

Block Island Utility District
Meeting of the Board of Utility Commissioners

Thursday, November 16, 2023 @ 4:00 PM

Present: Barbara MacMullan, Chair, Tom Risom, Treasurer, John Warfel, Secretary, Mary Jane Balser, Ken Lacoste.

Jeff Wright, President, Tracy Fredericks, Tony Pappas, Carlos Santiago, Tom Durden, Ray Torrey, David Lewis, Jana Adams, Brendt Nussbaum

Board Chair, Barbara MacMullan called the meeting to order at 4:10 pm.

Member, Ray Torrey discussed the project at the Medical Center. Ray asked the board to have an open mind regarding the net-metering policy. Jeff offered the policy is not fluid but should work for the new project and he will explain it to him in person.

1. Introduction to Touchstone Energy Cooperative and Presentation of their Offerings
Jeff introduced Jana Adams, Executive Director, and Brendt Nussbaum from Touchstone Energy.
Jana and Brendt introduced Touchstone Energy (see attachment), took questions from the Board and members and left the meeting.
2. Review 2024 Expense and Capital Budgets (Working Session).

President Jeffery Wright said he is going to ask the board to approve the 2024 budget and a rate increase at a future Board of Director's meeting. Jeff noted the increase in costs of equipment and materials have negatively and significantly impacted what we can do from a capital standpoint.

He also reminded the BOD that the employee benefits sub-committee recommended an increase in the 401k from 3% to 5% and a small increase in future pensions for new retirees. That will have an impact on the 2024 budget.

Jeff asked that everyone go through each line item over the next few weeks and bring him any questions and suggestions prior to the December meeting.

Jeff asked that we do not do a rate redesign, instead he prefers an across the board increase in the rates for simplicity.

Jeff said we will be conservative in 2024 and use an average of a couple years of sales, the Plant & Distribution increase if this budget is approved would be 9.68%. He then noted that we will be operating with a \$290,000 deficit if we don't do a rate increase.

Barbara asked if it make sense to assume that our revenues will increase. We may not need to raise the rates as much. Need a better understanding of the averages.

Jeff clarified that we take a 2-year average. We need to show justification to the PUC.

Jeff added that we don't see as much new electric usage as we think, we saw less electric usage in the summer, due to heat pumps replacing the window ac units.

Member, David Lewis asked if we could maintain our infrastructure improvements without raising the rates? Jeff answered that would not be possible due to the cost increase of equipment, adding we cannot continue to improve the infrastructure without a rate increase.

Barabara asked what would we do with any extra revenue? Jeff relayed that we would put it into capital.

Jeff added that we are close to getting a new insurance company, since our rates have gone up over the past few years by 30-40 percent. Federated Insurance is a COOP company that can save us significantly and would be decent to work with.

Jeff further added that we have done everything we can to not increase rates, it doesn't make the members happy. Unfortunately, we can't keep going forward without a rate increase.

Mary Jane Balsler asked why our expenses have continually increased. Jeff answered it was simply due to inflation. Jeff added that we may need to look into doing an across-the-board rate increase every year, but that this also costs us money every time we do a rate increase.

Barbara made a motion to adjourn the meeting, the motion was seconded by Tom. The motion passed unanimously. The meeting adjourned at 5:44pm.

Approved on January 25, 2024