

BLOCK ISLAND UTILITY DISTRICT



BIUD recently completed a new pole yard that meets best industry practices for storing wood poles treated with penta-chlorophenol. These storage bunks improve the employee safety aspect of loading/off-loading poles, relocates the poles away from a Class I wetland buffer and improves the “road appeal” from Beach Avenue. This latest project is a continuation of our work towards cleaning up the facility, making full use of the property and improving the workplace for our employees.

**BOARD OF COMMISSIONERS MEETING
OCTOBER 10, 2020**

AGENDA ITEM 1
PUBLIC INPUT

(THIS PAGE INCLUDED FOR NOTES)

AGENDA ITEM 2
COMMISSIONER'S REPORT

(THIS PAGE INCLUDED FOR NOTES)

AGENDA ITEM 3
APPROVE MEETING MINUTES
August 22, 2020 Annual Meeting

Block Island Utility District
ANNUAL MEETING
August 22, 2020
4:00 PM

HELD REMOTELY VIA ZOOM DUE TO COVID-19 AND TOWN OF NEW SHOREHAM
EMERGENCY ORDER

Minutes

Participating BOD Members Present via ZOOM: Barbara MacMullan, Everett Shorey, Elliot Taubman and Mary Jane Balser.

Absent: Bill Penn

Also present: President Jeffery Wright, Renee Myers from the BI Times and the following members/residents: Tony Pappas, Chris Warfel, Kim Gaffett, Ken LaCoste, Don McCluskey, Dave Lewis, Ray Torrey and Donna Corey.

Board Chair Barbara MacMullan called the meeting at 4:00 PM.

1. Public Input

- President Jeffery Wright read a text that he had received from Josie Merck prior to the meeting with a question/input. She was asking about charging stations for electric cars on the island and if the BIUD had considered installing one at their headquarters. She voiced her support and encouragement for the BIUD to consider it.
- Donna Corey (joined late) offered her compliments to the BIUD for doing a great job and applauded our progress.

2. Commissioner's Report

- Board Chair Barbara MacMullan thanked the attending members for joining the meeting and offered an update that included the completion and implementation of the new rate design, a net metering update and voiced the board's commitment to enhance employee housing at the power company. She thanked the BIUD members for their support, the board for the commitment and hard work spent on some very difficult issues and also thanked President Jeffery Wright for his leadership and commitment to making countless improvements at the power company.

3. Treasurer's Report

- President Jeffery Wright presented the treasurers report in the absence of Treasurer Bill Penn. Mr. Wright reported that the company's financial position was strong, that the present debt to equity ratio had gotten as high as 12% in the fall and was presently at roughly 6%. He explained the importance of building BIUD's equity ratio to 20% in the next four years to meet CFC's recommendations which will eventually result in better borrowing metrics. Mr. Wright discussed the COVID impact to sales and reported that despite a slow May and June that sales had recovered and he expected that the revenues may recover to normal levels.

- Mr. Wright explained that all of the company's financials are posted to the company's website (www.blockislandpowercompany.com) and encouraged everyone to review them occasionally.
- Mr. Wright also reported the company had conducted its first financial audit and the firm Marcum was retained for a three-year period. He explained the importance of a fresh look at BIUD's financial procedures and that the audit firm and the BIUD was actively working on reporting improvements that would improve the efficiency of next year's audit.

4. President's Report

- President Jeffery Wright thanked all the BIUD members for their support and engagement in the company's activities.
- Mr. Wright thanked the BIUD board for their continuing support and recognized the employees for their commitment and hard work in advancing the company's goals and improving member service.
- Mr. Wright described BIUD's actions to mitigate the effects of COVID. He explained the company's commitment to the employee's safety and the steps they all took to mitigate a pending financial crisis. Those steps included cutting any discretionary spending, postponing raises normally awarded June 1st and putting a hold on all O&M and capital projects that would not negatively impact safety or reliability. He also reports that they had received a PPP loan from Washington Trust or roughly \$150,000.
- Mr. Wright explained that there was a July 1st adjustment to the Standard Offer and Transmission rates to make up for reduced sales and that by the end of summer an analysis would be done to determine if a re-adjustment would be necessary.
- Mr. Wright provided an update on BIUD's capital improvement plans which included more pole replacements (25% of all poles on the island had been changed), that Verizon was still funding their share of those replacements, that the New Harbor circuit had been completely rebuilt to provide additional capacity, that additional capacitor banks in strategic locations were installed and enhanced lightning protection was installed around the island.
- Mr. Wright provided a maintenance update that included tree trimming, infra-red inspections, vine removal and a meter audit.
- Mr. Wright reports that the capital and maintenance work that had been done has so far resulted in no major outages during the summer peak period.
- Additional updates were provided on net metering, power supply, future capital projects (voltage conversion, pole replacements and additional voltage control devices), ground contamination clean-up, spare N-Grid transformer and the N-Grid cable repairs.

4. Questions and Answers

- Several questions were asked by members in attendance that ranged from valuing member owned generation, power supply strategies, net metering and other general topics. The questions were answered by Board Chair Barbara MacMullan and President Jeffery Wright. A complete recording of the meeting is posted to BIUD's website where all the member questions and responses can be viewed.
- Closely comments were made by Commissioners thanking Mr. Wright for his leadership and voiced their optimism for another good upcoming year.

The meeting was adjourned at 5:35 PM.

AGENDA ITEM 4
RECEIVE AND ACT ON TREASURES REPORT
FINANCIALS YTD JULY 31, 2020 & AUGUST 31, 2020

Block Island Utility District
Balance Sheet
July 31, 2020

ASSETS

	July 30, 2020	July 30, 2019
<u>Property and Equipment</u>		
Land	\$ 867,685.78	\$ 840,271.79
Buildings	550,224.70	464,663.03
Machinery & Equipment	1,593,257.83	1,973,972.46
Distribution System	2,513,707.59	2,002,817.07
Office System, Furniture & Fixture	288,964.68	273,903.60
Transportation Equipment	19,945.60	12,289.57
Construction Work in Progress-Distribution	535,873.10	175,390.25
Total Property and Equipment	6,369,659.28	5,743,307.77
Total Accumulated Depreciation	<355,252.62>	<90,050.00>
<i>Net Utilities Plant</i>	6,014,406.66	5,653,257.77
<u>Current Assets</u>		
Cash - Main Checking	273,293.30	155,050.28
Cash - Sweep Acct	18,816.27	40,592.12
Accounts Receivable Elect	33,288.91	61,677.15
Allowance For Bad Debt	(19,587.93)	(19,587.93)
Accounts Receivable-Other	2,484.85	8,762.33
AR-Cash due from BIPCo	16,090.16	6,422.12
AR-Blackrock Acct due from BIPCo	0.00	180,969.28
Unbilled Revenue	1,099,354.52	1,005,351.40
Plant Material & Operation	349,678.01	190,545.76
Fuel Inventory	45,439.02	58,887.45
Prepaid Expenses	23,139.79	51,619.18
Total Current Assets	1,841,996.90	1,740,289.14
<u>Deferred Assets</u>		
Def. Regulatory Asset-retiremt	202,750.88	197,585.35
Def. Regulatory Asset-Eng.Res	0.00	0.00
Def. Regulatory Asset-RateCase	106,838.77	0.00
Def.Regulatory Asset-Interconnection	126,884.12	164,834.76
Total Deferred Assets	436,473.77	362,420.11
Total Assets	\$ 8,292,877.33	\$ 7,755,967.02

Block Island Utility District
Balance Sheet
July 31, 2020

LIABILITIES AND CAPITAL

	July 30, 2020	July 30, 2019
<i>Current Liabilities</i>		
Accounts Payable Trade	\$ 417,428.99	\$ 87,073.97
AP-NISC Admin Software	0.00	0.00
A/P - Customer Deposits	79,147.92	69,369.00
Accrued Purchase Power Expenses	230,590.76	271,885.77
Accrued Other Expenses	10,118.21	31,840.05
DSI Surcharge Payable	0.00	(22,640.20)
Capital Fund	32,823.98	0.00
PPP Loan	149,837.00	0.00
Accrued Payroll and Withholdings	2,983.18	0.00
Total Current Liabilities	922,930.04	437,528.59
<i>Deferred Credits</i>		
Deferred Revenue	198,251.27	180,349.94
SOLAR RESTRICTED ACCOUNT	470.00	0.00
VOLTAGE CONVERSION RESTRICTED	13,981.00	0.00
SCR & Engine Maint Reserve	0.00	380,714.63
Total Deferred Credits	212,702.27	561,064.57
<i>Long-Term Liabilities</i>		
Line of Credit	350,000.00	340,943.22
Retirement Obligations	202,750.88	197,585.35
CFC Acquisition LOAN	5,722,226.21	5,800,000.00
Total Long-Term Liabilities	6,274,977.09	6,338,528.57
Total Liabilities	7,410,609.40	7,337,121.73
<i>Capital</i>		
Retained Earnings	815,649.00	(24,050.53)
Net Income	66,618.93	442,895.82
Total Capital	882,267.93	418,845.29
Total Liabilities & Capital	\$ 8,292,877.33	\$ 7,755,967.02
	-	0.00

Block Island Utility District
Income Statement
For the Seven Months Ending July 31, 2020

	Current Month Actual	Current Month Prior Year	Year to Date Actual	Year to Date Budget
Revenues				
<u>Revenue from Rates</u>				
Residential Sales	\$ 283,040.91	\$ 139,107.93	\$ 466,280.19	\$ 412,074.00
Commercial Sales	59,231.36	45,391.63	106,323.38	147,934.00
Demand Electric	235,273.25	272,307.37	485,651.72	514,857.00
Public Authority	-	28,459.49	31,166.93	35,805.00
Street Lighting	584.03	584.03	4,088.21	4,088.21
Customer Charge	22,678.00	26,227.03	177,546.16	177,956.00
Demand - All Rates	26,686.25	89,300.29	106,883.63	104,576.00
Efficiency Charges	21,079.18	-	25,697.54	24,838.00
System Charge	28,850.00	24,560.18	44,625.00	43,550.00
RI Renewable Fund	706.73	-	1,057.50	1,886.48
<u>Other Revenue from Operations</u>				
Billor Penalty (Interest on Delinquent Accts)	-	1,672.94	6,567.50	12,470.50
Rent - Antennas	18,891.68	15,891.71	132,241.76	132,241.76
Rent - Tower	800.00	-	5,600.00	5,600.00
Rent - Property	2,400.00	7,297.54	16,800.00	16,800.00
Misc. Income (Misc., Interest & Connections)	375.00	230.72	10,225.71	2,232.42
Total Revenues	700,596.39	651,030.86	1,620,755.23	1,636,909.36
Expenses				
Total Generation-Operating Expense	14,056.35	12,011.85	112,221.66	130,182.50
Total Generation-Maintenance Expense	5,903.94	4,828.35	59,879.60	101,908.33
Total Distribution-Operating Expense	24,338.22	23,533.83	86,257.61	199,658.08
Total Distribution-Maintenance Expense	28,300.75	17,050.09	202,966.31	211,980.42
Total Customer Accounts/Customer Service	5,635.00	4,865.00	39,754.80	38,939.83
Total Administrative/General Expenses	77,291.45	109,649.53	756,703.46	622,817.42
Total Depreciation Expenses	22,203.00	21,647.00	155,421.00	-
Total Interest Exp on Line & Long- term debt	-	-	101,448.26	105,432.00
Total Miscellaneous Expense	375.00	900.43	1,781.69	71,561.00
Total Taxes	5,615.82	4,708.24	37,701.91	35,223.42
Total Expenses	183,719.53	199,194.32	1,554,136.30	1,517,703.00
Net Profit Before Fuel Rev./Exp.	516,876.86	451,836.54	66,618.93	119,206.36
<u>Fuel Expenses/(Revenue)</u>				
Fuel/Standard Offer/Transmission income	(420,740.43)	(379,164.77)	(1,202,942.77)	(1,187,844.00)
Purchase Power Expenses	217,478.12	193,867.44	1,129,818.90	1,219,674.00
Net SO/TC due to ratepayers	203,262.31	185,297.33	73,123.87	(31,830.00)
Net Fuel Expense/(Revenue)	-	-	0.00	-
Net Income	\$ 516,876.86	\$ 451,836.54	\$ 66,618.93	\$ 119,206.36
<u>Reserves Expenditures</u>				
Remove Depreciation Adj (A)	(22,203.00)	(21,647.00)	(155,421.00)	-
Debt Service Principal (includes CAT)	-	-	52,084.92	52,084.92
Inventory Purchased	58,373.94	-	111,273.94	54,250.00
Capital Exp - Work In Progress	25,964.09	7,419.64	535,873.10	215,507.25
Capital Exp - Distrib Work	-	-	-	-
Capital Exp - Other Assets	-	-	-	-
Total Reserve for Exp.	62,135.03	(14,227.36)	543,810.96	321,842.17
Net Income Cash Budgetary Basis	\$ 454,741.83	\$ 466,063.90	\$ (477,192.03)	\$ (202,635.81)

Block Island Utility District
Supplemental Information Statement
For the Seven Months Ending July 31, 2020

	July 2020	July 2019	YTD July 2020	YTD July 2019
Rate Revenues				
Residential Sales	\$ 283,040.91	\$ 139,107.93	\$ 466,280.19	\$ 327,385.91
Commercial Sales	59,231.36	45,391.63	106,323.38	115,585.93
Demand Electric	235,273.25	272,307.37	485,651.72	633,899.60
Public Authority	-	28,459.49	31,166.93	81,658.01
Street Lighting	584.03	584.03	4,088.21	4,083.06
Customer Charge	22,678.00	26,227.03	177,546.16	182,852.59
Demand - All Rates	26,686.25	89,300.29	106,883.63	209,255.05
System Charge	28,850.00	24,560.18	44,625.00	38,467.89
Total Revenues	656,343.80	625,937.95	1,422,565.22	1,593,188.04
	4.86%		-10.71%	
Rate Revenues -KWH Usage				
Residential Sales	993,126	579,858	2,696,048	2,111,884
Commercial Sales	173,699	171,160	1,238,959	1,277,740
Demand Electric	941,093	1,246,258	2,771,154	3,443,947
Public Authority	-	142,480	972,263	1,251,853
Total Revenues	2,107,918	2,139,756	7,678,424	8,085,424
	-1.49%		-5.03%	
Rate Revenues -Customer Counts				
Residential Sales	1,503	1,271	9,331	9,020
Commercial Sales	304	287	5,955	6,039
Demand Electric	144	348	5,712	6,192
Public Authority	-	33	5,088	5,275
Total Revenues	1,951	1,939	26,086	26,526

	July 2020	July 2019	YTD July 2020	YTD July 2019
Payroll				
Capital Exp - Work In Progress				
Capitalized Labor	\$ 3,936.92	\$ 7,419.64	\$ 71,812.64	\$ 96,836.22
Generation-Maintenance Expense				
Inside Maintenance	-	-	-	3,816.00
Maint of Station Equipment	13,504.56	9,431.28	93,975.00	86,481.59
Distribution-Operating Expense				
Overhead lines	-	9,084.83	5,364.64	30,309.51
Distribution-Maintenance Expense				
Overhead Lines	28,212.94	10,311.39	108,024.94	45,319.69
tree trimming			2,115.43	-
Customer Accounts/Customer Service				
Records & Collections	5,635.00	4,865.00	35,406.00	37,092.80
Administrative/General Expenses				
Vacation Pay	1,899.16	1,224.60	15,392.74	14,890.64
Holidays worked	2,122.64	2,466.24	10,480.40	8,328.88
Holidays not worked	-	-	-	-
Sick Leave	399.36	2,832.40	3,800.62	9,085.69
Personal time	1,003.26	1,227.04	2,651.13	3,141.24
CEO Salary	15,153.25	11,826.92	92,434.82	84,156.81
Total	\$ 71,867.09	\$ 60,689.34	\$ 441,458.36	\$ 419,459.07

Block Island Utility District
Balance Sheet
August 31, 2020

ASSETS

	August 31, 2020	August 31, 2019
<u>Property and Equipment</u>		
Land	\$ 867,685.78	\$ 840,271.79
Buildings	550,224.70	464,663.03
Machinery & Equipment	1,593,257.83	1,973,972.46
Distribution System	2,462,909.59	2,002,817.07
Office System, Furniture & Fixture	288,964.68	273,903.60
Transportation Equipment	19,945.60	12,289.57
Construction Work in Progress-Distribution	539,982.10	654,944.46
Total Property and Equipment	6,322,970.28	6,222,861.98
Total Accumulated Depreciation	<355,252.62>	<111,610.00>
<i>Net Utilities Plant</i>	5,967,717.66	6,111,251.98
<u>Current Assets</u>		
Cash - Main Checking	886,375.84	546,701.97
Cash - Sweep Acct	19,752.30	134,889.50
Accounts Receivable Elect	140,740.82	84,434.55
Allowance For Bad Debt	(19,587.93)	(19,587.93)
Accounts Receivable-Other	1,028.93	8,762.33
AR-Cash due from BIPCo	16,090.16	6,422.12
AR-Blackrock Acct due from BIPCo	0.00	143,351.16
Unbilled Revenue	1,134,135.38	991,172.25
Plant Material & Operation	349,678.01	190,545.76
Fuel Inventory	45,439.02	58,887.45
Prepaid Expenses	22,731.57	51,619.18
Total Current Assets	2,596,384.10	2,197,198.34
<u>Deferred Assets</u>		
Def. Regulatory Asset-retiremt	202,750.88	197,585.35
Def. Regulatory Asset-Eng.Res	0.00	0.00
Def. Regulatory Asset-RateCase	106,838.77	0.00
Def.Regulatory Asset-Interconnection	123,384.12	164,834.76
Total Deferred Assets	432,973.77	362,420.11
Total Assets	\$ 8,997,075.53	\$ 8,670,870.43

Block Island Utility District
Balance Sheet
August 31, 2020

LIABILITIES AND CAPITAL

	August 31, 2020	August 31, 2019
<i>Current Liabilities</i>		
Accounts Payable Trade	\$ 311,148.20	\$ 472,468.18
AP-NISC Admin Software	0.00	0.00
A/P - Customer Deposits	79,147.92	69,969.00
Accrued Purchase Power Expenses	228,610.27	278,885.77
Accrued Other Expenses	10,118.21	31,840.05
DSI Surcharge Payable	0.00	(42,640.20)
Capital Fund	54,739.53	0.00
PPP Loan	149,837.00	0.00
Accrued Payroll and Withholdings	3,526.02	0.00
Total Current Liabilities	837,127.15	810,522.80
<i>Deferred Credits</i>		
Deferred Revenue	400,506.14	300,349.94
SOLAR RESTRICTED ACCOUNT	2,668.00	0.00
VOLTAGE CONVERSION RESTRICTED	28,335.00	0.00
SCR & Engine Maint Reserve	0.00	380,714.63
Total Deferred Credits	431,509.14	681,064.57
<i>Long-Term Liabilities</i>		
Line of Credit	350,000.00	340,943.22
Retirement Obligations	202,750.88	197,585.35
CFC Acquisition LOAN	5,748,387.21	5,800,000.00
Total Long-Term Liabilities	6,301,138.09	6,338,528.57
Total Liabilities	7,569,774.38	7,830,115.94
<i>Capital</i>		
Retained Earnings	815,649.00	(24,050.53)
Net Income	611,652.15	864,805.02
Total Capital	1,427,301.15	840,754.49
Total Liabilities & Capital	\$ 8,997,075.53	\$ 8,670,870.43

Block Island Utility District
Income Statement
For the Eight Months Ending August 31, 2020

	Current Month Actual	Current Month Prior Year	Year to Date Actual	Year to Date Budget
Revenues				
<u>Revenue from Rates</u>				
Residential Sales	\$ 280,407.22	\$ 135,536.06	\$ 746,687.41	\$ 669,644.00
Commercial Sales	56,767.63	37,333.53	163,091.01	216,918.00
Demand Electric	260,299.00	269,845.10	745,950.72	793,380.00
Public Authority	-	25,397.75	31,166.93	35,805.00
Street Lighting	584.03	584.03	4,672.24	4,672.24
Customer Charge	22,686.00	26,165.13	200,232.16	201,754.00
Demand - All Rates	24,697.50	88,205.29	131,581.13	132,733.00
Efficiency Charges	21,915.55	-	47,613.09	47,040.00
System Charge	28,300.00	24,287.24	72,925.00	72,575.00
RI Renewable Fund	559.69	-	1,617.19	3,572.74
<u>Other Revenue from Operations</u>				
Billor Penalty (Interest on Delinquent Accts)	-	1,909.14	6,567.50	14,252.00
Rent - Antennas	18,891.68	15,891.71	151,133.44	151,133.44
Rent - Tower	800.00	-	6,400.00	6,400.00
Rent - Property	2,400.00	7,297.54	19,200.00	19,200.00
Misc. Income (Misc., Interest & Connections)	-	-	10,225.71	2,551.33
Total Revenues	718,308.30	632,452.52	2,339,063.53	2,371,630.76
Expenses				
Total Generation-Operating Expense	3,443.28	31,272.28	115,664.94	148,780.00
Total Generation-Maintenance Expense	1,204.80	4,915.69	61,084.40	116,466.67
Total Distribution-Operating Expense	27,511.19	13,755.88	113,768.80	228,180.67
Total Distribution-Maintenance Expense	21,900.90	10,465.48	224,867.21	242,263.33
Total Customer Accounts/Customer Service	4,389.00	5,633.50	44,143.80	44,502.67
Total Administrative/General Expenses	77,535.40	116,037.77	834,238.86	711,791.33
Total Depreciation Expenses	-	21,647.00	155,421.00	-
Total Interest Exp on Line & Long- term debt	28,036.00	-	129,484.26	105,432.00
Total Miscellaneous Expense	4,672.24	1,033.97	6,453.93	81,784.00
Total Taxes	4,582.27	5,781.79	42,284.18	40,255.33
Total Expenses	173,275.08	210,543.36	1,727,411.38	1,719,456.00
Net Profit Before Fuel Rev./Exp.	545,033.22	421,909.16	611,652.15	652,174.76
<u>Fuel Expenses/(Revenue)</u>				
Fuel/Standard Offer/Transmission income	(437,434.38)	(365,990.85)	(1,640,377.15)	(1,547,399.00)
Purchase Power Expenses	239,851.75	302,815.50	1,369,670.65	1,474,819.00
Net SO/TC due to ratepayers	197,582.63	63,175.35	270,706.50	72,580.00
Net Fuel Expense/(Revenue)	(0.00)	0.00	-	-
Net Income	\$ 545,033.22	\$ 421,909.16	\$ 611,652.15	\$ 652,174.76
<u>Reserves Expenditures</u>				
Remove Depreciation Adj (A)	-	(21,647.00)	(155,421.00)	-
Debt Service Principal (includes CAT)	-	-	52,084.92	52,084.92
Inventory Purchased	-	44,210.12	111,273.94	62,000.00
Capital Exp - Work In Progress	4,109.00	53,948.54	539,982.10	246,294.00
Capital Exp - Distrib Work	-	-	-	-
Capital Exp - Other Assets	-	-	-	-
Total Reserve for Exp.	4,109.00	76,511.66	547,919.96	360,378.92
Net Income Cash Budgetary Basis	\$ 540,924.22	\$ 345,397.50	\$ 63,732.19	\$ 291,795.84

Block Island Utility District
Supplemental Information Statement
For the Eight Months Ending August 31, 2020

	August 2020	August 2019	YTD August 2020	YTD August 2019
Rate Revenues				
Residential Sales	\$ 280,407.22	\$ 135,536.06	\$ 746,687.41	\$ 462,921.97
Commercial Sales	56,767.63	37,333.53	163,091.01	152,919.46
Demand Electric	260,299.00	269,845.10	745,950.72	903,744.70
Public Authority	-	25,397.75	31,166.93	107,055.76
Street Lighting	584.03	584.03	4,672.24	4,667.09
Customer Charge	22,686.00	26,165.13	200,232.16	209,017.72
Demand - All Rates	24,697.50	88,205.29	131,581.13	297,460.34
System Charge	28,300.00	24,287.24	72,925.00	62,755.13
Total Revenues	673,741.38	607,354.13	2,096,306.60	2,200,542.17
	10.93%		-4.74%	
Rate Revenues -KWH Usage				
Residential Sales	983,855	564,969	3,679,903	2,676,853
Commercial Sales	165,474	174,775	1,404,433	1,452,515
Demand Electric	1,041,196	1,238,327	3,812,350	4,682,274
Public Authority	-	127,087	972,263	1,378,940
Total Revenues	2,190,525	2,105,158	9,868,949	10,190,582
	4.06%		-3.16%	
Rate Revenues -Customer Counts				
Residential Sales	1,511	1,263	10,842	10,283
Commercial Sales	300	286	6,255	6,325
Demand Electric	143	359	5,855	6,551
Public Authority	-	33	5,088	5,308
Total Revenues	1,954	1,941	28,040	28,467

	August 2020	August 2019	YTD August 2020	YTD August 2019
Payroll				
Capital Exp - Work In Progress				
Capitalized Labor	\$ 3,199.40	\$ 15,943.69	\$ 75,012.04	\$ 112,779.91
Generation-Maintenance Expense				
Inside Maintenance	-	-	-	3,816.00
Maint of Station Equipment	4,352.88	14,879.04	98,327.88	101,360.63
Distribution-Operating Expense				
Overhead lines	5,690.64	4,708.71	11,055.28	35,018.22
Distribution-Maintenance Expense				
Overhead Lines	21,900.90	9,034.63	129,925.84	54,354.32
tree trimming			2,115.43	-
Customer Accounts/Customer Service				
Records & Collections	4,389.00	5,271.00	39,795.00	42,363.80
Administrative/General Expenses				
Vacation Pay	4,498.32	6,411.64	19,891.06	21,302.28
Holidays worked	2,122.64	-	12,603.04	8,328.88
Holidays not worked	-	-	-	-
Sick Leave	1,507.36	3,875.36	5,307.98	12,961.05
Personal time	600.80	-	3,251.93	3,141.24
CEO Salary	12,291.35	14,783.65	104,726.17	99,940.46
Total	\$ 60,553.29	\$ 74,907.72	\$ 502,011.65	\$ 495,366.79

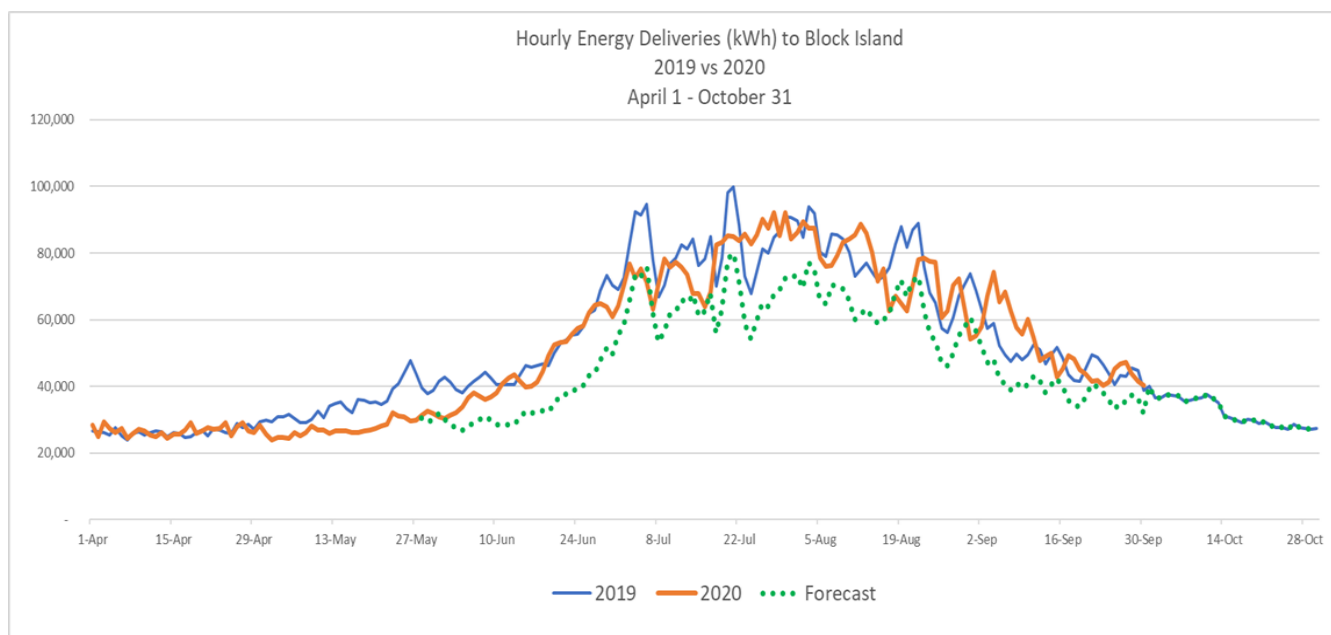
AGENDA ITEM 5
RECEIVE AND ACT ON PRESIDENTS REPORT

PRESIDENT'S UPDATE

OCTOBER 10, 2020

Update on Summer Sales/Financials

As shown in the chart below, electric sales recovered to a near normal level after about mid-July. Retail sales through the September billing (October 1st) are within 2% of last years sales.



Standard Offer/Transmission Rate (Under/Over Collections)

At the time of publishing this report, this analysis was still in progress. It will be reported out during the meeting.

ISO-NE Proposed Rule Changes for Peak Shaving

BIUD has been discussing peak shaving with RI-DEM over the summer and it was decided that a permit change and installation of stack emissions monitoring equipment would be required. We recently received quotes for installing the monitoring equipment and the low and most qualified bidder came in at roughly \$30K per generator. While evaluating the bids we learned that the ISO-NE is proposing to change the rules regarding peak shaving which would negate any benefit from running the generators. The proposed ISO-NE language is included below:

ISO New England Inc. Transmission, Markets, and Services Tariff, Section 1.2.2 Regional

Network Load is the load that a Network Customer designates for Regional Network Service under Part II.B of the OATT. The Network Customer's Regional Network Load shall include all load designated by the Network Customer (including losses) and shall not be credited or reduced for any behind-the-meter generation. A Network Customer may elect to designate less than its total load as Regional Network Load but may not designate only part of the load at a discrete Point of Delivery. Where a Transmission Customer has elected not to designate a particular load

at discrete Points of Delivery as Regional Network Load, the Transmission Customer is responsible for making separate arrangements under Part II.C of the OATT for any Point-To-Point Service that may be necessary for such non-designated load.

ENE has been at the forefront on the issue engaging the IMM and other New England stakeholders to try to achieve a positive outcome. That work is ongoing and may take a year which will most likely include a FERC proceeding. Meanwhile we will put the peak shaving project on hold.

This rule change will also have a dampening effect on utility scale battery projects in New England as the RNS savings is a big component of the economic model used to analyze the cost effectiveness of these projects – including anything on Block Island.

The rule change will also remove the transmission benefits of our BIUD rooftop solar generation as we would have to add that generation back into our load prior to settlement.

We will monitor this proceeding closely.

2021 Budget Process/Schedule

I will prepare and present the 2021 operating and capital budgets in the November board meeting for your consideration and approval. As expected it will be revenue neutral based on revenues used in the most recent rate case.

Net Metering Update

There is still no indication that the House will meet to take up our Net Metering Statute amendment in 2020. Despite regular updates from Representative Filippi, there has been no action taken by the House. We have therefore not filed our new net metering tariff with the PUC and won't until the state law is changed. In the meantime, solar net metering continues to be developed on Block Island under our existing program and as "QF" (PURPA - Qualifying Facilities) projects.

Existing Tariff

We have received applications that have filled the 3% cap. These projects are being installed or are planned to be installed by the developers in the upcoming months.

We currently have 110 kW of residential solar installed. There is another 43 kW approved and being planned/built now under the existing tariff. This comprises the 3% cap.

There is an additional 57 kW of commercial (grandfathered under the existing tariff) solar net metering installed.

QF Projects

We have 10 kW of “QF” solar generation installed and operating. The current credit is our Standard Offer rate of \$0.10/kWh.

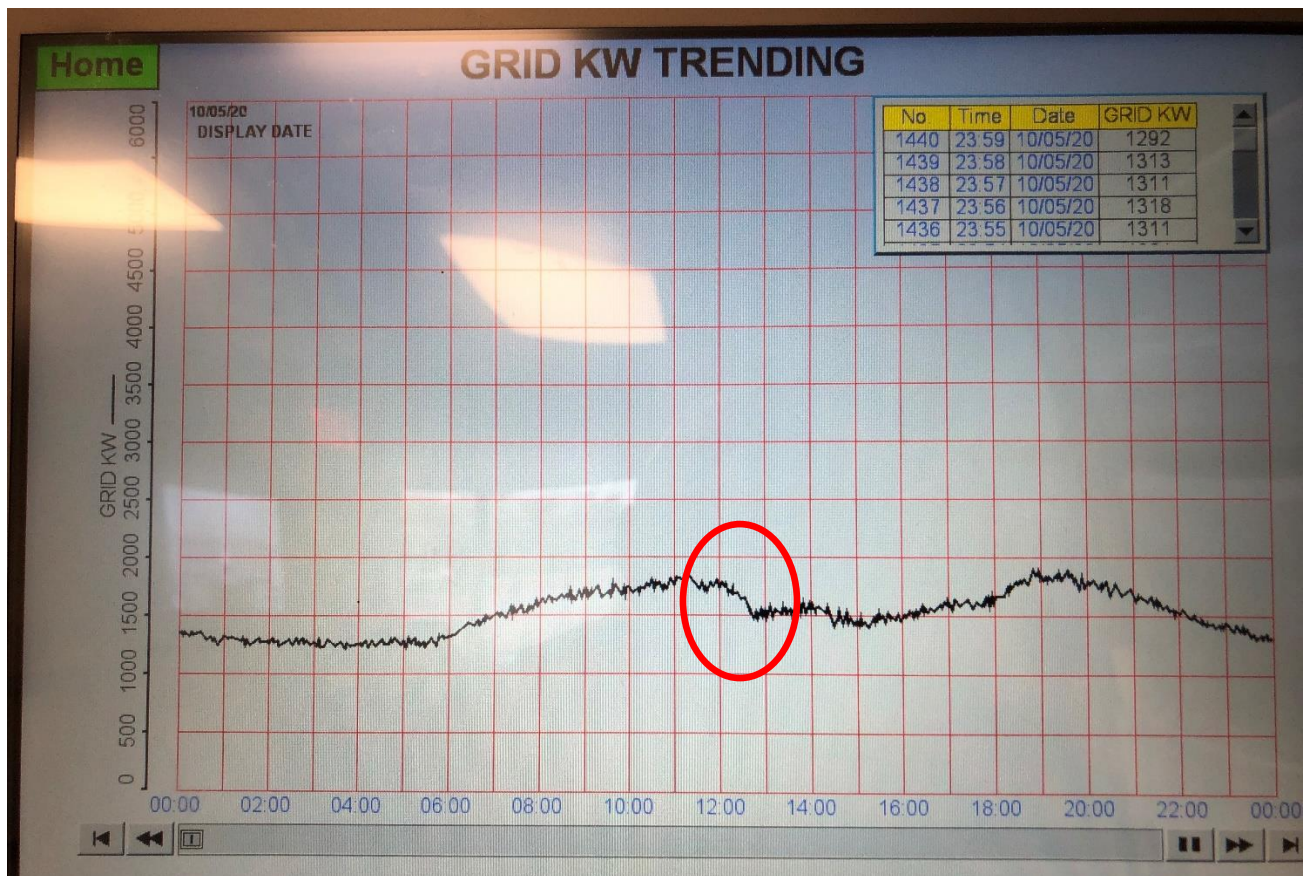
The Block Island Solar Initiative has submitted applications for an additional 32 kW (as of September 1st) which are being connected as QF projects with dual meters. The current credit is our Standard Offer rate of \$0.10/kWh.

BIUD Roof Top Solar

The donated BIUD roof top solar project went live in late July and is operating well. The generator has produced more than 26,500 kWh and has generated more than \$5,000 which will be directed towards the “Restricted Solar Fund” (restricted to array O&M, an end-of-life de-commissioning fund and contributions to Distribution System Improvement projects).

All totaled (including installed and proposed) solar on Block Island there will soon be more than 340 kW of solar connected to our system. On a sunny day with light loads solar could supply 1/3 of the island’s energy needs. This is not typical and is somewhat unprecedented. We should have a conversation on how to promote our support for local renewable energy not only as a utility district but as a community in general. Supporting the wind was our first step and now supporting the development of this level of solar should be celebrated and highlighted in our marketing of Block Island.

An example of how this effects our system load and National Grid deliveries can be seen in this recent load profile from last Monday. The drop of approximately 250 kW in National Grid deliveries occurred at approximately 11:45 AM when the storm cleared and the cloud cover cleared quickly.



This fluctuation in load flows has become more and more noticeable as more solar has been commissioned this summer. I want to stress the importance of getting the price right with our new net metering program. I predict that in the next year we could have as much as 500 kW of solar installed on the island. This is a good thing. It is evidence of our support for renewable energy but is also the reason that we need to price our new program as close to revenue neutral as possible.

Efficiency Plan Update

We have selected a consulting administration group and an energy-audit firm. The Johnson Consulting Group was the low bidder and most qualified for the administrative work and Energy New England was the low bidder and most qualified for the energy-audit work. We have kick off meetings scheduled for next week and will soon be releasing marketing materials and advertising the program specifics in the BI Times and social media.

Cell Tower Upgrade/Maintenance

A recent structural analysis has identified a need for some additional guying/anchoring on the cell tower. North East Tower is scheduled to conduct a field analysis next week and will make a recommendation for the structural enhancements necessary. There will be a cost share agreed upon for this work with at least AT&T. I will include the capital costs for the structural enhancements in the 2021 budget.

Soil Remediation

We received correspondence from DEM on Friday morning that is giving us direction to do more exploratory work before deciding on next steps. Below is the correspondence. I did not include the guidance on the additional exploratory work, but it includes additional drilling and excavation.

Hi,

Your email's timing is great, I was going to send you all a letter this week. A formal hard copy requirement letter will be issued by his office within the next 2 weeks. This email is a summary of that letter.

This office concurs that additional exploration is warranted at this site. Sofia Kazor agreed in concept to more assessment work in a February 19, 2019 email. A detailed proposal of will be needed for a final approval. This office will also have pre-construction discussions with you regarding UST Fund reimbursements, as you have requested.

Please note that the expanded exploration is necessary to better understand the current contamination situation at this site, both soil and groundwater. The 2006 shut down of active remediation was approved with the anticipation that the remaining contamination would degrade and reach acceptable levels within a few years. Unfortunately, this has not occurred and contamination remains significantly elevated. It is hoped that this expanded exploration will provide additional information on this elevated contamination. This office will examine the new information to determine which steps are needed to achieve the full remediation of the remaining contamination.

AGENDA ITEM 6
RECEIVE AND DISCUSS C. WARFEL CORRESPONDENCE

Jeffery Wright

From: Christopher Warfel <cwarfel@entech-engineering.com>
Sent: Monday, September 14, 2020 11:34 AM
To: Barbara MacMullan; Everett Shorey; Bill Penn; maryjanelogan@aol.com; Elliot Taubman; Jeffery Wright
Subject: Agenda Items

Hi, I am following up on the annual meeting for items we discussed that are to be placed on an agenda. This is what I have:

1) The effect of BIPCo net metering policy on a customer using current net metering and proposed net metering policies

In order to keep this simple, how about assuming:

a) for each summer "peak billing" month, the customer generates 400 kWh total. Of this:

i) 250 kWh is used for homeowner loads and never is exported back through the meter

ii) 150 kWh is exported back through the meter.

III) 300 kWh is imported through the meter to the homeowner

b) for each non summer "non peak billing month, the customer generates 250 kWh total. Of this:

i) 200 kWh is used for homeowner loads and never is exported back through the meter

ii) 50 kWh is exported back through the meter.

III) 150 kWh is imported through the meter to the homeowner

2) Load management study. Information has been presented to detail what this means/entails.

— MATERIALS INCLUDED

3) Separate minute taking from BIPCo management ✓

4) Separate Zoom meetings into closed and open meetings so no "editing" needs to take place. ✓

5) Confirmation that in the event of a disagreement between written minutes and Zoom recordings, Zoom will be the official record. ✓

6) Analysis that shows \$20,000 revenue loss to BICPCo as a function of each 1% of BIPCo peak that is filled by renewable energy projects eligible for net metering.

I think that is it. Thank you, Christopher Warfel

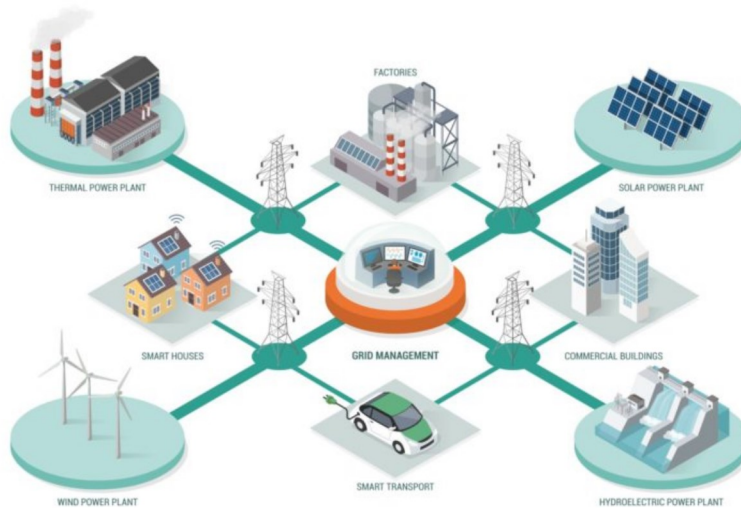
ANALYSIS PROVIDED AGAIN
WAS PART OF
EXHIBITS IN DOCKET
4975 - RATE CASE

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For electric utilities, it's no longer just a game of generating and selling power, but rather one of balancing a complex grid by understanding the basics of utility load management.

There are multiple electrical generation sources that tie into the grid today. Here are the major ones:

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While this generation mix makes for a very complex electric grid, utilities must still supply reliable power and offer attractive packages to keep current customers and attract new ones. This is accomplished through utility load management.

What is utility load management?

Utility load management is the process of balancing the supply of electricity on the power grid with the electrical load by adjusting or controlling the load rather than the power station output.

In short, utility load management helps utilities reduce demand for electricity during peak usage times ("peak shaving"), which can save utilities millions of dollars.

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Utilities should partner with experts to design a utility load management system

The following bullets are among the many services utilities have access to when partnering with a supply chain expert to design their load management system:

- Customer enrollment
- Performance tracking
- Capacity forecasting
- Dispatch optimization
- Device installation scheduling
- Device asset management
- Work-order management of demand response devices

What to look for in a utility load management system

- Automation and data integration capabilities
- The ability to link multiple customer systems (meter data management, weather feeds, SCADA (<https://inductiveautomation.com/what-is-scada>), advanced metering infrastructure, etc.)
- A system that avoids high peak demand pricing

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Tantalus is a great example of a utility load management partner (<http://www.tantalus.com/>).

The company's measurement and verification capabilities can be used to better negotiate rebates and savings.

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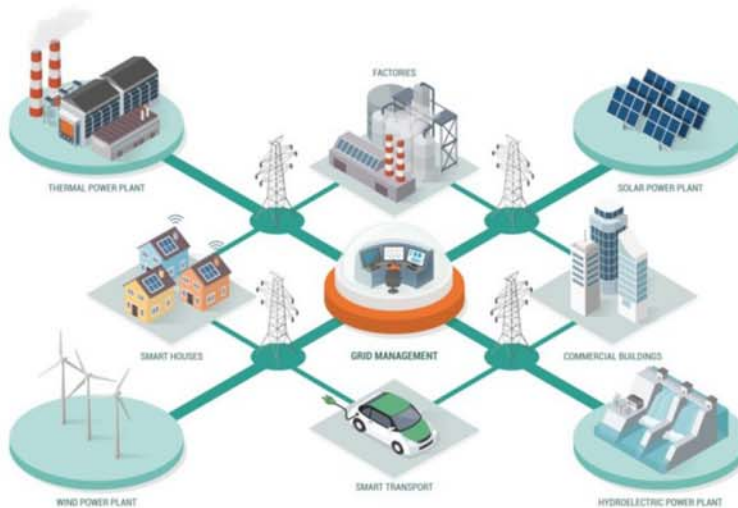
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Option A - Gives No CREDIT for Potential Transmission and Capacity Benefits		
Current Net Metering Penetration (kW)	158.01	
Hours in Year	8,760.00	
Estimated Solar Capacity Factor	0.18	
Annual Net Metering Self Generation kWh (Lost Sales - kWh)	249,150.17	
<u>Plant and Distribution Revenue Impacts</u>		
Estimated Blended Residential Plant & Distribution Rate (W \$0.091 - S \$0.2399)	\$0.1655	
Annual Net Metering Self Generation kWh (Lost Sales)	249,150.17	
Annual Lost Plant & Distribution Revenue		\$41,221.90
<u>Standard Offer and Transmission Revenue Impacts</u>		
Current Standard Offer Rate	\$0.0972	
Current Transmission Rate	\$0.0700	
Total Standard Offer and Transmission Rate	\$0.1672	
Credit for Energy Not Purchased	(\$0.0420)	
Total Standard Offer and Transmission Rate Minus Energy Not Purchased	\$0.1252	
Annual Lost Plant & Distribution Revenue		\$31,193.60
Estimated Total Annual Lost Revenue		\$72,415.50
Estimated Annual Lost Revenue Per 1% Net Metering Penetration		\$24,138.50
Option B - Gives FULL CREDIT for Potential Transmission and Capacity Benefits (ALL MONTHS)		
Current Net Metering Penetration (kW)	158.01	
Hours in Year	8,760.00	
Estimated Solar Capacity Factor	0.18	
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Current Standard Offer Rate	\$0.0972	
Current Transmission Rate	\$0.0700	
Total Standard Offer and Transmission Rate	\$0.1672	
Credit for Avoided Cost Cal	(\$0.1390)	
Total Standard Offer and Transmission Rate Minus Energy Not Purchased	\$0.0282	
Annual Lost Plant & Distribution Revenue		\$7,026.03
Estimated Total Annual Lost Revenue		\$48,247.93
Estimated Annual Lost Revenue Per 1% Net Metering Penetration		\$16,082.64

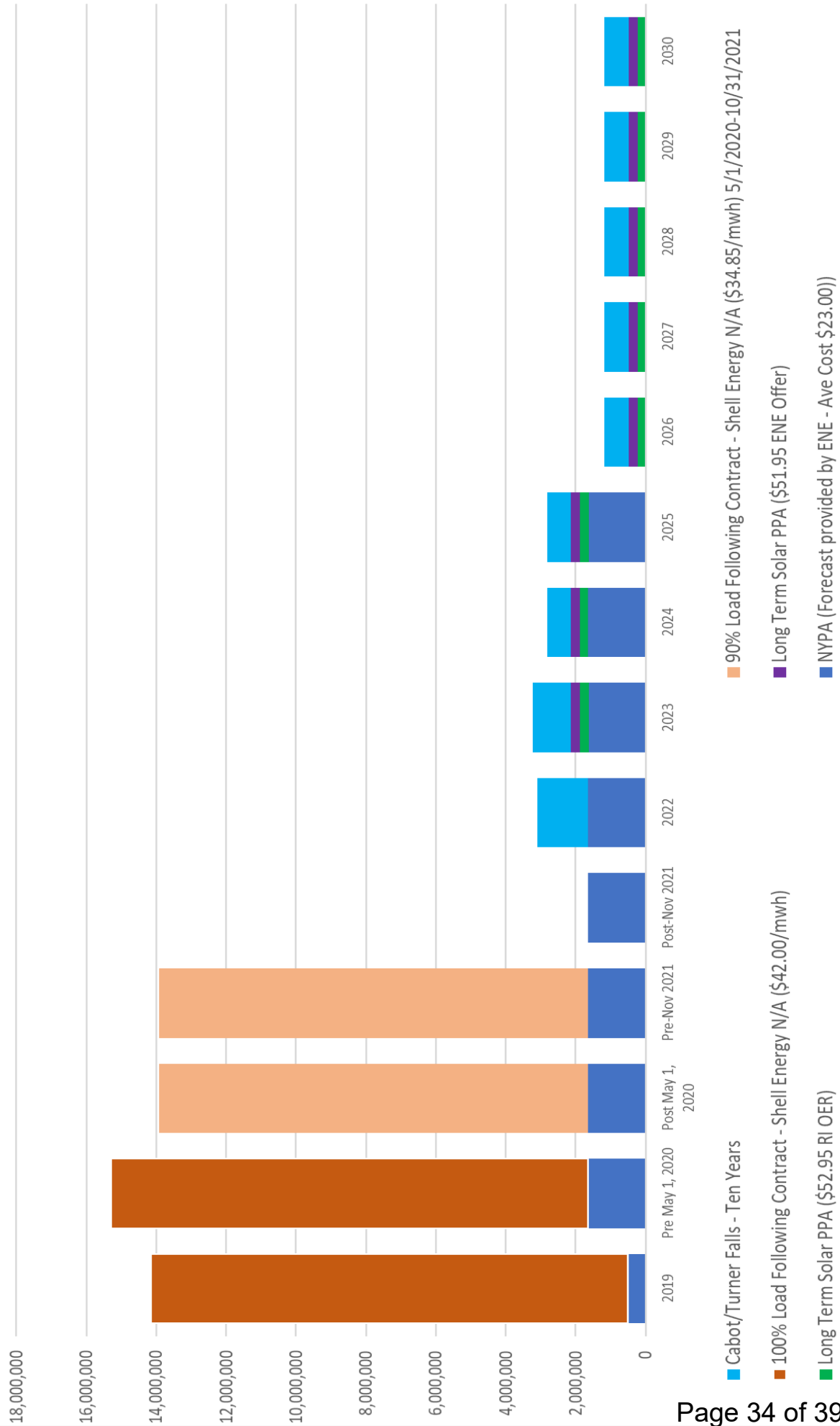
AGENDA ITEM 7
EMPLOYEE HOUSING PROJECT UPDATE

Some portions of this update may be held in Closed Session pursuant to RIGL 42-46-5 (a) (7) which is "A matter related to the question of the investment of public funds, which includes any investment plan or matter related thereto, where the premature disclosure would adversely affect the public interest."

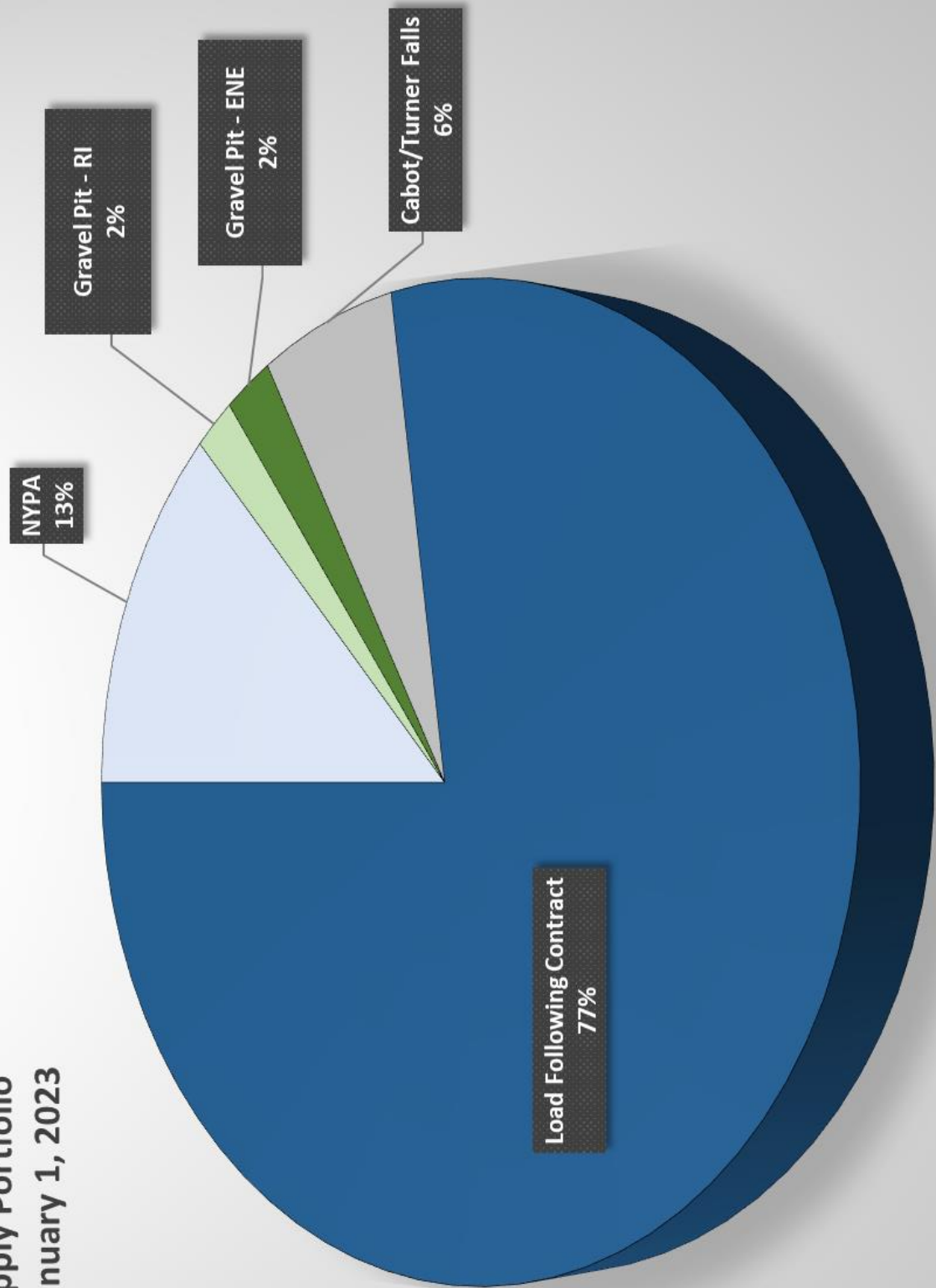
AGENDA ITEM 8
REVIEW AND ACT UPON CABOT/TURNER FALLS PPA

Some portions of this update may be held in Closed Session pursuant to RIGL 42-46-5 (a) (7) which is "A matter related to the question of the investment of public funds, which includes any investment plan or matter related thereto, where the premature disclosure would adversely affect the public interest."

Block Island Utility District Power Supply Requirements and Resources



**Block Island Utility District
Power Supply Portfolio
Starting January 1, 2023**



PROJECT DETAILS

Project Name: Cabot and Turner Falls

Project Owners: FirstLight Power Management LLC

Project Locations:

Cabot – Montague, MA

Turner Falls – Montague, MA

Delivery Point of Contracted Power: ISO-NE Massachusetts Hub (Node No. ID #4000)

Technology: Run of River Hydroelectric

Project Size:

	2021	2022	2023	2024-2030
Contracted Amount				
On Peak (MW)	33.20	35.55	47.74	47.74
Off Peak (MW)	19.92	21.33	28.64	28.64
Combined Capacity of Facilities (MW)	68.00	68.00	68.00	68.00

Contract Term: January 1, 2021 through December 31, 2030

Bundled Contract Price (Energy and Maine Class II RECs):

Year	On-Peak	Off-Peak	Around the Clock
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			

Estimated Annual Output:

	2021	2022	2023	2024-2030
Annual MWh	139,739	149,630	200,938	200,938

BLOCK ISLAND ALLOCATION

Block Island % of Project:

	2021	2022	2023	2024-2030
Percent of PPA	0.00%	0.98%	0.54%	0.34%

Block Island Estimated Annual kWh:

	2021	2022	2023	2024-2030
Annual kWh	0	1,473,000	1,087,000	688,000

% of Block Island Load:

	2021	2022	2023	2024-2030
Percentage of Load	0	10.7%	7.9%	5.0%

Participants in the Project

Municipal Buyers
Belmont
Block Island
Braintree
Concord
Danvers
Georgetown
Groveland
Hingham
MDFA -Devens
Merrimac
Middleboro
Middleton
North Attleboro
Norwood
Pascoag
Reading
Rowley
Stowe
Taunton
Wellesley
Westfield

CABOT GENERATING STATION



LOCATION

Montague, MA

RIVER SYSTEM

Connecticut River

CAPACITY

62 MW

TURBINES

6 generating units

ORIGINALLY BUILT

1915

The Cabot Generating Station is Massachusetts' largest conventional hydropower facility located on the Connecticut River in Montague.

The facility, which is the second of a two station system along 2.7 miles of the river called the Turners Falls Project, has been providing clean electricity since 1916. The Project is currently equipped with 3 upstream fish passage facilities, which operate on a schedule established annually by the Connecticut River Atlantic Salmon Commission.

TURNERS FALLS GENERATING STATION (NO. 1 STATION)



LOCATION

Montague, MA

RIVER SYSTEM

Connecticut River

CAPACITY

6 MW

TURBINES

5 generating units

ORIGINALLY BUILT

1905

The Turners Falls project is a five-unit conventional hydroelectric station located on the Connecticut River in Montague.

The first of two plants that make up the 2.7 mile long Turners Falls Project, Station No. 1 has been providing clean, renewable hydropower since 1905. The Project is currently equipped with 3 upstream fish passage facilities, which operate on a schedule established annually by the Connecticut River Atlantic Salmon Commission.

AGENDA ITEM 9

LITIGATION UPDATE

This update may be held in Closed Session pursuant to RIGL 42-46-5(2) (Litigation: Howell Conant v. Block Island Power Company and Block Island Utility District vs. National Grid)