

Block Island Utility District
December 13, 2022
4:00pm

HELD IN PERSON AT THE HARBOR BAPTIST CHURCH

Minutes

Participating BOD Members Present: Barbara MacMullan, Mary Jane Balsler, Tom Risom, Elliot Taubman, And John Warfel.

Also Present: Jeff Wright, Tracy Fredericks, David Lewis, Evan Carey, Rene Meyer

Barbara MacMullan called the meeting to order at 4:05 PM

1. Public Input

- John Warfel suggested we put level 2 EV chargers on the agenda discuss EV chargers. User by an EV charger, it may be to our advantage to standardize the chargers.

2. Commissioner's Report

- No report

3. Approve Meeting Minutes: July 28, 2022, August 27, 2022, September 19, 2022, September 22, 2022, October 12/13, 2022 and November 1, 2022.

- This item was be deferred to the December meeting.

4. Review and Act Upon Treasurer's Report (on record)

- Tom Risom reported that the employee housing (townhouse) had been booked. There was discussion on whether to split out separate line item for employee housing in the asset listing on the balance sheet. A discussion was had. No decision was made.
- Tom reported we currently have \$850,000 cash on hand. We have forward paid all the insurance for the coming year instead of using the installment plan.
- Tom reported the current liabilities (page 2), accounts payable was higher than normal because we held back on some of the national grid payments.
- Tom reported the deferred credits revenue is a little less this year due to higher power supply expenses.
- Tom reported the CFC line of credit is now \$620,000 it will be paid down before year end.
- Tom reported our total CFC loans are at \$8,656,006.00. This increase is due to the townhouse purchase, McGinnis payout and voltage conversion.
- Tom reported the equity to debt ratio is at 20%, the assets should increase when we get the new bucket truck.
- Tom reported that residential sales are up25% through Q3, and Commercial to Demand sales are up 11%.
- Tom reported our Net margin is 6% than we budgeted, this is due to power supply increases. The new rates will correct this.

- Jeff reported-the power supply rates are changing and will, into effect January 1st. They will generate about 30k per month.

Motion to approve the treasurer's report was made by Barbara MacMullan, seconded by Eliot Taubman, the motion passed unanimously.

5. Review and Act Upon Calendar Year 2023 Power Supply and Transmission Rates

- Jeff reported the existing rates will increase due to our new contract. Existing rates for power supply is \$0.0879, and transmission is \$0.0699. The total increase for both rates is 0.244/kWh. This total increase is about \$12.12 per member per month if you use 500 kWh. By comparison, the average National Grids customer's bill is going up \$114.00. Jeff stressed that retail choice is one of the most important items to address in this year's coming legislative session.
- Jeff reported the new rate of \$0.1036 and transmission rate of \$0.0784 and new net metering rate is \$0.1447. Barbara MacMullan noticed a discrepancy in the numbers, Jeff said he will look this over with Dave Bebyn to see if it needs to be recalculated.
- Barbara asked if the change in power supply rate collect the difference between old and new rate - Jeff responded yes.
- Elliot noted that we don't make an adjustment for line loss benefit. Jeff responded by saying he needs to give that more thought. He did add that losses are factored into the overall rates.
- Jeff reported on the DPUC's letter of support.

Barbara MacMullan made a motion to approve the 2023 power supply and transmission rates subject to final confirmation, seconded by Mary Jane motions passed unanimously.

6. Review the BIUD 2023 Strategic Plan and Solicit Member Input (Approve in the December 20,2022 Meeting)

- Jeff reported that this is a start, we have some measurable goals. This can help hold all employees, including himself, accountable. We can adjust and tweak it as needed.
- David Lewis said he was impressed, and felt it is important to build a leadership role, as one of the main challenges ahead.
- Barbara MacMullan added that we want to have members join in the subcommittees. Getting them involved can help get future board members.
- Mary Jane added that the board change over may have huge implications need to train people on the complications, different than other boards.
- Jeff reported that the strategic plan will be reported on monthly going forward.
- Mary Jane reported that we should considering budgeting for the retirement benefits plans.
- Jeff reported the pension, and 401k issue, with current retirees are budgeted now, but suggested waiting for more direction to budget in 2023.

7. Review 2023 Operating and Capital Budgets (Approve in the December 20, 2022 Meeting)

- Jeff reported the budget forecasted a 2% increase in revenues.
- Revenues from rents are in the budget, we unfortunately lost Sprint tower rental (+/- \$35,000.00/year)

- Mary Jane suggested we take a look at the property and see what is available for rental. Jeff asked to schedule a site visit, there may be some property we have overlooked.
- A discussion of security ensued, access to renters and others driving on the property.
- Jeff reported in response to security concerns, that he addressed this topic at the NRECA board meeting last week that it's the same old, same old topic but there is a large problem, and the federal government needs to provide money to secure our substations and power facilities. Federated insurance, our new company is asking about our security.
- Jeff reported the operating expenses increased the operations and training from \$10,000, to \$30,000. Legal expenses were increased to \$85,000 mostly for regulatory reasons.
- Jeff reported that the insurance budget has increase, we are looking into a new insurance company, Federated Insurance.
- Jeff reported that the travel and miscellaneous budget has increased to allow each Commissioner to travel to at least one external meeting/conference per year. He reported that there are several meetings coming up and he would like to see some of the employees and commissioners in attendance.
- Jeff reported that the capital budget is now \$440,000 (including capitalized labor). There may be several grant opportunities available. We want to remain consistent with past budgets focusing on pole replacements, substation upgrades, voltage conversion, office apartment conversion. The office conversion will require additional monies. This is important, we need decent housing to attract good employees.

8. Discuss potential BIUD support of the TNS's Fiber Project *Closed session

- A motion to go into closed session to discuss the potential of BIUD supporting the TNS Fiber Project was made Tom Risom by seconded by John Warfel. The motion passed unanimously.

At approximately 5:45, Barbara MacMullan moved to come out of closed session. That motion was seconded by Mary Jane Balsler and passed unanimously. Barbara reported that there were no decisions made in closed session and that the meeting minutes were sealed.

Barbara MacMullan moved to adjourn the meeting at 5:45, seconded by Mary Jane Balsler, the motion passed unanimously.

MINUTES APPROVED: DECEMBER 20, 2022