

**Meeting Minutes**  
**Block Island Utility District**  
**Annual Meeting**  
**August 24<sup>th</sup>, 2024**  
**4pm**

Board Members Present: Barbara MacMullan, Chair, Mary Jane Balser, Tom Risom, Ken Lacoste.  
Employees Present: Jeffery Wright, President, Tracy Fredericks, Jim Stockman, Richard Martin, Evan Carey, Tom Durden, Tom Brown.

Board Chair Barbara MacMullan called the meeting to order at 4:08 pm.  
Barbara introduced the board members, employees, Angela Strickland, NRECA, Karen McAlister, NISC and speakers Judy Gray, NOAA, and Erik Twachtman, E-Weather.

**1. Public Input-** Chris Warfel asked that we zoom our meetings. Also like to see the recording of the past meetings on the web or website.

Carlos Salinas stated that he has written 7 articles about the BIUD and that he wants to be involved in the day to day of the BIUD because we are in a climate emergency. Expressed his concerns about electricity production, stating it is the 2<sup>nd</sup> largest greenhouse gas emitter second to transportation. He stated that he wants to do all that he can to see that our grid is as green as possible and that we move away from fossil fuels. And despite the Solar Initiative's funding for the renewable energy credits, BIUD purchases 70% of its energy from Shell. He proposed we modify the way we do things and suggested we create a communication structure that allows us to better engagement on energy issues. He asked to collect the names of the individuals interested in this engagement. Carlos urged the Board to allow all members to have access to the board meeting in real time. Carlos suggested our annual meetings be more robust, use the time for collective discussion on our energy future, allowing our members to engage and direct the board on key issues. We can educate ourselves and engage in a meaningful dialogue.

**2. Commissioner's Report:** Barabara MacMullan reported that the utility district was awarded a customer's satisfaction award. ACSI based on the member survey results. Barbara noted that we scored substantially higher than the industry standard. Saying this is a testament to the employees and how well they do their jobs and interact with the public.

Barbara reported on the Energy Transitions Initiative Partnership Program (ETIPP) program grant. Stating that John Warfel was instrumental in getting the grant from the Department of Energy, to explore ways to improve energy resilience on the Island. We are looking at ways to increase renewable energy on the island and community energy on the Island. We are looking at our demand. Currently we are in the middle of a technical analysis on load factor. This fall ETIPP will have a community discussion about what our goals should be for our energy future. Based on the feedback they get from us, we will then have a techno-economic analysis to see how we can

proceed. Barbara stated that we do need community input, she suggested we pull in the other boards in the community.

Barbara noted we are working on our 100% renewable goal. The State of RI has a renewable portfolio standard and have set expectations for other utilities to get a certain percentage of their power from renewable sources that will increase over the years until everyone is at 100%. Barbara stated that BIUD is exempt, historically from that program, but we have decided to voluntarily meet those standards. This year's standard is 28% which we have already met. We are currently at 28%. We will substitute more renewable energy contracts. The Solar initiative has partnered with us to get us to 100% this year by paying to acquire renewable energy credits. We are grateful to them for partnering with us and we will continue to replace the Shell contracts with renewable energy contracts.

**3. Treasurer's Report:** Tom Risom reported a very positive financial status. Every year since 2019 we have received a flawless financial audit from Marcus. The audits have consistently shown no deficiencies or recommendations from the auditors. We have met our financial covenants set by our sole lender CFC. They require we meet and modify debt service coverage of at least 1.35 % and we must submit audited financial statements by April 30<sup>th</sup> each year. As 100% CFC borrowers we enjoy great benefits through CFC each year. Our total debt is 8.35 million, with a short-term debt of \$900,000 and our estimated remaining borrowing capacity is roughly \$3 million.

Tom reported that each month he goes through all of the financial statements and credit card statements. He is pleased to report the BIUD is financially stable and appropriately managed with adequate controls. Everything is within company policy. All financials are available on the website.

**4. President's Report:** Jeff Wright mentioned we had our 5<sup>th</sup> anniversary in March of this year. The ACSI award, that we received was awarded to us because we are in the top 20% of COOP's in the country in customer service and satisfaction.

BIUD has developed a Strategic Plan which is a living document that gets reviewed at every board meeting every month. We are making progress on many items, we are behind on a few items, but we are paying attention and staying on track to move forward with this document that governs what we do from day to day.

Jeff reported that we have several partnerships, including contractors that help us set poles. This year our crew with the help of a contractor Greg Horne, we set nearly 100 new poles and made some new improvements on the voltage conversion. This is not something we would have done 5 years ago, we have come a long way for us to do this internally. We were unable to bring out the tree crew due to cost, they will be back this fall.

Jeff stated that the commissioners have been very supportive, this board deserves a lot of credit and we would not be where we are without them. The COOP network is big and we have added an important partner to our team, the National Rural Electric Cooperative Association (NRECA) , CFC did all of our lending for us and continue to be a very strong partner. We meet with the leaders of

these organizations at the conferences we attend. These companies are cooperatives just like us and they are great to work with.

Federated Insurance Exchange has been around for some time, they today insure approximately 90% of all the COOPs in the country. They started the licensing process in RI when they heard we had become a cooperative, unbeknownst to us. Two years ago, they became licensed in RI. Prior to working with Federated we were paying \$292,000 for insurance. After working with Federated for the past 2 years, today we are paying \$135,000. Their moto is they are a safety company that does insurance. They are a great partner to add to the group.

Jeff reported, National Information Solutions Cooperative (NISC) is another great partner. Karen McCallister is here from Minnesota and can answer any questions for you about Smart Hub. They maintain all our software, billing, mapping, outage software, all of which the cost is based by meter, so we get a great software system for low cost.

Cooperative Response Center (CRC) is our backup call center. They will always get you in touch with a member of our team.

The Solar Initiative is a great partner. They have provided the electric bucket truck, electric school bus, the solar initiative and the 100% renewable energy credit program.

Jeff reported that our we have key focus areas. The number one is employee safety. We have gone 8 years without a lost time accident.

Financial balance, we are financially stable, we have not raised rates since 2008. We did some restructuring and rate design, but at some point, we will have to have a rate increase due to the excessive rise in equipment costs. These rate increases are across the board, and delivery times have substantially increased. The supply chain issue is a major contributor. We are able to manage our cost by doing less capital work. We need to keep on track with our capital work, and get the tree crews back out to the island.

Another key focus area is maintaining a sustainable work force. This year we need to look into housing for our employees. We need this to recruit new employees.

Power Supply: Jeff reiterated that BIUD's power supply portfolio is 100% renewable; this program was approved by the PUC. We buy the renewable energy, and we also must buy the energy credits. We buy them for every megawatt of energy we buy and sell to you. There isn't enough renewable energy to buy for everyone in this region. Jeff expressed the need for new renewable energy projects. We need to support renewable projects. We don't know all of the impacts, but we need to move forward. Right now, we are 1 of less than 10 in the country that are 100% renewable, we should be proud of this and thank the Solar Initiative for their support.

Jeff's closing thoughts, when I first got here, we were not doing a fraction of the work we are doing now. The employees are working very hard. It's tough work but we are getting it done and at a fraction of the costs.

Our AMI system is now 10 years old. We are pushing the limits on this system, and we need to look into investigating a new metering system.

We are looking forward to 2024 and beyond. We must look at the continued rising costs all around and what that is doing to our capital work. We need to make sure we have adequate funding; this would be the upcoming rate case.

Thank you all for another great year.

**5. Angela Strickland, NRECA Senior Vice President of Business Technology and Strategy:**

Angela talked about the coop family saying when you join the family you are joining a family of 42 million members, we are in 48 states, there are 896 coops across the country. Of those 832 are distribution coops, and 63 are G&T's/generation and transmission coops. We represent 70,000 employees across the country.

There are 4 main things NRECA do for our members:

Advocacy, we provide benefit plans

Education and Training,

Tech support, Executive searches and marketing, member advisory groups.

Federal funding for Coop's

**6. Keynote speakers-Judy Gray-NOAA research meteorologist:** Climate and sea-level rise affect everything you do, this is all caused by pollution. We can argue about whether it is manmade or natural. We are in a consensus that it is both and the debate is the amount caused by man. Seas are rising and Block Island is an eroding, glacial nugget. There is no cure for this. We need to identify areas of the island that will be most affected we need to identify what the town can do The Block Island Coastal Resilience Committee is focused on Corn Neck Rd, Bridgegate Square and Ocean Ave. near BIM. We have time to plan to protect the essential services. Climate and sea-level rise are long term and are happening. Weather is what affects this.

**Keynote Speaker-Ericch Twachtman, Utility District contract meteorologist, and the founder of E-Weather:** Ericch said his project started as a hobby in 2013 on Facebook. Forecasting the weather on Block Island takes a lot of common sense and you need to pay attention to how the weather works on Block Island. Air temperature and water temperature has a great deal to do with our weather. There was a great deal of talk about this season being an active hurricane season, the biggest concern is the low-pressure system that has been sitting off of the Atlantic coast, this could prevent storms from going out to sea. The sea temperatures are very warm right now and this could feed a hurricane. The last hurricane that came ashore was Hurricane Bob 31 years ago, so we are "due" for a storm. The side of the storm that hits the island makes a difference. A hurricane coming from the West would be more damaging due to the Easterly winds and the rise in storm surge. The pattern this year is more favorable for east coast storms.

The nor-easter's we see in the winter, are hard to forecast the winds and if there will there be an inversion. In an inversion the temperature gets warmer as you go higher, creating a stable layer, and how much of this warmer air is going to come down. If there isn't an inversion this can create a hazard on the ground with high wind gusts. This is not easy to forecast.

The Block Island bubble, is a real thing. As warm air travels over the cold waters, they fall apart over the more stable atmosphere. Later in summer as the water is warmer the storms are more common.

The main issue with bluff erosion is not the ocean, it is fresh water flooding due to heavy rainfall. High pressure can prevent weather systems from moving, and storms redeveloping in the same area. If this happened to Block Island, it could be damaging to the island.

Climate forecasting like weather, a lot of the blame for this change is due to greenhouse gas emissions. BIUD has time to plan, how do we protect the island. We need as a community to create public dialogue to come up with a plan. Galilee and pt Judith could be severely impacted, that could create a great issue for Block Island.

**7. Q&A: Chris Warfel** What is the financial life and projected life of the cable? Jeff said it is difficult to determine what the life is. He doesn't feel the life of the cable is an issue for many years. The financial life is for over 30 years.

**Everett Shorey** asked if burying power lines improves reliability? increase their life? Judy replied that it is cheaper and to go above ground because we can see where they break. Jeff added that he would hate to see spending millions of dollars burying lines up the neck to only have a storm wash them out.

**Socha Cohen** asked if our substation meets the 100-year storm standards? Noting that we had to upgrade our substation when we added the cable. Jeff answered that the National Grid substation was upgraded. Our station was untouched, does not currently meet the standards. We need to raise the level of the substation. Our bigger concern is access to the equipment if flooding occurs, as standards change, we will continue to upgrade.

**Patrick Tengwall** asked what modified debt service? Was. Jeff explained it is the money you have in the bank to cover the debt service. Patrick asked what is the equity to debt ratio? Jeff explained: Equity is when we bought the company for 5.8million, we then borrowed more money, the debt gets paid down, we increase our assets, the goal is to get to 20% in 5years. We have done this; we hope to get to 40% in the next 5 years.

Patrick asked Angela- how many of the coops are on unbridged islands? Angela said it is very few probably < a dozen, she will do some research and get back to Jeffery.

Electric bicycle what affect that has on the rates? We use more energy the rates go down. Jeff answered that we haven't seen a significant change in the energy usage do to bikes.

**Dorrie Napoleone** asked about the trashology project? Was introduced to the island about a year ago. It is designed by a company from MA to incinerate trash with zero emissions. It is still being developed. We very much support the project.

Jeff Wright thanked everyone for coming and for their support and input. We are here to serve you.

Barbara MacMullan closed the meeting at 5:36 pm.