscal year; December 31<sup>st</sup>. The following is the anticipated timeframe for the services to be provided for the 2020 audit (and framework for subsequent audits):

Planning and Pre-audit work	December 2019
Begin Field work	February 2020
Financial statement draft for management review	Mid-March 2020
Issue of draft audit reports for review	Mid-March 2020
Provide draft information returns for management review	Mid-March 2020
Issue Final Audit report (10 bond copies & 1 unbound)	April 15, 2020
BIUD Deadline for Audit Completion (120 Days Post Year End)	April 30, 2020

**Proposal Content**

In order to simplify the evaluation process and obtain maximum comparability, the District requires that all responses to the RFP be organized in the format described below:

**A. Executive Summary**

Describe your understanding of the work to be performed and your firm’s ability to perform the work within the time frame provided.

**B. Professional Experience**

Describe how and why your firm is qualified to be considered for this engagement. This should include an explanation of the firm’s philosophy, size, structure, and qualifications with serving not for profit electric and water utilities.

**C. Term Qualifications**

Identify the specific partners, managers, and in-charge staff who will be assigned to this engagement if you are successful in your bid. Provide their bios specifying relevant experience to the type of services requested. Discuss commitment you make to staff continuity, including your staff turnover experience in the past three years.

**D. Audit Approach**

Describe how your firm will approach the proposed services, including the use of affiliates or staff from other locations, areas that will receive primary emphasis and the type of assistance that will be required from the staff at Pascoag Utility District. Also discuss the firm's use of technology and the communication process used by the firm to discuss issues with management.

**E. Fees**

Please provide a firm estimate of fees for the services to be provided.

**F. Client References**

Include a list of relevant not for profit clients the firm has served within the past three years and furnish the names and telephone number for any references whom we may contact.

**G. Additional Information**

Please provide a copy of your most recent peer review report.

**Evaluation of Proposals**

While price is an important factor, the District will evaluate proposals on price and the following criteria:

- Prior experience auditing similar organizations
- Qualifications of staff to be assigned to the engagement
- CPA firm's understanding of the work to be performed
- References
- Completeness and timeliness of the proposal

Block Island Utility District's business office is at 100 Ocean Avenue, Block Island, Rhode Island.

For any questions, please contact Jeffery Wright, President at 401-466-5851 between 7:30 a.m. to 3:30 p.m.

Sealed bids will be accepted until 3:00 p.m. Wednesday November 27, 2019 and must be marked on the sealed envelope "Auditing Proposal."

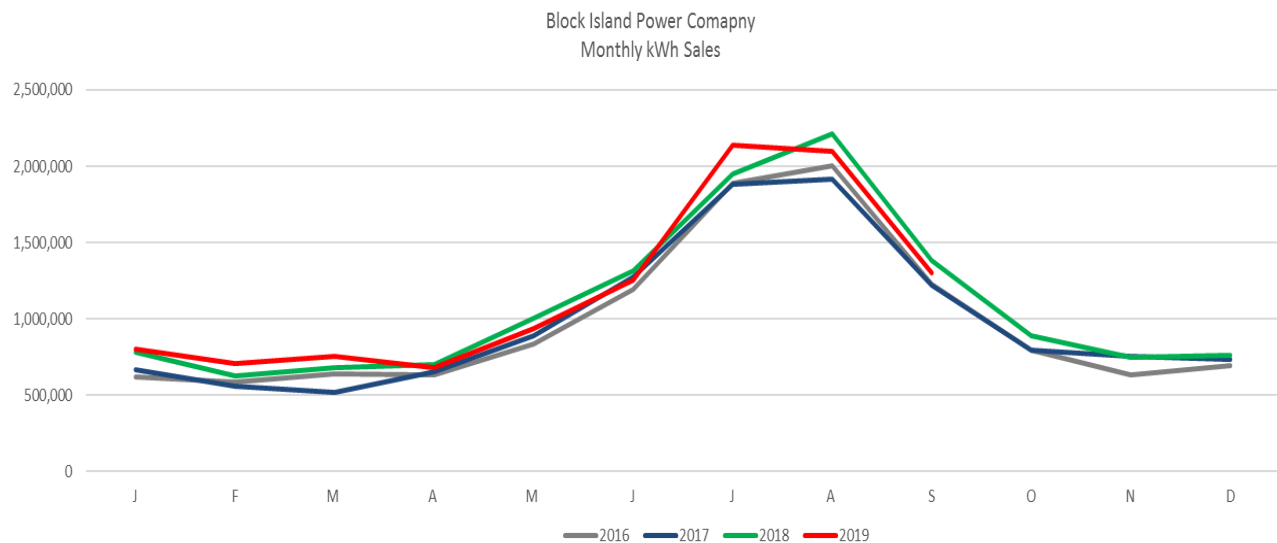
Block Island Utility District is an equal opportunity employer.

**AGENDA ITEM 5**  
**PRESIDENT'S REPORT**



### Financial Update

Sales: Sales were down in both August and September. YTD sales are down more than 1% from last year.



2020 Budget: I will prepare the 2020 Capital and Expense Budgets for consideration and approval in the November meeting. Those budgets will be taken from the recently filed rate case with some minor changes.

Transmission Rates: I have a meeting scheduled with National Grid on August 21<sup>st</sup> to discuss purchasing a spare transformer and possibly making a contribution in aid to construction to be applied to the interconnection (DAF) which could lower our transmission rate. I have had initial discussions with CFC about financing these two expenses.

Storms: As hurricane season winds down, the weather pattern in October has reminded us that nor'easters are real. Last week's three-day event only resulted in one broken pole and only one outage. The storm on Wednesday and Thursday of this week resulted in 10 outages that affected 195 members. The feed to the submarine cable opened and reclosed automatically once creating a 15 second island wide outage.

A list of all outages is shown at the top of the following page.

<u># Out</u>	<u>Time Off</u>	<u>Time On</u>	<u>Duration</u>	<u>Map Location</u>	<u>Cause</u>
8	10/16/2019 19:30	10/17/2019 11:50	16:20	Mansion Road	Secondary Conductor
12	10/16/2019 23:20	10/17/2019 7:04	7:44	Mitchell Lane	Tree
14	10/16/2019 23:22	10/17/2019 7:59	8:37	Lewius Farm Road	Wind
100	10/17/2019 0:21	10/17/2019 0:39	0:18	Spring Street	Company Initiated - Tree
17	10/17/2019 4:12	10/17/2019 8:22	4:10	Pekham Farm Road	Wind
5	10/17/2019 5:17	10/17/2019 6:59	1:42	Conneymus Road	Broken Conductor
12	10/17/2019 7:25	10/17/2019 8:42	1:17	Franklin Swamp Road	Wind
12	10/17/2019 11:02	10/17/2019 12:15	1:13	Franklin Swamp Road	Wind
10	10/17/2019 13:34	10/17/2019 14:28	1:34	Spring Street	Tree
5	10/17/2019 14:04	10/17/2019 15:09	1:05	Coast Guard Road	Tree
1952	10/17/2019 2:22	10/17/2019 2:23	0:00:15	Island Wide	Mainland Temporary Fault

Everyone worked hard to restore these outages essentially working straight through the night. The highest wind gust recorded on Block Island was 62 mph.

BIUD Fiber Connection: The broadband connection is working well with no interruptions to service since being connected.

New Services: We are currently working on three new primary underground services; Cherry Hill Lane, Sullivan House and Chris Reevo on Ocean Avenue.

Pole Replacements: We have Energized Line Construction coming October 21<sup>st</sup> – 31<sup>st</sup> to finish transferring the poles they started along Beach Avenue and Ocean Avenue. We currently have roughly 150 new poles in stock and will begin setting/transferring those before the end of the year.

Voltage Conversion: We have two engineers coming on Oct 22<sup>nd</sup> and 23<sup>rd</sup> to begin preliminary engineering for the voltage conversion. Our focus is on immediate needs prior to next summer to address capacity limitations and the sequence of events for the conversion.

AMI/Access Point (AP) Site Concerns: We have contracted with the vendor who installed our AMI system with the goal of assessing performance and addressing some recent reliability concerns.

### Environmental Update

Due to ferry congestion, our remediation work on the front monitoring well systems has been postponed until now and is expected to take place the first week of November.

### Other

I have continued discussions with Hull Suburban Propane and will bring a proposal to the BOD for consideration at the November meeting.

**AGENDA ITEM 6**  
**RATE CASE UPDATE**

BLOCK ISLAND UTILITY DISTRICT  
RATE CASE SUMMARY  
FILED SEPTEMBER 30, 2019  
(NEW RATES TO GO INTO EFFECT JUNE 1, 2019)

**RATE REVENUE PROPOSAL**

The Block Island Utility District is not seeking any additional revenues in this rate filing; the revenue requirement being asked for is \$3,291,336. This represents a revenue neutral, 0% rate increase/decrease. \$2,928,132 is collected in rates from its electric consumers with the remainder coming from rents, leases (cell tower, pole tops and apartment) and other miscellaneous sources of income.

**EXPENSES**

The expenses presented in this filing are based on BIPCO's operations within the 2018 calendar year (test year) with adjustments made for CFC debt/loan principal and interest payments, the elimination of tax obligations and the addition/continuation of certain programs such as tree trimming (\$120,000), engine maintenance (\$90,000), a capital program fund (\$400,000), an efficiency program (\$60,000 matched by an annual RI-OER REGGI grant), an operating reserve of 3% (\$95,864) and a storm contingency fund (\$55,978).

**SURPLUS**

After expenses, there is an annual surplus of \$62,441 which BIUD is proposing to apply to a restricted reserve account to fund a future and imminent island-wide voltage conversion activities.

**SAVINGS RECOGNIZED FROM THE BIPCO ASSET ACQUISITION**

The immediate savings that BIUD members/consumers have realized since the BIUD acquisition of the BIPCO assets and becoming Block Island's power company total \$748,654. The savings (based on BIPCO's 2018 fiscal year audited financials) are detailed below:

1. Taxes	\$269,973
2. Depreciation	\$269,124
3. Income Taxes	\$179,557
4. Dividends	\$ 15,000
5. Sales Tax	<u>\$ 15,000</u>
6. Total	\$748,654

## CONSUMER CLASS CHANGES PROPOSED

There is one proposed change to the consumer class categories and renaming of the others.

- Elimination of the public rate classes (merge with Commercial and General Service)
- Remaining consumer classes include
  - Residential
  - Commercial (currently General)
  - General Service (currently Demand Metered General Service)

## RATE DESIGN CHANGES PROPOSED

There are four primary rate design changes being proposed:

1. Elimination of the Residential Demand Rate
2. Three-Tiered Rate Period Structure
  - a. Change from the current Winter/Summer rate structure to an Off-Peak/Shoulder/Peak rate structure to more appropriately align rates with seasonal cost drivers.

Current Rate Periods

WINTER					SUMMER				WINTER		
J	F	M	A	M	J	J	A	S	O	N	D

Proposed Rate Periods

OFF PEAK				SHOULDER		PEAK		SHOULDER		OFF PEAK	
J	F	M	A	M	J	J	A	S	O	N	D

3. Change how General Services consumers are charged for Demand. The present charge is based on the current month's demand level. We are proposing that we use the highest demand in the peak period (July and August) to calculate the twelve-month flat demand charge.
4. Change the System Charge from \$22.51 (Residential) and \$42.20 (General) to a flat charge of \$25 for both classes during the months of June, July, August and September.

## PROPOSED RESIDENTIAL RATES

The following rate comparisons show the current rates compared to the proposed rates.

CURRENT RESIDENTIAL												
	WINTER					SUMMER				WINTER		
	J	F	M	A	M	J	J	A	S	O	N	D
Customer Charge	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38
Plant & Distribution	\$0.0910	\$0.0910	\$0.0910	\$0.0910	\$0.0910	\$0.2399	\$0.2399	\$0.2399	\$0.2399	\$0.0910	\$0.0910	\$0.0910
Efficiency Charge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PROPOSED RESIDENTIAL												
	OFF PEAK				SHOULDER		PEAK		SHOULDER		OFF PEAK	
	J	F	M	A	M	J	J	A	S	O	N	D
Customer Charge	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Plant & Distribution	\$0.0895	\$0.0895	\$0.0895	\$0.0895	\$0.1425	\$0.1425	\$0.2850	\$0.2850	\$0.1425	\$0.1425	\$0.0895	\$0.0895
Efficiency Charge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00395	\$0.00395	\$0.0100	\$0.0100	\$0.00395	\$0.00395	\$0.00	\$0.00

In general, a peak intensive Residential customer will recognize a .6% increase, whereas a less peak intensive Residential customer will recognize a decrease of 1.4%.

## PROPOSED COMMERCIAL (GENERAL) RATES

CURRENT GENERAL												
	WINTER					SUMMER				WINTER		
	J	F	M	A	M	J	J	A	S	O	N	D
Customer Charge	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38
Plant & Distribution	\$0.1205	\$0.1205	\$0.1205	\$0.1205	\$0.1205	\$0.2652	\$0.2652	\$0.2652	\$0.2652	\$0.1205	\$0.1205	\$0.1205
Efficiency Charge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PROPOSED COMMERCIAL												
	OFF PEAK				SHOULDER		PEAK		SHOULDER		OFF PEAK	
	J	F	M	A	M	J	J	A	S	O	N	D
Customer Charge	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Plant & Distribution	\$0.1070	\$0.1070	\$0.1070	\$0.1070	\$0.1710	\$0.1710	\$0.3410	\$0.3410	\$0.1710	\$0.1710	\$0.1070	\$0.1070
Efficiency Charge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00395	\$0.00395	\$0.0100	\$0.0100	\$0.00395	\$0.00395	\$0.00	\$0.00

In general, a peak intensive General (Commercial) customer will recognize a 1.3% increase, whereas a less peak intensive General (Commercial) customer will recognize a decrease of .6%.

## PROPOSED GENERAL SERVICE (DEMAND METERED) RATES

CURRENT DEMAND METERED GENERAL SERVICE												
	WINTER					SUMMER				WINTER		
	J	F	M	A	M	J	J	A	S	O	N	D
Customer Charge	\$18.57	\$18.57	\$18.57	\$18.57	\$18.57	\$18.57	\$18.57	\$18.57	\$18.57	\$18.57	\$18.57	\$18.57
Plant & Distribution	\$0.1090	\$0.1090	\$0.1090	\$0.1090	\$0.1090	\$0.2185	\$0.2185	\$0.2185	\$0.2185	\$0.1090	\$0.1090	\$0.1090
Demand Charge	\$6.53	\$6.53	\$6.53	\$6.53	\$6.53	\$19.58	\$19.58	\$19.58	\$19.58	\$6.53	\$6.53	\$6.53
Efficiency Charge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

PROPOSED GENERAL SERVICE												
	OFF PEAK				SHOULDER		PEAK		SHOULDER		OFF PEAK	
	J	F	M	A	M	J	J	A	S	O	N	D
Customer Charge	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00
Plant & Distribution	\$0.0800	\$0.0800	\$0.0800	\$0.0800	\$0.1200	\$0.1200	\$0.2500	\$0.2500	\$0.1200	\$0.1200	\$0.0800	\$0.0800
Demand Charge	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25
Efficiency Charge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00395	\$0.00395	\$0.0100	\$0.0100	\$0.00395	\$0.00395	\$0.00	\$0.00

The overall General Service class and average customer does not experience an increase from current rates, but they could experience a significant increase or decrease based on changes in its load factor. A customer improving its load factor by 10% by either decreasing its peak usage or increasing its off-peak usage would see an annual reduction of 2.54%.

Alternatively, the customer worsening its load factor would see an increase of 4.7%.

## PROPOSED PUBLIC RATE CHANGES

The town accounts will shift from special public rates to Commercial and General Service as their load profile and cost of service is identical to the Commercial/General Service classes.

CURRENT PUBLIC AUTHORITY												
	WINTER					SUMMER				WINTER		
	J	F	M	A	M	J	J	A	S	O	N	D
Customer Charge	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38
Plant & Distribution	\$0.1213	\$0.1213	\$0.1213	\$0.1213	\$0.1213	\$0.2425	\$0.2425	\$0.2425	\$0.2425	\$0.1213	\$0.1213	\$0.1213
Efficiency Charge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

PROPOSED COMMERCIAL												
	OFF PEAK				SHOULDER		PEAK		SHOULDER		OFF PEAK	
	J	F	M	A	M	J	J	A	S	O	N	D
Customer Charge	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Plant & Distribution	\$0.1070	\$0.1070	\$0.1070	\$0.1070	\$0.1710	\$0.1710	\$0.3410	\$0.3410	\$0.1710	\$0.1710	\$0.1070	\$0.1070
Efficiency Charge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00395	\$0.00395	\$0.0100	\$0.0100	\$0.00395	\$0.00395	\$0.00	\$0.00

CURRENT PUBLIC DEMAND												
	WINTER					SUMMER				WINTER		
	J	F	M	A	M	J	J	A	S	O	N	D
Customer Charge	\$18.57	\$18.57	\$18.57	\$18.57	\$18.57	\$18.57	\$18.57	\$18.57	\$18.57	\$18.57	\$18.57	\$18.57
Plant & Distribution	\$0.0978	\$0.0978	\$0.0978	\$0.0978	\$0.0978	\$0.1957	\$0.1957	\$0.1957	\$0.1957	\$0.0978	\$0.0978	\$0.0978
Demand Charge	\$6.53	\$6.53	\$6.53	\$6.53	\$6.53	\$19.58	\$19.58	\$19.58	\$19.58	\$6.53	\$6.53	\$6.53
Efficiency Charge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PROPOSED GENERAL SERVICE												
	OFF PEAK				SHOULDER		PEAK		SHOULDER		OFF PEAK	
	J	F	M	A	M	J	J	A	S	O	N	D
Customer Charge	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00
Plant & Distribution	\$0.0800	\$0.0800	\$0.0800	\$0.0800	\$0.1200	\$0.1200	\$0.2500	\$0.2500	\$0.1200	\$0.1200	\$0.0800	\$0.0800
Demand Charge	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25
Efficiency Charge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00395	\$0.00395	\$0.0100	\$0.0100	\$0.00395	\$0.00395	\$0.00	\$0.00

In general, the effect on the Public Authority and Public Demand being consolidated with the Commercial and General Service Classes is an overall increase of 5%. There could be opportunities for improving load factors of the larger General Service (Demand Metered) accounts that could offset this increase. An example of this would be increasing electric usage during the off-peak periods by fuel switching from oil/propane to electric HVAC.



**AGENDA ITEM 7**  
**EFFICIENCY PROGRAM PRESENTATION**  
**AND DRAFT PLAN**

*Block Island  
Saves*



# Final Report on *Block Island Saves*

Results of the 2015-2017 Pilot Energy Efficiency Program  
in New Shoreham, RI



STATE OF RHODE ISLAND

OFFICE OF  
ENERGY RESOURCES

# Executive Summary

79 year-round Block Island residents and 31 businesses received free energy assessments, along with rebates and incentives for energy efficiency upgrades.

## Lifetime Energy Saved

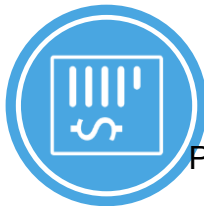


3,600 MWh electricity saved  
Enough electricity savings to power over 500 Rhode Island homes for one year



4,800 MMBtu oil saved  
2,300 MMBtu propane saved

## Lower Utility Bills



Aggregate participant lifetime bill savings totaled:  
\$598,000 for residents  
\$714,000 for businesses

## Economic Benefits



\$2.11 in economic and environmental benefits for every \$1 spent

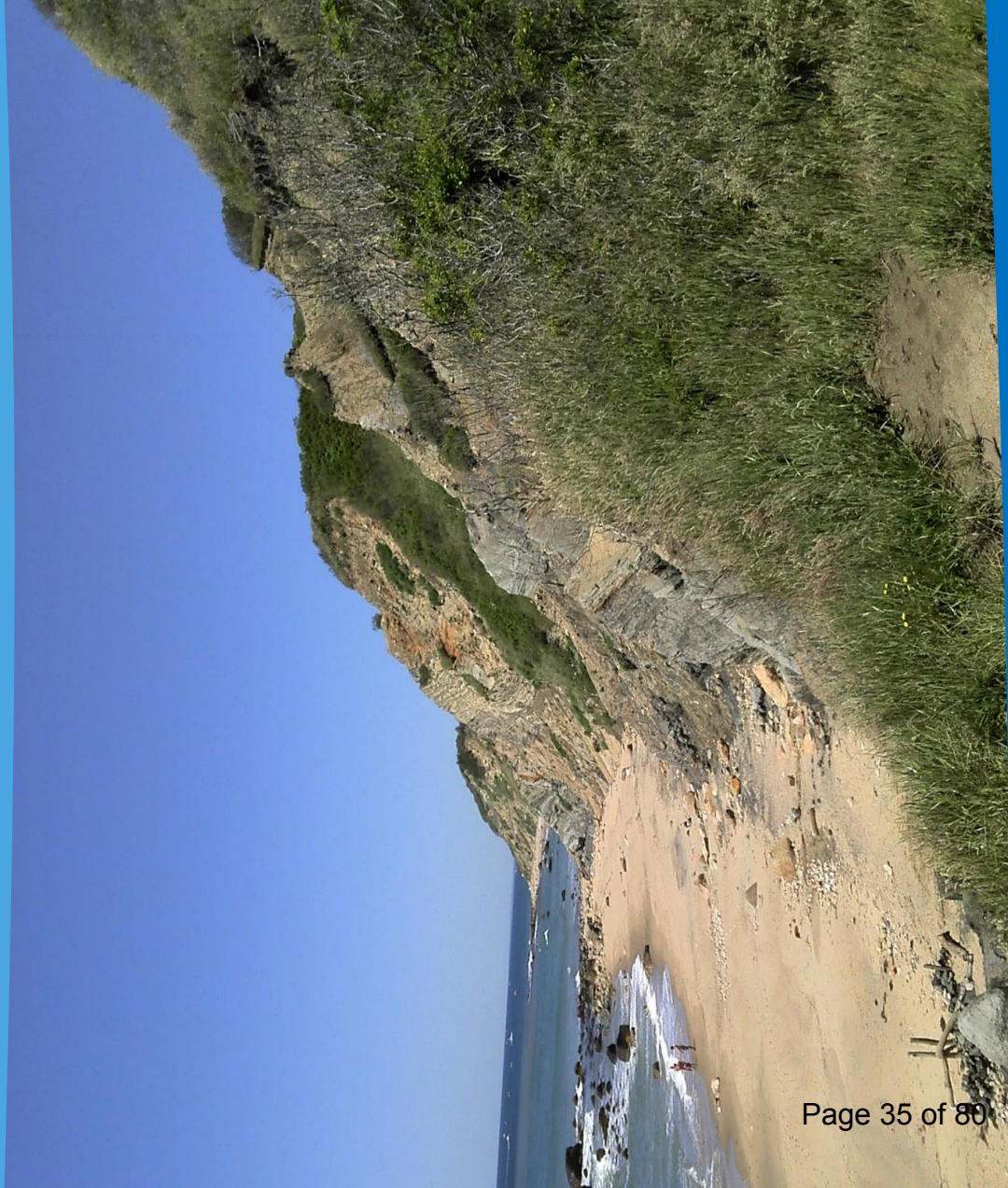
## Climate Benefits



2,400 tons CO<sub>2</sub>e greenhouse gas emissions prevented

Equivalent to taking 470 passenger cars off the road for 1 year





## Benefits of Energy Efficiency



Save energy, like  
electricity, natural gas,  
propane, and oil

Save money by  
lowering utility bills



Support clean energy  
jobs and economic  
development



Environmental benefits  
like preventing  
greenhouse gas  
emissions



# About New Shoreham



Photo by Timothy Burling [www.flickr.com/photos/tburling/](http://www.flickr.com/photos/tburling/)

Small, close-knit community

Tourism is significant part of economy

Before 2017: high energy prices, reliance on diesel

After 2017: offshore wind helped stabilize electric prices and strengthen reliability

Energy efficiency is critical to ensure long-term energy affordability and reliability





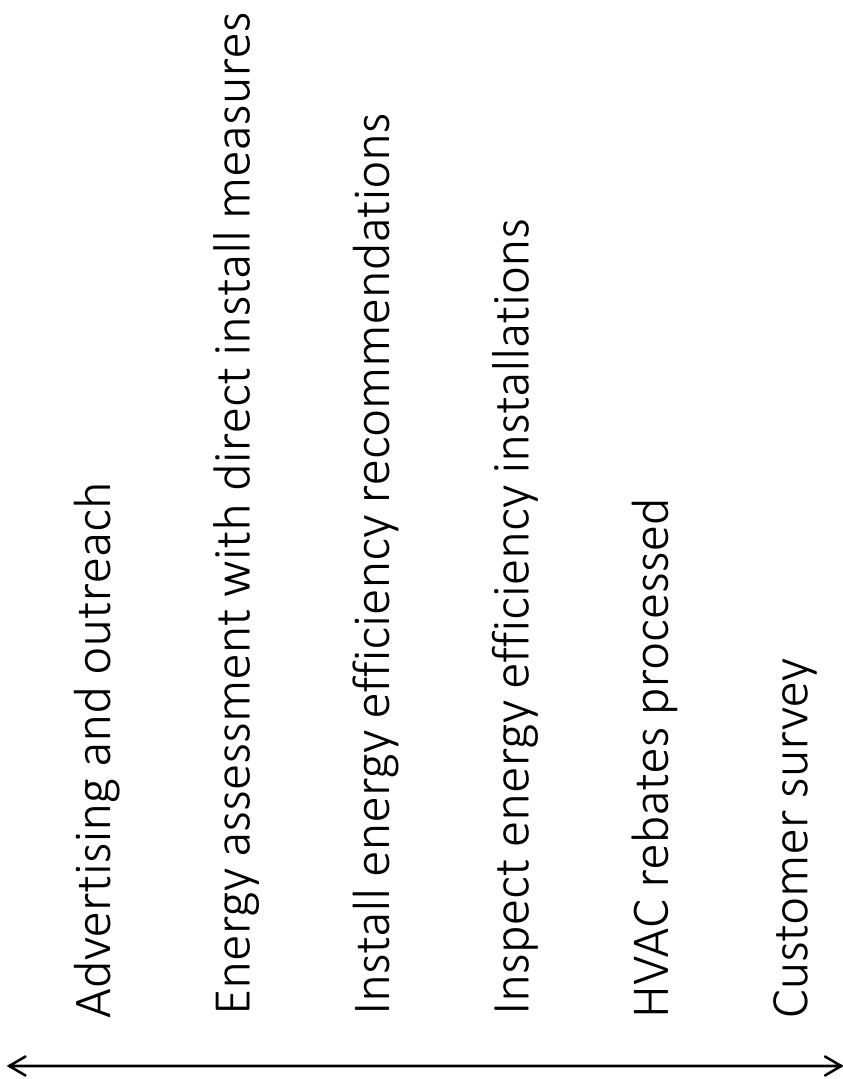
# Pre-Pilot, 2015-2016

- ✓ No-cost, no-obligation energy assessment
- ✓ Direct install lighting, smart strip, low-flow faucets/showerheads
- ✓ Energy efficiency recommendations
  - Lighting
  - Appliance
  - Heating and Cooling Systems
  - Air Sealing and Insulation
  - Thermostats
  - And more!

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# Full Pilot, 2016-2017





# Program Offerings & Rebates

Business Program Offerings

Category	Measure	Description	Rebate/ Incentive
Energy Survey	Energy Survey	A no-cost, no-obligation, on-site energy survey of a facility's electrical equipment and thermal systems	Free
	Recommendations Proposal	A proposal outlining recommended energy efficiency improvements based on the site analysis	Free
Lighting	Lighting	LED screw-ins	Free
	Other Lighting	Fixtures, controls, occupancy sensors	80% incentive
Weatherization	Air Sealing	Sealing air leaks in windows and doors	Up to \$1,200 in free air sealing plus 40% off further sealing, up to \$4,200 in total weatherization costs or up to \$3,000 in insulation costs
	Duct Sealing	Sealing leaks around ductwork	
	Insulation	Improved insulation for walls, ceilings, and floors	
	Pipe Insulation	Improved insulation around hot water pipes	
Other Recommendations	Electrical Measures	Approved electrical measures	Up to 70% of installation and equipment costs
	Cooler	Walk-in cooler efficiency measures	TBD*
	Thermostats	Programmable and wifi capable thermostats	TBD*
	Controls	Rooftop optimizers, energy management systems, variable frequency drives	TBD*

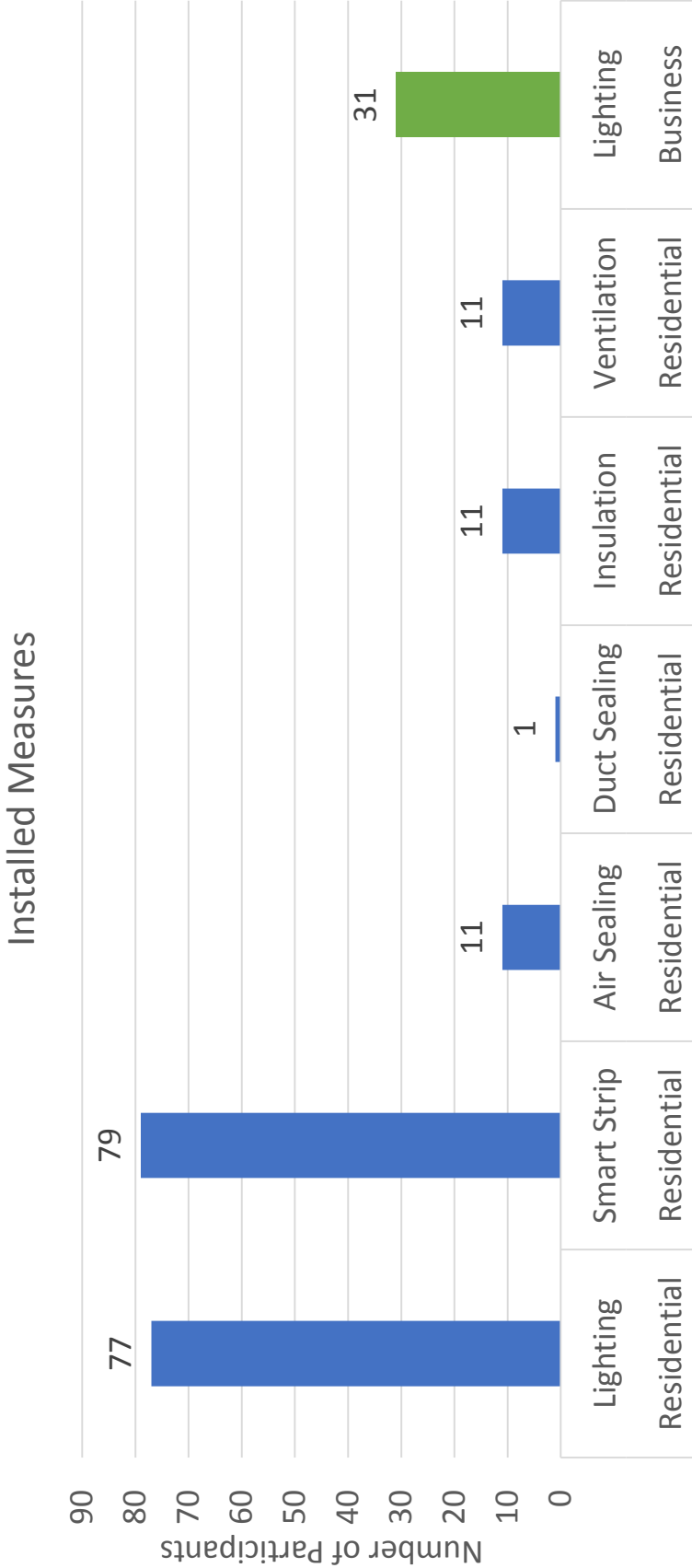
Residential Program Offerings

Category	Measure	Description	Rebate/ Incentive
Home Energy Assessment	Home Energy Assessment	A no-cost, no-obligation home energy assessment conducted by a trained energy professional	Free
	Home Energy Action Plan	Information and tips on how to save energy and reduce overall costs	Free
	Blower Door Test	Tests for proper ventilation levels	Free
	Heat System Safety Testing	Health and safety testing of heating equipment	Free
Direct Install	Lighting	Lighting upgrades to replace less-efficient incandescent bulbs	Free
	Smart Strip	Advanced power strip	Free (up to 2 maximum)
	Faucets/ Showerheads	Low flow/aerator faucets and showerheads	Free
Weatherization	Air Sealing	Sealing air leaks in windows and doors	Up to 10 labor hours free (\$800 value) plus 40% off further sealing, up to \$2,000 in total weatherization costs
	Duct Sealing	Sealing leaks around ductwork	
	Insulation	Improved insulation for walls, ceilings, and floors	
	Pipe Insulation	Improved insulation around hot water pipes	
Other Recommendations	Thermostats	Nest programmable and wifi capable thermostat installation	\$200 customer co-pay, \$50 rebate for programmable thermostat for use with efficient air conditioner
	Furnace/Boilers	Upgrade to more efficient model	\$250 or \$500 for oil heating equipment according to efficiency level; \$300-2,000 for efficient propane heating equipment according to efficiency and equipment type
	Water Heater	Upgrade to more efficient model	\$300 for efficient oil-fired indirect water heater; \$100-500 for efficient propane hot water equipment according to efficiency level and equipment type
	Appliance, Dehumidifier, and Air Cleaners	Upgrade to more efficient model	None
	Air Conditioning	Upgrade to more efficient model	\$250 or \$500 according to efficiency level



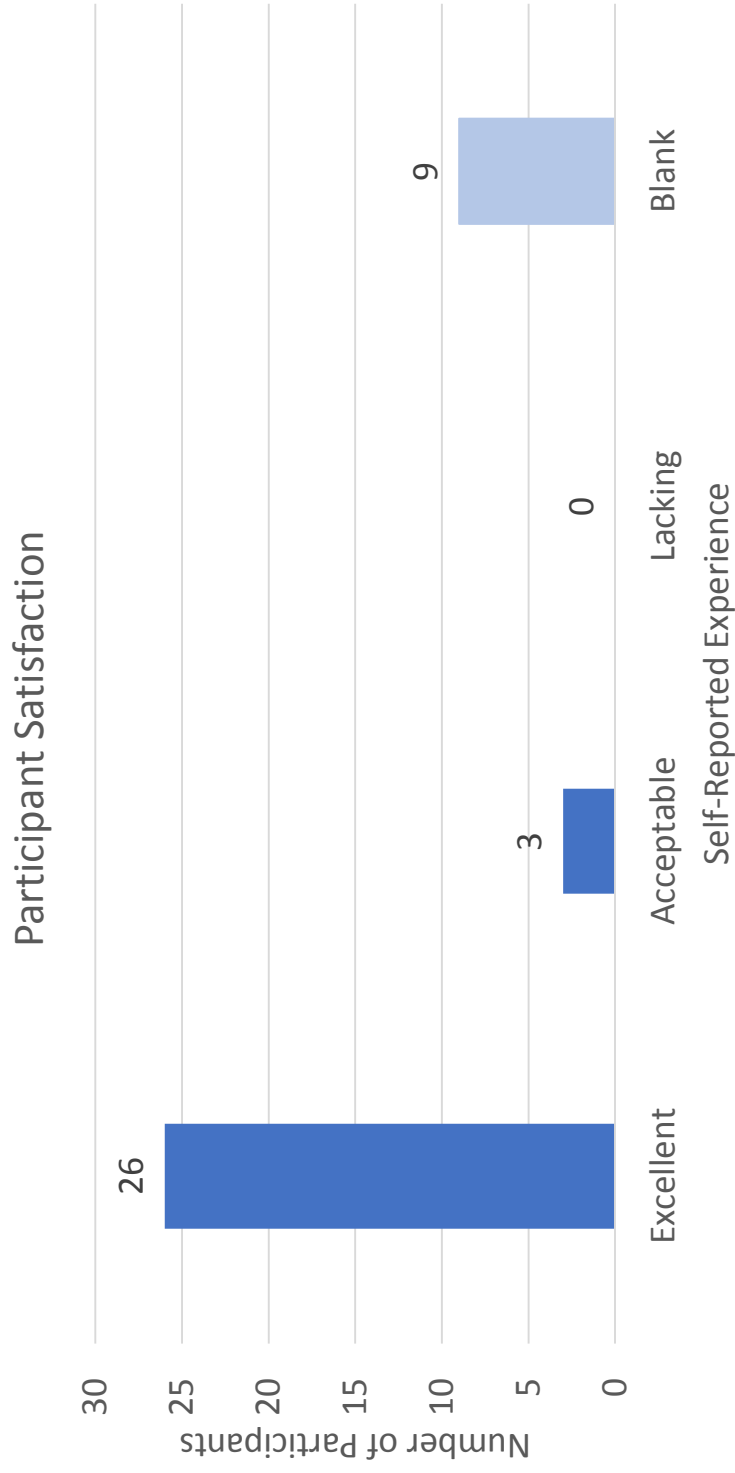


# Participation Results



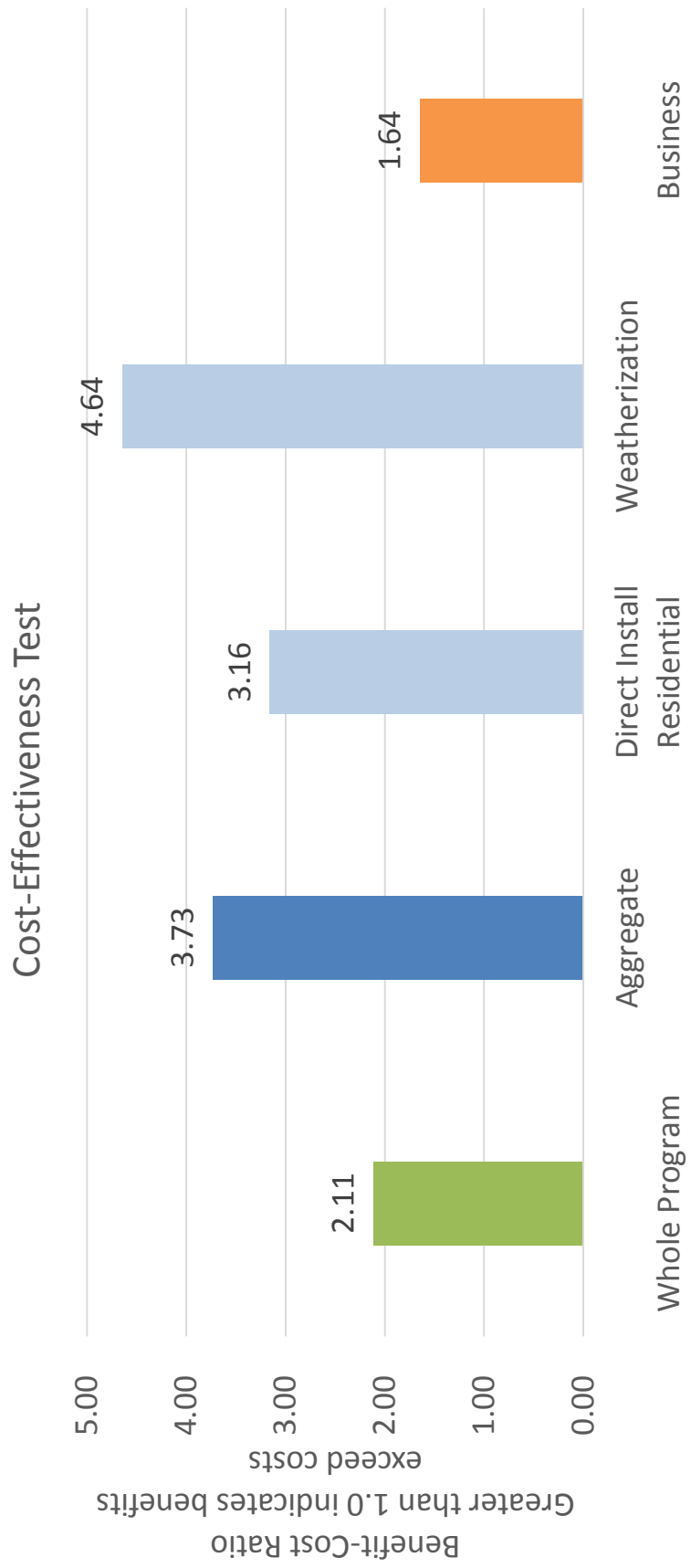
**Figure 1:** Frequency of installed measures by category and sector in *Block Island Saves* 2015-2017. Lighting and smart strip direct install measures were most prevalent for residential participants. All businesses installed lighting upgrades, but no businesses installed weatherization recommendations.

# Participant Satisfaction



**Figure 2:** Self-reported satisfaction with Block Island Saves. Most survey respondents reported Excellent satisfaction, while no respondents said their experience was Lacking. Nine respondents of 38 did not provide an answer to this question.





**Figure 3:** Cost-effectiveness of Block Island Saves whole program (green, left bar), residential program (blue, middle three bars), and business program (orange, right bar). Benefit-cost ratios are determined using the Rhode Island Test (see footnote 13 for additional detail). Block Island Saves was a cost-effective program with each dollar spent on Block Island Saves generating \$2.11 in economic and environmental benefits.

# Program Statistics at a Glance

Total Lifetime Benefits		Program Statistics	
Electricity Savings (MWh)	3,634	Total Program Costs \$	285,679
Oil Savings (MMBtu)	4,809	Number of Participants	79 residents, 31 businesses
Propane Savings (MMBtu)	2,331	Benefit-Cost Ratio (using RI Test)	2.11
Aggregate Customer Bill Savings (\$)	Residents: \$598,000 Businesses: \$714,000	Cost to Save 1 kWh of Electricity (lifetime \$/kWh)	Residents: \$0.05 Businesses: \$0.06
Greenhouse Gas Emissions Reductions (tons CO2e)	2,420	Cost to Purchase 1 kWh of Electricity (\$)	Residents: \$0.295 Businesses: \$0.322

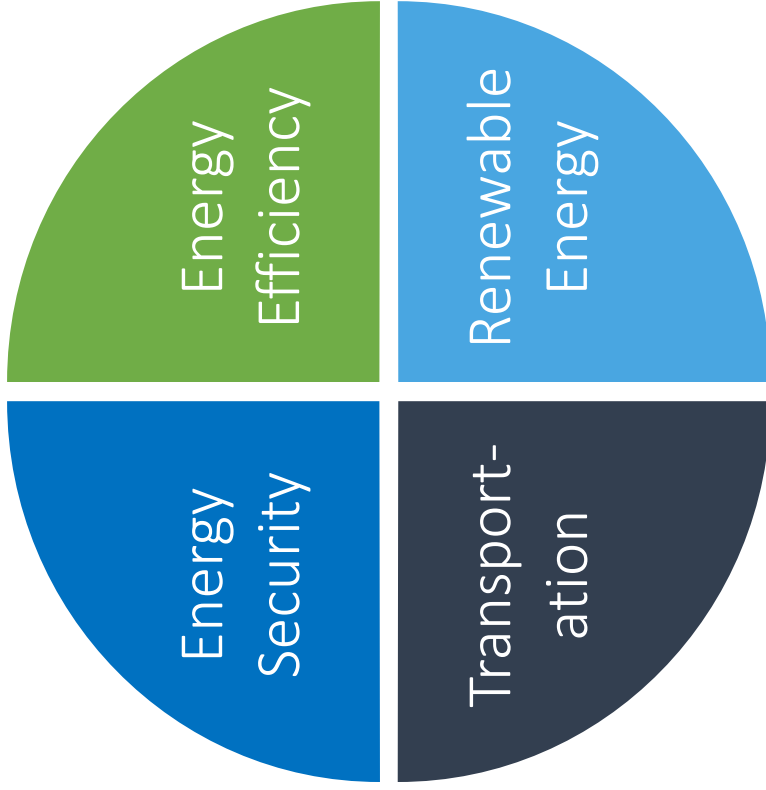


# Recommendations

- ✓ New Shoreham energy consumers would benefit from continued access to cost-effective energy efficiency measures
- ✓ Consider seasonality when estimating savings and determining cost-effectiveness
- ✓ Consider travel logistics and tourism seasonality in program timing
- ✓ Consider economies of scale when appropriate
- ✓ Lead by Example with Municipal Efficiency Investments and Energy Management

# About the Rhode Island Office of Energy Resources

Leading Rhode Island to a secure, cost-effective, and sustainable energy future.



- ✓ Utilities and Regulators
- ✓ Stakeholders and Advocates
- ✓ Private Sector and Industry
- ✓ Policymakers and Agencies

# Thank you!

**For more information, contact:**

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Rhode Island Office of Energy Resources  
1 Capitol Hill, 4<sup>th</sup> Floor, Providence, RI 02908  
p. 401-574-9121 | f. 401-574-9125  
[Carrie.Gill@energy.ri.gov](mailto:Carrie.Gill@energy.ri.gov) | [www.energy.ri.gov](http://www.energy.ri.gov)

**Acknowledgements**

We respectfully acknowledge the leadership of Governor Gina Raimondo, Senator V. Susan Sosnowski, Representative Blake Filippi, and the New Shoreham Town Council, whose support helped make the *Block Island Saves* program possible. We also acknowledge Block Island Power Company for their cooperation in this pilot program, National Grid for support with program development and administration, RISE and Northern Energy Services for their installation and inspection work, Optimal Energy for their analysis, and, above all, the residents and businesses of New Shoreham who participated in the *Block Island Saves* program. This program was supported thanks to Rhode Island's participation in the Regional Greenhouse Gas Initiative.



# Appendix: Outreach Samples

Block Island  
Times Ad



**SHRINK YOUR ENERGY COSTS  
THROUGH ENERGY EFFICIENCY!**  
Get a free, no-obligation energy audit!

The Rhode Island Office of Energy Resources (OER) is looking for Block Island businesses and year-round homeowners to participate in a comprehensive energy efficiency program to help reduce energy consumption and costs.

The program offers a free, no-obligation energy audit. An auditor will provide you with information about your energy use and will give you recommendations on how to improve your overall energy efficiency. Incentives and rebates are available for recommended measures!

If you would like to participate please call:

**1-877-784-3709**

Program participation and incentives are on a first-come, first-served basis. OER is offering incentives and rebates for certain energy efficient lighting, weatherization, and heating and cooling measures. Incentives will be available until the end of 2016 or until funding is depleted, whichever comes first.

If you would like more information on how energy efficiency and this program can reduce your energy costs, please contact OER at 401-574-9106  
Or visit [energy.ri.gov/efficiency/BI/](http://energy.ri.gov/efficiency/BI/)

Block Island  
Power Company  
Mailing List Ad

# Block Island Saves

**LAST CALL to Shrink Your Energy Costs Through Energy Efficiency!**

The Block Island Saves Energy Efficiency Program is Ending June 16, 2017

The Rhode Island Office of Energy Resources (OER) is looking for Block Island businesses and year-round homeowners to participate in a comprehensive energy efficiency program. This limited-time program offers a free, no-obligation energy audit. An auditor will provide you with information about your energy use and will give recommendations on how to improve your energy efficiency.

Incentives and rebates are available for recommended measures!

An energy audit will look at your:

- Lighting
- Appliances
- Heating and Cooling Systems
- Air Sealing and Insulation
- Thermostats
- And More!

Call before 6/16/2017 to schedule your free, no-obligation energy audit:  
**1-877-784-3709**

For more info visit:  
[www.energy.ri.gov/efficiency/BI/](http://www.energy.ri.gov/efficiency/BI/)

Program participation and incentives are available on a first-come, first-served basis. Incentives will be available until the end of the program or until funding is depleted, whichever comes first.

STATE OF RHODE ISLAND  
**OFFICE OF ENERGY RESOURCES**





## **Block Island Utility District**

### **2020 Energy Efficiency Plan – Draft Development and Implementation Document for Review**

**October 9, 2019**

#### **Overview & Points for Discussion**

The 2020 Energy Efficiency plan seeks to build upon the success of the Block Island Saves Pilot program (2015-2017) and continue to implement cost-effective energy efficiency solutions for residents and businesses of New Shoreham, while also providing benefits to the local grid through reduced energy usage and demand reductions. In designing the initial plan, we also want to ensure that it is forward looking and preparing customers for emerging and future opportunities as appropriate.

The Block Island Saves Pilot and the subsequent Energy Efficiency Plans provide energy and cost savings to participants, reduce overall energy demand, and through targeted peak shaving programming can reduce capacity charges for the utility, lowering overall costs for everyone served by the Block Island Utility District. To illustrate, the cost per lifetime kWh saved in the pilot program was \$0.03 in residential settings and \$0.05 in commercial settings, compared to the cost of supply during the pilot of at least \$0.20 per kWh.

The initial point of contact for customers participating in energy efficiency programming will typically be through the initial, no cost/no obligation energy assessment. During this assessment basic measures will be installed, such as LED light bulbs, and a proposal of additional efficiency recommendations will be created and discussed with the customer based on their specific needs and opportunity. The Block Island Saves Pilot provided a proven suite of offerings for both residential and business customers which this 2020 plan proposes to largely continue implementing, with a few key areas for discussion.

The main decision points for the 2020 plan which we propose for discussion are:

1. Integration of heat pump systems, both whole home heating/cooling units as well as heat pump water heaters.
2. Active demand response programming
3. Electric vehicles & infrastructure / Leveraging new rate structure

We want to ensure that the 2020 Energy Efficiency plan accurately reflects your vision for the efficiency program and adequately supports utility strategic priorities while also ensuring cost-effective usage of funds. Based on our conversation and the direction you want the program to take, we can revise the plan to be responsive to those priorities and update incentive levels, budgets etc. to reflect that.

In addition to these specific programming elements, we'd also like to discuss the following logistical elements of the plan with you, as well as next steps:

- Marketing/Outreach – marketing opportunities, timing
- Implementation – vendor selection (i.e. competitive RFP, negotiation with prior vendor, etc.)
- Reporting – Mid-Year and Year-End; cost-benefit analyses – possible consultant support
- Filing process and requirements

**Program Details - Suggested Residential Program Offerings:**

Category	Measure	Description	Rebate/ Incentive
Home Energy Assessment	Home Energy Assessment	A no-cost, no-obligation home energy assessment conduction by a trained energy professional	Free
	Home Energy Action Plan	Information and tips on how to save energy and reduce overall costs	Free
	Blower Door Test	Tests for proper ventilation levels	Free
	Heat System Safety Testing	Health and safety testing of heating equipment	Free
Direct Install	Lighting	Lighting upgrades to replace less-efficient incandescent bulbs	Free (no maximum)
	Smart Strip	Advanced power strip	Free (limit 2)
	Faucets/ Showerheads	Low flow/aerator faucets and showerheads	Free (no maximum)
Weatherization	Air Sealing	Sealing air leaks in windows and doors	Up to 10 labor hours free (\$800 value) plus 40% off further sealing, up to \$2,000 in total weatherization costs
	Duct Sealing	Sealing leaks around ductwork	
	Insulation	Improved insulation for walls, ceilings, and floors	
	Pipe Insulation	Improved insulation around hot water pipes	
Other Recommendations	Thermostats	Nest programmable and wifi capable thermostat installation	\$200 customer co-pay, \$50 rebate for programmable thermostat for use with efficient air conditioner
	Furnace/Boilers	Upgrade to more efficient model; <i>Heat Pump Incentive</i>	\$250 or \$500 for oil heating equipment according to efficiency level; \$300-2,000 for efficient propane heating equipment according to efficiency and equipment type; <i>Heat Pump Incentive</i>
	Water Heater	Upgrade to more efficient model; <i>Heat Pump Models</i>	\$300 for efficient oil-fired indirect water heater; \$100-500 for efficient propane hot water equipment according to efficiency level and equipment type; <i>Heat Pump Incentive</i>
	<i>Smart Controls</i>	<i>Other smart controls (i.e. lighting, water heaters, etc.?)</i>	<i>Could offer some additional incentives for smart home controls outside thermostats</i>
	<i>Active Demand Response</i>	<i>Incentive participation in DR events</i>	<i>Can provide information on GRID's program for reference value if moving forward.</i>

**Commented [CN(1)]:** Can adjust levels/\$\$ based on desired emphasis

**Commented [CN(2)]:** Suggest increasing to \$100 incentive

**Commented [CN(3)]:** Can adjust levels/\$\$ based on desired emphasis; Could also consider bundling Heat Pumps with weatherization for added incentive rather than individual incentive.

**Commented [CN(4)]:** Can adjust levels/\$\$ based on desired emphasis; Could also consider bundling Heat Pumps with weatherization for added incentive rather than individual incentive.

Suggested Business/Commercial Program Offerings:

Category	Measure	Description	Rebate/ Incentive
Business Energy Assessment	Energy Assessment	A no-cost, no-obligation, on-site energy survey of a facility's electrical equipment and thermal systems	Free
	Recommendations Proposal	A proposal outlining recommended energy efficiency improvements based on the site analysis	Free
Lighting	Lighting	LED screw-ins	Free (no limit)
	Other Lighting	Fixtures, controls, occupancy sensors	80% incentive
Weatherization	Air Sealing	Sealing air leaks in windows and doors	Up to \$1,200 in free air sealing plus 40% off further sealing, up to \$4,200 in total weatherization costs or up to \$3,000 in insulation costs
	Duct Sealing	Sealing leaks around ductwork	
	Insulation	Improved insulation for walls, ceilings, and floors	
	Pipe Insulation	Improved insulation around hot water pipes	
Other Recommendations	Electrical Measures	Approved electrical measures	Up to 70% of installation and equipment costs
	Cooler	Walk-in cooler efficiency measures	TBD*
	Thermostats	Programmable and wifi capable thermostats	TBD*
	Controls	Rooftop optimizers, energy management systems, variable frequency drives	TBD*
	Active Demand Response	Incentivize business participation in DR events	Can provide information on GRID's program for reference value if moving forward.
	Electric Vehicle Infrastructure	Encourage adoption of publicly accessible EV charging stations	Variable depending on type of station

**Commented [CN(5)]:** Can adjust levels/\$\$ based on desired emphasis

**Commented [CN(6)]:** Can adjust levels/\$\$ based on desired emphasis

**Proposed 2020 Plan Budget**

**Marketing**

Bill Inserts	Once in September, October, February, March	\$0.15	cost per handout	7644	\$1,146.60
Block Island Times Ad	Quarter page during peak (May - October) - once per week in September and October	\$314.00	cost per ad	8	\$2,512.00
Block Island Times Ad	Quarter page during off-peak (Nov - April) - once per week in February and March	\$247.00	cost per ad	8	\$1,976.00

<b>Total Marketing Budget</b>	<b>\$5,634.60</b>
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**Assessment & Installation**

*Residential*

Direct Install	\$500.00	cost per DI	35	\$17,500.00
DI Travel	\$200.00	cost per DI travel	35	\$7,000.00
Weatherization	\$1,200.00	cost per Wx	11	\$13,200.00
Wx Travel	\$300.00	cost per Wx travel	11	\$3,300.00
Other Incentives				

*Business*

Audit/Direct Install	\$3,000.00	cost per audit/DI	10	\$30,000.00
DI Travel	\$200.00	cost per DI travel	10	\$2,000.00
Weatherization	\$1,500.00	cost per Wx	2	\$3,000.00
Wx Travel	\$400.00	cost per Wx travel	2	\$800.00
Other Incentives				

<b>Total Assessment &amp; Installation Budget</b>	<b>\$76,800.00</b>
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**Inspection**

Total Inspection Cost	\$800.00	cost per inspection	23	\$18,400.00
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<b>Total Inspection Budget</b>	<b>\$18,400.00</b>
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**Program Administration**

Services	\$5,000.00			\$5,000.00
Consultants	\$10,000.00			\$10,000.00

<b>Total Program Administration Budget</b>	<b>\$15,000.00</b>
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<b>Total Budget</b>	<b>\$115,834.60</b>
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**Additional Areas for Discussion:**

**1. Marketing/Outreach:**

Who should be responsible for conducting outreach/marketing?

What are the best channels for reaching customers? Is that different for residential vs. business customers?

What are the best times to be engaging with potential participants to maximize engagement/follow through and batching of vendor time?

**2. Program Implementation:**

Vendor selection process for conducting energy assessments and for inspections – engage prior vendors directly about a new contract? Put together an RFP and go out to competitive bid?

Who is responsible for processing vendor invoices and ensuring payment? Customer rebate processing/payment?

Other oversight or process questions?

**3. Reporting/Consultant Support:**

Mid-Year and Year End Reporting to the PUC required – who is responsible for putting together these filings?

Would engaging a consultant to assist with these reporting requirements be beneficial?

What other reporting/tracking/planning elements of the program could a consultant assist with to ensure ease of implementation?

**4. Filing Requirements/Process:**

When do you anticipate filing the 2020 Energy Efficiency Plan?

What steps need to be taken prior to the filing, and when (i.e. Board engagement/Review; formal presentations, etc.)

What are the required elements of that filing? Other than providing a draft of the EE plan, working on incorporating feedback, and providing revisions and comments along the way on that are there other ways OER can be supportive?

**MEMORANDUM OF UNDERSTANDING  
THE 2018-B PLAN FOR THE ALLOCATION AND DISTRIBUTION OF REGIONAL  
GREENHOUSE GAS INITIATIVE AUCTION PROCEEDS**

This Memorandum of Understanding (“Agreement”) is entered into as of **December XX,** 2019, by and between the RHODE ISLAND OFFICE OF ENERGY RESOURCES (“OER”), the RHODE ISLAND DEPARTMENT OF ADMINISTRATION (“DOA”), and the BLOCK ISLAND UTILITY DISTRICT (“BIUD”) (collectively, the “Parties”).

**RECITALS**

**WHEREAS**, OER is an office in the executive branch of the State of Rhode Island ("State") government established pursuant to R.I. Gen. Laws § 42-140-2;

**WHEREAS**, DOA is a department in the executive branch of State government established pursuant to R.I. Gen. Laws § 42-11-1, and in accordance with R.I. Gen. Laws § 42-140-2 and Volume I, page 8, of the State of Rhode Island and Providence Plantations Fiscal Year 2019 Budget, OER is assigned to DOA for administrative purposes;

**WHEREAS**, BIUD is a quasi-municipal corporation, district and political subdivision of the State created pursuant to R.I. Gen. Laws § 45-67-1;

**WHEREAS**, on July 17, 2018, 2018-B PLAN FOR THE ALLOCATION AND DISTRIBUTION OF REGIONAL GREENHOUSE GAS INITIATIVE AUCTION PROCEEDS (“2018-B RGGI Plan”) was proposed in accordance with R.I. Gen. Laws § 23-82-6;

**WHEREAS**, on August 16, 2018, a public hearing regarding the 2018-B RGGI Plan was held in accordance with R.I. Gen. Laws § 23-82-6;

**WHEREAS**, on August 30, 2018, the 2018-B RGGI Plan was finalized in accordance with R.I. Gen. Laws § 23-82-6;

**WHEREAS**, pursuant to R.I. Gen. Laws § 23-82-6(c), OER is responsible for authorizing the disbursement of funds in accordance with the 2018-B RGGI Plan; and

**WHEREAS**, Section 5.3.2.b of the 2018-B RGGI Plan provides that “\$62,030.67 (Sixty-Two Thousand Thirty Dollar and Thirty-Seven Cents) shall be allocated to support the delivery of cost-effective energy efficiency programs and incentives to electric utility customers of the Block Island Utility District (BIUD). OER will work in coordination with BIUD management to leverage existing utility funds and identify cost-effective investment opportunities in the community of New Shoreham.”

**NOW, THEREFORE**, the Parties enter into this Agreement for purposes of implementing Section 5.3.2.b of 2018-B RGGI Plan.

## **AGREEMENT**

In consideration of the foregoing recitals and the covenants contained herein, the Parties hereby agree as follows:

1. **Authority.** The implementation of the 2018-B RGGI Plan and the 2015 RGGI Plan is authorized by the *Rhode Island Implementation of the Regional Greenhouse Gas Initiative Act*, R.I. Gen. Laws § 23-82-1 et seq.
2. **Commencement of Work Utilizing RGGI Funds.** No work which utilizes RGGI funds shall commence until execution of this Agreement and until a purchase order is issued by or a purchasing agreement is executed by the State of Rhode Island Division of Purchases.
3. **Invoices:** All invoices for work performed by BIUD or its contractors shall be submitted to OER for review. Invoices shall be submitted by the fifth of each month for all work performed in the previous month. Invoices shall at a minimum contain the following information: Project address, project description, date the work was performed and cost of the project.
4. **Payments:** Following OER's review of invoices and determination that the work performed is consistent with Section 5.3.2.c of the 2018-B RGGI Plan or Section 5.3.2.g of the 2015 RGGI Plan, payment shall be made to BIUD.
5. **Utilization of RGGI Funding:**
  - (a) The amount of RGGI funds to be utilized by BIUD under this Agreement is governed by Section 5.3.2.c of the 2018-B RGGI Plan and Section 5.3.2.g of the 2015 RGGI Plan.
  - (b) All utilization of RGGI funds under this Agreement must be consistent with Section 5.3.2.c of the 2018-B RGGI Plan and Section 5.3.2.g of the 2015 RGGI Plan.
  - (c) Upon approval by the Rhode Island Public Utilities Commission ("RIPUC"), BIUD will utilize \$60,000.00 of RGGI funds in 2020 as described within BIUD's annual demand side management proposal submitted to the RIPUC through docket number XX. See filing entitled XXX.
  - (d) BIUD will work in collaboration with OER to develop annual proposals on how to utilize the remainder of RGGI funds as described by Section 5.3.2.c of the 2018-B RGGI Plan and Section 5.3.2.g of the 2015 RGGI Plan. BIUD will include a description of such proposals within its annual filings with the RIPUC as it has done for 2020. Upon approval by the RIPUC, BIUD will utilize RGGI funds as described in its proposals.

(e) In the event that the RIPUC rejects or amends a BIUD proposal in a manner that would impact utilization of RGGI funding, OER and BIUD will work together to determine the best utilization of RGGI funding. BIUD will document such proposal in writing prior to utilization. The Parties understand that RIPUC approval is not required to utilize RGGI funding under this Agreement.

**6. Program Reporting.** BIUD shall submit reports to OER by March 31 of 2021, 2022, and 2023 with data covering January 1 through December 31 of each prior calendar year. At a minimum, the report shall include the following information:

- Total number of unique projects funded, split by residential and non-residential;
- A complete listing of all individual projects funded, including:
  - Project name/recipient;
  - Project classification (i.e. residential or non-residential);
  - Project description;
  - Total project cost;
  - Amount of RGGI funds utilized;
  - Projected project life;
  - Projected annual and lifetime MWh avoided;
  - Projected annual and lifetime MMBtu avoided;
  - Projected annual and lifetime energy savings, if applicable; and
  - Projected CO<sub>2</sub> avoided (metric tons CO<sub>2</sub>) on an annual and lifetime basis.
- Any additional information or data regarding the program as requested by OER.

BIUD shall additionally submit a final report to OER by May 31, 2023 that includes at minimum:

- Description of funding allocations (e.g. programs, incentive levels, etc.)
- Number of homes and number of businesses reached
- Benefits to BIUD customers including energy savings (kWh), demand savings, (KW), cost savings (\$), and other benefits such as environmental or economic benefits (qualitative or quantitative descriptions, as appropriate)
- Recommendations for future programmatic changes (if any) and justification

**7. Press Releases.** BIUD shall notify OER of any known press releases, interviews, and/or news articles related to these projects. BIUD shall ensure that language is included stating that the projects were funded by OER using



Regional Greenhouse Gas Initiative auction proceeds, whenever possible.

8. **Monitoring.** OER reserves the right to monitor the program. Monitoring shall include, but is not limited to: financial audits, visits to project site locations by OER personnel and gathering data in digital and print formulas.
9. **Effective Dates.** This Agreement becomes effective upon the date of the last approving signature and remains in effect until May 31, 2023.
10. **Amendments.** This Agreement may be amended from time to time upon written agreement by the Parties.
11. **Termination.** OER or BIUD may terminate this Agreement at any time by giving written notice to the other Parties of such termination and specifying the effective date thereof and the cause for the termination.
12. **Mediation of Disputes.** The parties agree that if there is a dispute between OER and BIUD arising out of this Agreement, OER and BIUD will notify the director of DOA or his or her designee of the matter that cannot be resolved. BIUD and OER shall defer to a resolution of the dispute set forth by the director of DOA or his or her designee.
13. **Audits.** OER and duly authorized officials of the State shall have full access and the right to examine any pertinent documents, papers, records and books of BIUD and of persons or organizations that BIUD may contract with, which involve transactions related to this Agreement.
14. **Record Retention.** BIUD shall retain all documents, papers, records and books that are pertinent to this Agreement for a period of three (3) years following the termination of this Agreement or until all audit findings have been resolved, whichever is later; or until all transactions have taken place, whichever is later.
15. **Copyright.** No reports, maps, or other documents produced in whole or in part under this Agreement shall be the subject of any application for copyright by or on behalf of BIUD.
16. **Governing Law.** This Agreement has been executed and delivered in the State of Rhode Island, and all questions arising out of or under this Agreement shall be governed by the laws of the State of Rhode Island. Venue of any action brought with regard to this Agreement shall be in Providence County Superior Court and the Parties agree to personal jurisdiction of said court.
17. **Severability.** Each article of this Agreement is hereby declared to be an independent section. If any article or section is held to be void, ineffective or unconstitutional for any cause, it shall not be deemed to affect any other article or section thereof; and all other parts shall continue to full force and effect.

The Parties through their authorized representatives have executed this Agreement as forth below.

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Jeffrey Wright, President  
Block Island Utility District

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Date

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Carol Grant, Commissioner  
Office of Energy Resources

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Date

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Michael DiBiase, Director  
Department of Administration

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Date

**AGENDA ITEM 8**  
**NET METERING**

## **Block Island Utility District**

### **Net Metering Program**

#### **Current Status**

Per RI State Law (Title 39 Chapter 39-26.4) the District's net metering cap is set at 3% of the annual system peak load.

2019 System Peak: 5,082 kilowatts

3% Net Meter Cap: 152 kilowatts

Current Installed Capacity: 158 kilowatts

The District's program is not taking any further applications and has created a wait list in the event that capacity opens up.

#### **Steps Required to Increase the 3% Cap**

**Step 1:** Title 39 Chapter 39-26.4 Net Metering would need to be changed. The PUC and Division staff support the following change to the current net metering statute – if the District votes to pursue.

*The aggregate amount of net metering in the Block Island Utility District d/b/a Block Island Power Company and the Pascoag Utility District shall not exceed a maximum percentage of peak load for each utility district as set by the utility district based on its operational characteristics, subject to commission approval.*

**Step 2:** The District BOD of Commissioners will need to evaluate the economics of the current policy. Currently a member can offset their entire bill, minus the \$12.38 customer charge, which does not support the District's fixed operational expenses to serve that home.

**The current policy degrades the District's revenues by an estimated \$20,000 per 1% in net metering. The current policy is not sustainable without creating a cost shift (rate increase) to everyone to support the program.**

**Step 3:** Evaluate alternative net metering tariff options – credits and fees currently being developed – shown on subsequent pages.

**Step 4:** PUC Approval: If the District BOD of Commissioner approves Option 1 or 2 then that will require PIUC approval of the new tariff.

### Alternative Net Metering Options

1. Traditional Net Metering with two fixed charges to cover the District's actual fixed costs. If priced properly, the program could be economically sustainable with cost equity among those who net meter and those who don't. In theory no net metering cap would be needed at all – the District could theoretically sustain its business model at 100% penetration.
  - a. Customer Charge: Flat Fee
  - b. Grid Connection Charge: Flat Fee
  - c. Consumption (Blue Electricity Flow Arrow): Billed at Retail Rate
  - d. Delivered (Red Electricity Flow Arrow): Credited at Standard Offer + Transmission Rate



2. Dual Metered Solar with the consumption and generation being metered separately.
  - a. Meter One – measures home consumption (Blue Flow Arrow) which is charged at the normal retail rate.
  - b. Meter Two – Measures solar generation (Green Flow Arrow) which generates a credit based on the District's cost evaluation of avoided transmission and energy expenses (TBD).



3. Allow and Encourage Qualify Facility Generation (PURPA Projects) – Two Meters
- a. Meter One – measures home consumption which is charged at the normal retail rate.
  - b. Meter Two – Measures solar generation fed back to the home which generates a credit of the District's current Stand Offer Rate of 9.72 cents/kilo-watt hour.



**AGENDA ITEM 9**  
**CONFLICT OF INTEREST AND RECORDS RETENTION POLICIES**

DRAFT CONFLICT OF INTEREST POLICY  
BLOCK ISLAND UTILITY DISTRICT  
BOARD OF COMMISSIONERS

SECTION I -AUTHORITY

Under the authority granted by the Block Island Utility District Act of 2017 (the Act), the Board of Commissioners (the Board) of the Block Island Utility District (BIUD) hereby adopts the following Conflict of Interest Policy. This policy supplements the Rhode Island Code of Ethics in Government and Regulations.

The Block Island Utility District is a quasi-municipal corporation with a five (5) member Board of Commissioners who are elected by the rate payers to four-year terms and a President hired by the Board with authority to act on behalf of BIUD. The Board of Commissioners has the responsibility to execute the powers of the BIUD in accordance with the Act. All commissioners are qualified electors of the District and all commissioners, corporate officers and employees are subject to the Rhode Island Code of Ethics in Government and Regulations<sup>1</sup>.

SECTION II – PURPOSE

The purpose of the Conflict of Interest Policy is to ensure that the Board of Commissioners, BIUD corporate officers and employees serve the mission and goals of the Block Island Utility District and do not either intentionally or inadvertently bring financial or personal benefit to themselves or their associates through the fulfillment of their duties to BIUD.

Whereas the Board of Commissioners approve executive officers contacts, all employee benefits plans, and the operating and capital budget for the district, and that the BIUD membership is the largest group of individuals in a small Block Island community, it is reasonable to assume that conflicts of interest will present themselves for each board member at some time during their term in office. Conflicts of interest can be obvious or subtle, egregious or minor, inadvertent or intentional, so it is important to have clear policies and procedures for understanding, avoiding and managing any real or perceived, potential or actual conflicts.

SECTION III – DEFINITIONS<sup>2,3,4</sup>

1. "Business" means a sole proprietorship, partnership, firm, corporation, holding company, joint stock company, receivership, trust or any other entity recognized in law through which business for profit or not for profit is conducted;

<sup>1</sup> R.I. Gen. Laws § 36-14-4 Persons subject to the Code of Ethics. The following persons shall be subject to the provisions of the Rhode Island Code of Ethics in government: (1) State and municipal elected officials; (2) State and municipal appointed officials; and (3) Employees of state and local government, of boards, Commissions, and agencies.

<sup>2</sup> R.I. Gen. Laws § 36-14-2 Definitions.

<sup>3</sup> RI Code of Ethics

<sup>4</sup> BIUD By-Laws



2. "Business associate" means a person joined together with another person to achieve a common financial objective;
3. "Cash value interest" means an ownership interest or a financial interest, an investment such as bonds, notes, debentures, mortgages and similar business investment interests. Deposits in any financial institution, savings and checking accounts, shares in a credit union or a cooperative bank, life insurance policies and annuities are not included.
4. "Conflict of interest" as defined by the RI Attorney General or the RI Ethics Commission, is any perceived conflict between the interests of the Block Island Utility District and an individual elected or hired to act on behalf of the District.
5. "Corporate officer" is the President and other high-level management official of the BIUD and subject to the policies and procedures established by the Board and subject to RI Gen Law § 36-14-4 (2013) the RI Code of Ethics.
6. "Doing business" means engaging in a financial transaction, about which the commissioner, corporate officer or employee has actual or constructive knowledge, which transaction constitutes a loan, purchase, sale or other type of transfer or exchange of money, goods, other property, or services for value. Doing business does not include the retail purchase of consumer goods bought primarily for personal, family or household purposes, and financial transactions of a personal nature, such as personal loans and individual insurance transactions.
7. "Employees" are any staff or contractor hired by the Board of Commissioners or the District. Employees of any board or agency are subject to RI Gen Law § 36-14-4 (2013) the RI Code of Ethics.
8. "Family member" means a spouse and any dependent children, as well as a person who is related whether by blood, adoption or marriage, as any of the following: father, mother, son, daughter, brother, sister, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother or half-sister. A person's natural child, adopted child, or stepchild is his or her dependent child during a calendar year if the person provides over fifty percent (50%) of the child's support during the year.
9. "Income" means any money or thing of value received or to be received as a claim on future services whether in form of a fee, salary, expenses, allowance, forbearance, forgiveness, interest, dividend, royalty, rent, capital gain, or any other form of recompense that constitutes income under the Federal Internal Revenue Code.
10. "Ownership interest" means an interest in stock, assets, net profits, or losses of a business. The value of an ownership interest is determined at its highest fair market value in the calendar year.
11. "Persons within the third degree of consanguinity" include any of the following relations: Brothers, sisters, parents, sons, daughters, grandparents, great grandparents, grandchildren. great grand- children, uncles, aunts, brothers and sisters-in- law, mothers and fathers-in-law, nieces and nephews, grandsons and granddaughters-in-law, and sons and daughters-in-law.

12. "President" is the President, CEO, or Director of the BIUD who oversees the daily operation of the BIUD and reports to the Board of Commissioners. The President is subject to the same prohibitions and disclosures as the Commissioners in matters considered by the Board.
13. "Qualified Elector" is any person whose name appears on an active account with the Utility District and who is designated by the account holder to be a Qualified Elector.
14. "Reasonably Foreseeable" are potential conflicts that an individual is aware of and are more than just conceivable, they need not be certain to be subject to disclosure and or disqualification.
15. "Represents" means the person participates in the presentation of evidence or arguments before the Board of Commissioners for the purpose of influencing the of the Board in his or her own favor;
16. "Utility District" means the Block island Utility District, a quasi-municipal corporation having a distinct existence from the State of Rhode Island and empowered by the Act serving residential, commercial and industrial accounts on Block Island.

#### SECTION IV- DISQUALIFICATION/PROHIBITION OF COMMISSIONERS AND OFFICERS

- A. A Commissioner or corporate officer shall not participate in any BIUD action if he or she has a real or perceived potential conflict of interest in the matter under consideration.
- B. A Commissioner or corporate officer may not personally, or through any member of his or her family or business associates, represent, appear for or negotiate in a private capacity on behalf of any person or organization for a matter that is pending before the Board of Commissioners.
- C. No member of the Board of Utility Commissioners shall directly or indirectly engage in or participate in the proceeds of any contract or agreement to supply anything of value or receive anything of value from the District<sup>5</sup>.
- D. BIUD or the Board shall not enter into contracts over \$5,000 or with any person, or their family or business associate of any person who has a ten percent (10%) or greater equity interest greater cash value interest in the contract, unless the contract has been awarded through an open and public bidding process. Contracts for professional services which have been customarily awarded without competitive bidding shall not be subject to competitive bidding if awarded through a process of public notice and disclosure of financial details<sup>6</sup>.
- E. A Commissioner or corporate officer shall not accept individual gifts or other offerings from the general public and organizations. Gifts do not include nominal promotions such as calendars, pens/pencils, office-related materials or seasonal items made available to all corporate officers or the general public and not an individual person. Gifts are not 'give away' items at conferences that are made available to the general attendees. A Commissioner may accept donations made to BIUD and the Board if those donations are disclosed and clearly belong to the District<sup>7</sup>.

<sup>5</sup> BIUD By-Laws

<sup>6</sup> R.I. Gen. Laws § 36-14-5(h) Prohibited Activities

<sup>7</sup> RI Code of Ethics 1.4.2 Gifts (36-14-5009)

- F. Board members shall not receive compensation for attending scheduled and special meetings or any other meetings they attend in their capacity as commissioner<sup>8</sup>.
- G. No Commissioner will accept employment with the District during their term and for one year after their service terminates, for any reason.

## SECTION V- PROHIBITED ACTIVITIES

- A. It is prohibited for a commissioner, corporate officer or employee to accept other employment that influences his or her independent implementation of his or her duties or employment with the District or require them to disclose confidential information acquired by him or her while serving or working for the District.
- B. No commissioner, corporate officer or employee will willfully and knowingly disclose confidential information acquired by him or her in the course of his or her official duties or employment or use any information for the purpose of pecuniary gain.
- C. No commissioner, corporate officer or employee may use BIUD resources that are not available to the general membership such as staff time, equipment, supplies, or facilities, for private gain or personal purposes.
- D. No person subject to this policy shall use in any way his or her position or confidential information received through his or her holding any position to obtain financial gain, other than that provided by law, for him or herself or any person within his or her family, any business associate, or any business by which the person is employed or which the person represents<sup>9</sup>.
- E. No commissioner, corporate officer, business associate or employee shall represent him or herself, or any other person or act as an expert witness on a matter before the Board if it can be reasonably be expected to result in in direct economic benefit or detriment to him or herself, or any person within his or her family, or any business associate of the person, or any business by which that person is employed or which the person represents. This prohibition applies for a period of one year after he or she has officially severed; provided, however, that this prohibition shall not pertain to a matter of public record in a court of law<sup>10</sup>.
- F. No person may give and no commissioner, corporate officer, employee or candidate for the Board or any person within his or her family or business associate or employer may receive any gift, loan, political contribution, reward, or promise of future employment based on any understanding or expectation to influence the vote, official action, or judgment of the person. And no commissioner, corporate officer, employee or candidate shall solicit or accept any consideration based on such understanding<sup>11</sup>.
- G. No person subject to this policy will threaten or intimidate or indirectly threaten or intimidate through any government agency, or through a business associate, or through any other person, any complainant or any family member of any complainant in any proceeding before the Board of Commissioners.

<sup>8</sup> BIUD By-Laws

<sup>9</sup> RI Code of Ethics 36-14-5 Prohibited Activities (d).

<sup>10</sup> RI Code of Ethics 36-14-5 Prohibited Activities (e).

<sup>11</sup> RI Code of Ethic 36-14-5 Prohibited Activities (g) and (l).

## SECTION V – DISCLOSURE

Any reasonably foreseeable conflict of interest must be disclosed, if an individual has reason to believe or expect a conflict of interest exists then it is reasonably foreseeable. The conflict of interest need not be certain to exist, the probability of a conflict of interest must be at least plausible and more than capable of being imagined to be subject to this policy.

- A. A Commissioner or corporate officer who has reason to believe they have a potential conflict of interest on a matter before the Board must disclose the circumstances by stating clearly the scope and nature of the conflict of interest and recuse themselves and take no further action on the matter.
- B. If the Commissioner or corporate officer has reason to believe that they have a potential conflict of interest but they believe that they can still act fairly, objectively and in the interest of the District on the matter shall, prior to participating in any official action on the matter, disclose at an open meeting in a hearing on the matter, the nature of the potential conflict, and why he or she believes they can act fairly, objectively and in the interest of the District, unless prohibited by law.
- C. A Commissioner may accept written and oral written communications from any person, conduct site visits, conduct investigations, receive information and expert opinions, unless prohibited by law.

## SECTION VI – RECUSAL

- A. A Commissioner or corporate officer must recuse him or herself from any matter before the Board that is a perceived conflict of interest.
- B. Any person may request that a Commissioner or corporate officer recuse themselves due to a potential conflict of interest. The request shall not constitute a requirement to recuse, unless required by law.
- C. A Commissioner or corporate officer who is recused from a matter shall not sit with the Board, deliberate with the Board, or participate in the proceedings on the matter as a member.
- D. If a previously unknown conflict is discovered, the Board may take evidence and if needed, adjourn to act on the conflict.
- E. If after a recusal, it is not possible to take action on a matter due to the lack of a decision making quorum, the Board may reconvene the matter when absent members are present, however, in no case shall recusal permanently deprive the Board of Commissions from achieving a quorum to take official action.
- F. The Board Chair shall have the authority to order a Commissioner or corporate officer to recuse him or herself from a matter. A majority vote of the Board of Commissioners may override the Chair's order of recusal.

## SECTION VII – ENFORCEMENT

In cases where conflict of interest procedures for disclosure and recusal have not been followed, the Board of Commissioners may act to discipline the offender in the following way:

- A. The Chair shall meet informally, and privately, with the Commissioner or corporate officer to discuss the possible violation, employees of the Utility will meet privately with

the President or their designee, unless not in keeping with the collective bargaining agreement, in which cases the agreement shall be followed.

- B. The Board, or designated committee, may meet with the offending member to discuss their conduct, and the individual may request that the meeting is held in closed session in accordance with the Open Meetings Act, unless not in keeping with the collective bargaining agreement, in which cases the agreement shall be followed.
- C. The Board shall decide if further action is warranted, and if so the Board may issue a one-time warning that if another violation were to occur the individual will be discharged, and or the Board may suspend, terminate employment or remove them from any BIUD board, committee, commission or council. The individual will have the right to respond to any proposed action before the action is taken.
- D. Nothing in this section shall override any collective bargaining agreement.

#### SECTION VIII – EXCEPTIONS

- A. The prohibition of section 45-67-7 (C) of entering into contracts or agreements with the utility district may be waived by a vote of four (4) of the Board of Utility Commissioners, if and only if the Board of Utility Commissioners shall have first obtained an opinion of the Attorney General and/or the Rhode Island Ethics Commission based on full disclosure of all relevant facts that the waiver does not contravene state law and is otherwise in the best interests of the membership served by the utility district.
- B. The Recusal provisions shall not apply if the Board of Commissioners determines that a genuine emergency exists and that actions could not take place due to the recusal. In such cases the person shall disclose in writing the potential conflict of interest as described in Section V Disclosures.
- C. In cases of hardship, the Ethics Commission may permit Commissioners, corporate officers, business associates and employees to represent themselves before the Board with approval from the Ethics Commission provided that he or she informs the BIUD Board of Commissioners in writing of his or her interest in the matter, recuses him or herself from voting on or participating in the Board's consideration of the matter, and follows any other recommendations the Ethics Commission may make to avoid any appearance of impropriety in the matter.
- D. The prohibitions in this policy do not prevent any individual who is a member or employee of the BIUD or the Board from publicly expressing his or her own viewpoints in a public forum on any matter of general public interest or on any matter which directly affects said individual or his or her spouse or dependent child, unless otherwise specifically prohibited by this policy.

#### SECTION IX – EFFECTIVE DATE

This Conflict of Interest Policy shall become effective immediately upon its adoption by the Block Island Utility District Board of Commissioners.

Date \_\_\_\_\_

BLOCK ISLAND UTILITY DISTRICT  
CONFLICT OF INTEREST POLICY  
BOARD OF COMMISSIONERS AND EXECUTIVE CORPORATE OFFICERS

ACKNOWLEDGMENT

The undersigned member of the BIUD Board of Commissions and Executive Corporate officers covered by this policy hereby acknowledges that he/she has received a copy of the Conflict of Interest Policy and that they understand they are bound by the policies and procedures describe in this Policy.

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Date \_\_\_\_\_

Please return to

BIUD Board Clerk  
PO Box 518  
Block Island, RI 02807

## Bibliography

BIUD Board of Commissioners. (January, 2018). *Block Island Utility District By Laws*. Block Island.

RI Ethics Commission. (October, 2018). *Rhode Island Code of Ethics in Government and Regulations*.

RI General Assembly. (2017). *BLOCK ISLAND UTILITY DISTRICT ACT OF 2017*.

**BLOCK ISLAND UTILITY DISTRICT**  
**dba BLOCK ISLAND POWER COMPANY**  
**RECORD RETENTION POLICY**

**SECTION I -POLICY STATEMENT**

The Block Island Utility District requires that documents and data, whether draft or final version, in any format be retained and disposed of in accordance with established schedules and procedures.

**SECTION II - PURPOSE**

The purpose of the Block Island Utility District Record Retention Policy is to comply with state, local, and legal requirements, and to establish predictable administrative efficiency, effectiveness and transparency as it relates to records management.

**SECTION III - AUTHORITY**

As a quasi-municipal corporation regulated by the Rhode Island Division of Public Utilities and Carriers, the Block Island Utility District record retention policy is informed by relevant retention schedules established by the Rhode Island General Record Schedule and portions of Local Schedules, the RI Division Standards for Electric Utilities Title 815-RICR-30-00-1, and best practices for member-owned corporate entities. Unless stated otherwise in the summary, the record retention periods follow relevant record retention schedules, with some increase allowed for selected records, following government regulation, legal orders, contracts, litigation, audits, historical value, or other requirements. In instances where schedules conflict, the longer retention period is observed.

**SECTION IV - DEFINITIONS**

Record – a record is any form of recorded information that was created, received, recorded or filed in the course of business or in meeting regulatory requirements. It includes information in any format, including but not limited to written, graphic, audio, video, data, email, electronic media, and microfilms. Drafts and notes are included in the record retention policy.

Record Retention Schedule – The schedule provides the Board of Commissioners, the Utility leadership and staff, and the public with an outline of retention lengths for records based on the specific content of the records.

**SECTION V - LOCATION OF RECORDS**

Records relating to the daily operation and maintenance of the utility including facilities, customer accounts, personnel, safety, and security are maintained by the utility staff.

Permanent records, and those relating to executive leadership, elections, policy making, contracts, complaints, and legal cases are kept in the office of the Board.

**SECTION VI - PUBLIC RECORDS**

Public Records: RI 38-2-2(4) defines public records as “all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, magnetic or other tapes, electronic data



processing records, computer stored data (including electronic mail messages [...]) or other material regardless of physical form or characteristics made or received pursuant to law or ordinance or in connection with the transaction of official business by any agency.”

Excluded from public records are any electronic mail messages of or to the Board of Commissioners with or relating to those the utility membership or acting in their official capacity, records relating to attorney relationships, sensitive information relevant to ongoing litigation or negotiations, medical information, personnel records, pension records, records determined to be trade secrets, real estate records of incomplete transactions, minutes from closed sessions of the Board, preliminary drafts, request for opinions, and account numbers.

#### SECTION VII - REQUEST FOR PUBLIC RECORDS

Readily available records do not require written requests. The agendas and minutes of the Board of Commissioners are accessible on the Rhode Island Secretary of State Open Government website <https://opengov.sos.ri.gov/OpenMeetings>. Reports, presentations, and other supplemental materials presented during a meeting of the Board of Commissioners are available upon request from the clerk. Requests for detailed or unusual materials may need to be approved by the Board Secretary. Requests for large quantities of records should be made in writing and may be subject to a fee (no more \$15 per hour of time). The clerk may charge fifteen cents per page of printed or copied records. Every effort will be made to respond to all requests within ten (10) days.

#### SECTION VIII - DESTRUCTION OF RECORDS

Materials that do not contain information related to the business of the utility, or reproduced materials used for reference or exhibition, private materials or collections of persons not serving the utility, extra copies, or duplicated documents used for reference may be inventoried and destroyed in-house. Notes from meetings and phone calls can be destroyed in house once the content has been recorded in the form of minutes or logs.

Any physical media approved to be destroyed on-site must be logged and disposed of in the secure shredding bin in the BIUD office. Electronic equipment must be submitted to the IT vendor for proper disposal. Also, electronic records on the network drives must be logged and destroyed by the IT staff. Annual destruction logs will be retained permanently

#### SECTION IX - CERTIFICATE OF RECORD DESTRUCTION

Records of official business of the utility and board must be destroyed following the certified destruction process to maintain confidentiality and ensure proper disposal of retired materials. Once a year, the clerk will submit a Certificate of Records Destruction to the Rhode Island State Archives & Public Records Administration, once approved, records will be shredded or burned. The signed Certificates to Destruction will be retained permanently in the office of the Board Clerk. See Appendix A and B for instructions on how to fill out this form.

#### SECTION X - SUMMARY OF RECORD RETENTION SCHEDULES

Retention schedules are grouped into content area for convenience. A notebook containing the full General Retention Schedule, selected Local Schedules, 815-RICR-30-00-1, and other guiding documents along with an index of the retention schedules will be kept in the office of the Board

Clerk on Ocean Avenue. Retention dates may be revised by the regulating authority, and when using these schedules, it is important to check that the most up-to-date information is available. The summary that follows is based on the schedules as they were in 2019. This summary and the indexes are only quick guides, and the most recent schedules from the source should be considered the authority on retention dates.

- A) Records Management Records: All records related to the development of a records management program, committee records, and disposal of records are permanent. Retention schedules, designations of authority and control documents are retained until superseded if filed with the state archives. Access to public record documents are retained for three years after resolution. For more information see GRS6.
- B) Information Management Records: Electronic content, including emails that are not printed and filed, should refer to the content specific schedules for retention. IT resource and crisis planning documents, and web system summary designs are permanent. For other schedules on system development, purchasing, operations, and data see GRS7.
- C) Records Specific to Electric Utilities: In general, the PUC requires that all documents related to the Standards for Electric Utilities be retained for two years after end of use unless stated otherwise Title 815-RICR-3-00-1<sup>1</sup>. This includes customer applications, rate selection (if applicable), deposits, meter readings, bills, charges for changes in service, discontinuance of service and voltage test records. The General Record Schedule and the Local Schedule for Special Use Districts specifies that monthly reports, complaints, and accident reports are retained for three (3) years, this includes monthly service interruption reports, interruption of service reports, and a complete record of meter inspections and tests. Annual reports, such as the Periodic Meter Test Report, Selective Meter Test Report and Working Standards and Meter Calibration tables are permanent. Rate Filings and Schedules, two years after expiration (?)
- D) Executive and Policy Making Records: Generally, all records related to the development and establishment of the Utility, including policies, procedures, annual reports, special reports, meeting records, briefing records, and grant program files are permanent. Substantive correspondences and memoranda of executives and commissioners, drafts and final copies of speeches, commissioner calendars and appointment books are also permanent.<sup>2</sup> Non substantive correspondence, memoranda and meeting notices are retained for one year. See GRS1 for specific retention schedules for ethics filings, consultant disclosures, grant reports and annual work plans.
- E) Election Records: The Board of Commissioners election is not a municipal election, yet this policy draws from LG8 Record Retention for the Board of Canvassers for guidance on records retention. Election results, including referendum questions are permanent records. While membership lists, and designation of qualified electors are retained until superseded. Candidate declarations, individual election voter mailing lists are retained for 26 months, or until the next election.
- F) Legal Records: Landmark case files that result in changes in policy and procedures, internal legal opinions, draft legislation, legal impact statements, and rulemaking files are permanent. See

<sup>1</sup> Title 815-RICR-30-00-1 Division of Public Utilities and Carriers, Standards for Electric Utilities

<sup>22</sup> General Record Schedule 1 Executive and Policy-Making Records

GRS2 for retention schedules of other case files, opinions, agendas and legal advisements. For guidelines on retention of legal counsel records see LG16.

- G) Safety & Security: Final reports, public relations, and documentation of response to emergency or disaster situations are permanent and additional records relating to contamination from chemical spills, sewage or other hazardous materials are retained for 30 years. Security and safety plans, sign-in lists, files, logs, incident reports, inspections of systems are generally kept until superseded or 1-4 years. However, hazardous materials identifications listings, material safety data sheets and right-to-know training programs are retained for 30 years. See GRS3 for more specific information.
- H) Facilities Records: Building plans and blueprints of property owned by the state or town as well as any construction, improvements or projects affecting historic places or buildings are permanent. Construction and improvements for all other property are retained for ten (10) years after the life or sale of the property. Work orders, vehicle inspections and reports, and solid waste receipts are retained for 3 years. See GRS4 for details on building and land use requests, cleaning and maintenance supply lists, and procurement of facilities.
- I) Daily Operations Records: Publicity, press releases, audio/visual public relations, electronic presentations, scrap books, photos and clippings about official events and activities are permanent. Staff meeting minutes, monthly, quarterly and periodic reports, and complaints about service, employees, or interactions, including telephone notes, are retained for 3 years. General correspondence, memoranda, phone logs, mail logs, completed surveys, daily and weekly reports are retained for one year. See GRS5 for schedule details
- J) Finance Records: The Block Island Utility District does not use the services of state financial authorities, so retention of fiscal records follows schedule LG2 for Special Purpose Districts. Permanent fiscal records include annual and special audits with correspondence, annual budgets, corrective and deficit elimination plans, tax levy reports, bond implementation and register statements, and grant files. Accounts payable and receivable are retained for six (6) years after an audit, while those for contracts are retained for ten (10) years after an audit, this is generally true for most content in this schedule. See LG2 for specific schedules budget, purchasing, insurance, payroll, leases, bonds, and assets.
- K) Personnel Records: The Block Island Utility District uses LG15 Human Resources and Personnel Records Schedule for Special Purpose Districts. Generally, records relating to pension plans, including meeting minutes, retirement, workman's compensation claims, medical records, Affirmative Action, and Equal Employment Opportunity policies have extended or permanent retention periods. Records relating to recruitment and individual records are retained for 3-6 years after employment ends. See LG15 for more details.

## SECTION XI - EFFECTIVE DATE

This Conflict of Interest Policy shall become effective immediately upon its adoption by the Block Island Utility District Board of Commissioners.

Date \_\_\_\_\_

## Appendix A

Proper procedures for the destruction of public records must be adhered to. Records that are eligible for destruction can only be legally destroyed with an approved "Certificate of Records Destruction" (§38-1-10, §38-3-6 (j), and §42-8.1-10). A Certification of Records Destruction form and instructions are included with this schedule. State Archives staff members are always available to answer questions you might have regarding any records issues.

**Local government officials should also consult with the municipal solicitor to determine if any records eligible for destruction may be involved in current, pending or anticipated litigation, any government investigation or regulatory proceeding, or request under the Access to Public Records Act (RIGL §38-2).**

Office of the Secretary of State  
Rhode Island State Archives and Public Records Administration  
Rhode Island Local Government Records Program  
337 Westminster Street  
Providence, Rhode Island 02903  
401-222-2353

Contact [tcroce@sos.ri.gov](mailto:tcroce@sos.ri.gov)

## Appendix B

State of Rhode Island and Providence Plantations  
Rhode Island State Archives & Public Records Administration

### CERTIFICATION OF RECORDS DESTRUCTION

*In accordance with the Authority granted by Title 38 of the Rhode Island General Laws these records have met the legal retention requirements and are eligible for destruction on date below.*

Department:  
Division/Unit:

Date:

Record Series Number	Record Series Title	Dates from/to	Volume

***Please sign this certificate and return to the RI State Archives and Public Records Administration.  
If faxing, please provide a return fax number.***

**I certify that I have reviewed the above listed records and authorize their destruction.**

Department Head or Records Custodian: \_\_\_\_\_ Date: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name & Title

State Archivist  
& Public Records Administrator: \_\_\_\_\_ Date: \_\_\_\_\_

***Signed and executed Certificate is a permanent record (RIGL §42-8.1-10)***

**AGENDA ITEM 10**  
**POTENTIAL FUTURE MEETING AGENDA ITEMS AND DATES**

**AGENDA ITEM 11**  
**LONG TERM PURCHASE POWER AGREEMENT**

**AGENDA ITEM 12**  
**LITIGATION UPDATES**



**AGENDA ITEM 13**  
**PRESIDENTS PERFORMANCE EVALUATION AND SALARY**