

Block Island Utility District
Annual Meeting
August 27, 2022 @ 4:00 PM

Held at the Block Island Utility District Power Plant

MEETING MINUTES

Participating BOD Members Present: Board Chair Barbara MacMullan, Board Vice-Chair Mary Jane Balser, Treasurer Tom Risom, Elliot Taubman, John Warfel

Others in attendance: Jeffery Wright, Tracy Fredericks, Jim Stockman, Evan Carey, Tom Brown, Tom Durden, Dick Martin, David Milner, Linda Wright, Jim Meiers, Michael Oppenheimer, Sam Brown, Everett Shorey, Karen Martin, Tony & Anita Miller, Wade Ortel, Jennifer Taubman, Steve Corbett, Nancy Greenaway, Don Logan, Morgan Walsh, John & Wendy Formica, Elizabeth Moss, Donna Corey, David Cahill, Sandra & Patrick Kelly, Arthur Jacob, Diane & Bruce Johnson, Cookie & Brian Lenoci, Katherine Johnson, David Lewis, Peter Kinoy, Mary Lutz, Trudy O'Toole, Carlos Salinas, Chris Warfel, Jill DeLoey, Renee Meyer, Keith Stover, CR McGinnes, Joyce Visceglia, Lisa Goodman

Barbara MacMullan called the meeting to order 4:05 pm.

1. Public Input

- Peter Kinoy-(handout) expressed his concerns with the current solar generation policy. Of particular concern is the requirement of a second meter and that the customer must sell all of their solar generated power to BIUD at a wholesale rate and buy all of it power from BIUD at a different, higher rate. Suggestions to resolve this are on record.
- Clair Costell-Thanked BIUD for it's for stewardship to all members. Clair asked for clarification regarding energy efficiency rebates and how they compared with what national grid offered.
- Chris Warfel discussed the definition of customer generation.
- Jim Dewey introduced himself as a solar provider for 20 years. Jim commended BIUD for the improvements in our new metering policies, adding there is always room for improvement. Jim suggested allowing the solar producers to help form future policies.
- David Lewis introduced himself as a long-time, year-round resident, that is often in attendance at the monthly board meetings. He has been following the new policies and changes that the BOD and BIUD staff have been implementing. In

reaction to other public input, David offered there is always more to the story, need to listen to both sides.

2. Commissioner's Report

- Barbara welcomed everyone to the meeting and introduced the new and old commissioners. Barbara gave a summary of some of the projects BIUD has been working on over the last year.
 - Barbara reported that the net metering cap, which was 3% in 2021 was now raised to 10%, and that we now have a new net metering policy.
 - Barbara reported that there is a change to existing legislation for commissioners to get reimbursed for travel and training.
 - Barbara reported that we have made progress with employee housing. The townhouse for the president will be available in September and a new apartment has been renovated in the office building for employees.
 - Barbara reported the Solar Initiative has provided to BIUD with roof-top panels on all of the BIUD buildings, a new, safer, state-of the art bucket truck which will be arriving in 2023 and funding for the RFP process for the battery project.

3. Treasurer's Report

- Treasurer Tom Risom presented the treasurer's report (on record)
 - Tom reported the BIUD has worked with Marcum on the annual audit for the past several years and all audit results have always been satisfactory with no deficiencies.
 - Tom reported that BIUD is financially strong and stable.
 - Tom reported that despite the increase in energy prices, BIUD has been able to maintain our rates.
 - Tom reported that in 2019, BIUD had more debts than assets, 2021 is a very different story.
 - Tom reported that we are working with CFC, the equity ratio is critical to secure loans at the best rates and improve capital assets.
 - Tom reported that BIUD finances are an open book, and that he or Jeff are available to answer any questions.
 - Tom reported that all information will be reported on our website.
 - Tom reported that reduced systems losses had been realized due to the voltage conversion project, they will help to payoff these loans.

4. President's Report

- President Jeffery Wright presented the President's Report (on record).

- Jeff reported the BIUD has much to celebrate, specifically safety, rate stabilization, capital improvements, reliability and advancements in member-owned renewable energy programs.
- Jeff introduced the employees present and thanked the “behind the scenes” support teams at home.
- Jeff thanked the BOD’s both past and present.
- Jeff reported on the Cooperative Network, a group of not-for-profit member-owned cooperatives that provide a variety of services. Specifically: The National Rural Electric Cooperatives (NRECA), National Rural Utilities Cooperative Finance Corporation (CFC), The National Information Solutions Cooperative (NISC) The Cooperative Response Center (CRC) along with a list of engineers, sub-contractors, and local private contractors and town operated departments.
- Jeff reported on the Key Focus Areas:
 - **Employee Safety**-this is everyone’s responsibility. Jeff reported we are celebrating more than 5 years without a reportable accident. We continue to raise safety awareness and invest in tools to make the jobs safer.
 - **Power Supply and Rates**-Our rates have been stable since 2018 and continue to do so. Transmission may drop slightly. Power Supply is our biggest concern, we continue to make power supply procurement decisions to ensure stability and predictability, securing long term renewable contracts. We locked in full requirements load and a 3-year contract through October 2025. Shortly after the wholesale prices skyrocketed. Jeff reported that BIDU could expect to see a slight increase of 2-2.5 cents/kWh for power supply and transmission.
 - **Capital Improvements**-Jeff reported the voltage conversion project was commissioned this spring, converting 60% of our load, the project is scheduled to be completed in 4-5 years. Jeff reported we have replaced approximately 600 of 2000 poles. Fiber project with the Town has made approximately \$600K of make-ready improvements to our system.
 - **Reliability and Resiliency**-Vast improvements to our system have improved the power quality, with fewer outage, fewer blinks and fewer damaged appliances.
 - **Member-owned Renewable Energy and Net Metering**-We have developed a new net-metering program which increased the cap from 3% to 10%. The new tariff set the solar credit cost to \$0.1330/kWh.

- Jeff reported inclosing, the challenges have been difficult. Though we may disagree with each other, our success depends on diversity of thoughts and opinions. Jeff encouraged our members to get involved.

5. BIUD Financial Status (presented by Jim Meiers, NRUCFC Regional Vice-President)

- Mr. Meiers presented what the National Rural Electric Utilities Finance Corporation (NRUCFC) has to offer cooperatives and utility districts.
- He stated that they worked closely with BIUD and verified that the utility district's finances were stable and in a good state. He also added that he worked regularly with President Jeffery Wright and CPA David Bebeyn on equity management and BIUD's long term financial modeling.
- He lastly reported that and The Federated Insurance Cooperative , whom they work very closely with, had recently become licensed in Rhode Island and can now offer their services to BIUD and Pascoag.

6. Power Supply's Impact on Climate Change (Presented by Noble Prize Winner Michael Oppenheimer)

- Mr. Oppenheimer presented his thoughts regarding power supply's effect on the climate.
 - He reported that the power supply is still the biggest contributor to greenhouse gas emissions in the world.
 - We stressed that society is unable to control natural gas leaks, most of which are methane and one of the leading contributors to greenhouse gas emissions. Due to our inability to control natural gas leaks, we are now focused on using less natural gas.
 - He reported that believed solar and wind power were productive, but that we need something in the middle. Hydrogen and carbon capture have been studied but they are not going to be the solution. Nuclear generation is still too expensive and has a host of other problems associated with its generation, and long-term storage and waste. Coal is unfortunately still the focus and is our main base load. We need to invest in transmission systems, electrification is the answer.
 - He stressed that we need truly modern systems that are efficient and provide storage to achieve of emissions goals to benefit the climate.
- Mr. Oppenheimer then answered some specific questions from the membership.

Door prizes were drawn and presented to the winning members.

Barbara MacMullan moved to adjourn the meeting at 5:50 PM, seconded by Tom Risom. The motion passed unanimously.

MINUTES APPROVED: DECEMBER 20, 2022