

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

Minutes

Present: Barbara MacMullan, Everett Shorey, William Penn, Mary Jane Balser, Elliot Taubman
Also, Present: Jeff Wright, Christine Grele, a representative from the Block Island Times, and several members of the public

Barbara MacMullan called the meeting to order at 3:28 PM.

1. Public Input

- Chris Warfel extended an invitation from an EcoRI representative to speak with anyone about net metering. Jeff Wright and several board members were open to being contacted and suggested that such requests can go through the clerk who can distribute them to the board.
- Tony Pappas reported that he appreciated the cooperation of the Board and BIPCO staff in exploring a new solar initiative that he presented to the public recently.

2. Commissioner's Report

- Barbara MacMullan welcomed Elliot Taubman to the board and congratulated Mary Jane Balser on her re-election to the board. Taubman and Balser serve four-year terms.

3. Approve Minutes of July 31, August 24 3:30, and August 24 Annual Meeting, 2019

- Barbara MacMullan noted that there were insubstantial typos and errors in the minutes that members of the board can send to the clerk.
- Elliot Taubman requested clarification on a response to a question he asked the Energy New England Representative at the Annual Meeting.
- Barbara MacMullan requested to add the descriptor "Verizon modem bill" to clarify the savings realized from connecting to broadband reported in the Annual Meeting.

Barbara MacMullan moved to accept the July 31, 2019 minutes subject to the above, seconded by Everett Shorey. Ayes 4: (MacMullan, Shorey, Penn, and Balser). Recused 1: Taubman

Everett Shorey moved to accept the minutes from the August 24, 2019, 3:30 meeting subject to the above, seconded by Mary Jane Balser. Ayes 4: (MacMullan, Shorey, Penn, and Balser). Recused 1: Taubman

Barbara MacMullan moved to accept August 24, 2019, Annual Meeting minutes subject to the above, seconded by Mary Jane Balser. Ayes 4: (MacMullan, Shorey, Penn, and Balser). Recused 1: Taubman

4. Receive and Act on Treasurers Report

- William Penn presented the Treasurer's Report (on file), noting that all accounts complied with all policies. He recommended paying off the line of credit which has a balance of \$365,000, and Jeff Wright reported that he was planning to do so and will this week.

Barbara MacMullan moved to accept the Treasurer's Report, seconded by Mary Jane Balsler. Ayes 5: (MacMullan, Shorey, Penn, Balsler, and Taubman).

a. Review and Act on Audit RFP

- William Penn requested to be the second contact for inquiries.
- The board discussed the drafted schedule and timeline, and it was agreed to move the dates ahead, drafts due March 15, final Audit due April 1, leaving time for the board to review and approve the Audit before the April 30 filing deadline.
- William Penn asked if the request for a three-year commitment was appropriate, and the board agreed that this was reasonable.

William Penn moved to accept the RFP with the above corrections, seconded by Everett Shorey. Ayes 5: (MacMullan, Shorey, Penn, Balsler, and Taubman).

5. Receive and Act on Presidents Report

- Jeff Wright presented the President's Report (on file)
- Everett Shorey asked about a decrease in commercial customers. Jeff Wright reported that is was due to the shift to commercial from residential due to demand trigger being hit.
- Jeff Wright reported that he is working with DEM to close out the BIPCO site. They require testing and removal of any contamination in the front of the plant. He scheduled a contractor for November 1, 2019 to do boring samples which will be the basis of a remediation plan.

William Penn moved to accept the President's Report, seconded by Mary Jane Balsler. Ayes 5: (MacMullan, Shorey, Penn, Balsler, and Taubman).

6. Receive an update on Rate Case Filing

- Everett Shorey reported that the filing of the application is complete.
- Jeff Wright reported that they had responded to the first round of discovery questions from the Division.
- William Penn asked when the new rates take effect. Jeff Wright reported June 1, 2020, following public hearings at PUC and public meetings on Block Island.
- Elliot Taubman asked about data from smart meters, and Jeff Wright reported that the meters have not been in place long enough to have reliable data for this rate filing.
- Chris Warfel asked why net metering was not in this rate case. Barbara MacMullan explained that the time needed to gather data and to restructure a net metering tariff would delay the rate filing and that the board wanted to realize savings in the new rate schedule as soon as possible.
- Tony Pappas asked if rate filings were on a mandated schedule. Barbara MacMullan and Jeff Wright reported that they are not, but that they take time, and there are costs associated with each filing.
- Mary Jane Balsler asked if the new schedule shifts more costs to commercial customers than residential. Jeff Wright reported that costs are applied evenly across categories.

No Action Taken

7. Receive an efficiency program presentation and draft efficiency program for future discussion

- Barbara MacMullan reported that the board is considering an energy efficiency program that would cost \$360,000 over three years, 50% of which is shared by the state. More details should be available at the November board meeting. Jeff Wright added that the program builds on the BI Saves program that ran about five years ago.

- Chris Warfel talked about submetering, and Everett Shorey, Barbara MacMullan, and Jeff Wright responded that submetering is expensive to implement.
- Chris Warfel asked to have a copy of the draft program, and the board discussed how to make documents approved for public distribution more accessible. Jeff Wright reported that the web site is 95% complete. Until then, send requests to the clerk.
- Mary Jane Balser pointed out that we do know that the summer rentals drive up consumption significantly.

No Action Taken

8. Discuss Net Metering: Receive Public Input and Discuss (Respond to Warfel Correspondence)

- Barbara MacMullan reported that the board has been discussing the need to address Net Metering for some time as the utility has reached its 3% cap, and the new private solar initiative increases the demand for solar projects.
- Jeff Wright explained the utility and customer costs of Net Metering versus the PURPA program. Adding that there is an opportunity for the utility to purchase large scale solar on the market that would make renewables less expensive for everyone. He then reported that a consultant had been hired to collect and analyze the data to prepare the board to consider revenue-neutral options.
- Chris Warfel reported that he had looked at the calculations and found several data errors that over-reported current net metering use, indicating that there may be an additional 18 kWh available for net metering. Jeff Wright reported that in the past month, a small waiting list has developed, and if the re-calculations are correct, individuals can be approved now. There followed a discussion on developing criteria for the waiting list, especially if a property owner is not ready to install a project when they become eligible.
- Socha Cohen asked if the board could make the technical details more accessible to interested persons by creating materials that explain the context of an issue, how a public utility works, relevant regulations, and a list of vocabulary. Mary Jane Balser pointed out how helpful, concise statements are, such as the current estimate that for every 1% of net metering, the utility endures a cost of \$20,000, an expense that is then passed on to all ratepayers.
- Elliot Taubman asked to include an analysis of net metering versus avoided costs. There was a discussion about avoided costs and the energy efficiency program.
- Chris Warfel asked if some of the current assets can be used to develop energy storage at BIPCO. Barbara MacMullan indicated that that would be a possibility, and the analysis should include the capital and social costs associated with sea-level rise when estimating the cost-benefits of replacing fossil fuels with renewables.
- Tony Pappas expressed concern that a delay in the new tariff may impact the new private solar initiative he is helping promote. Barbara MacMullan thought that there might not be a need to delay the new program.
- Chris Warfel noted that 40% of the costs of installing solar on the island now remain in the island economy.
- Barbara MacMullan suggested the board hold a meeting dedicated to just this topic after the board has received the necessary data.

No Action Taken

9. Discuss and Act on Draft Conflict of Interest and Record Retention Policies

- Barbara MacMullan asked if the COI policy language referencing mandated recusal could be simplified. Christine Grele responded that the language came from the state ethics guidelines. Kim Gaffett

questioned if this board needed to follow the state guidelines. Christine Grele reported that she would follow up on the question at the town ethics training scheduled for the next day. Bill Penn asked for more clarification on whether board members can receive meals while fulfilling their duties. Barbara MacMullan said she wanted to check in with legal counsel on the interpretation of the ban on compensation for board members to clarify if reimbursements for training and travel are considered compensation.

Tabled until more information is available

10. Review potential items for future agenda and confirm next meeting times

- Tony Pappas asked when the next meeting was. Barbara MacMullan reported that it is usually the fourth Tuesday of the month, but the November meeting falls close to Thanksgiving so that the board may reschedule, and they may add a meeting if the net metering data is available sooner.

No Action Taken

At 5:23 PM, Barbara MacMullan moved to go into closed session, seconded by William Penn. Ayes 5: (MacMullan, Shorey, Penn, Balser, and Taubman).

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)

At 5:40 PM, Barbara MacMullan moved to go out of closed session, seconded by Everett Shorey. Ayes 5: (MacMullan, Shorey, Penn, Balser, and Taubman).

Barbara MacMullan moved to seal the minutes of the closed session, seconded by Everett Shorey. Ayes 5: (MacMullan, Shorey, Penn, Balser, and Taubman).

At 5:41, Barbara MacMullan moved to adjourn, seconded by Everett Shorey. Ayes 5: (MacMullan, Shorey, Penn, Balser, and Taubman).

Approved 12/3/2019