Block Island Utility District

By Laws

ARTICLE I – STATEMENT OF PURPOSE

Section 1. The Block Island Utility District was created by legislation entitled "The Block Island Utility District Act of 2017" found in chapters 45-67 of the Rhode Island General laws (the "Act"). The Act authorizes the Utility District to provide utility products and services within the Town of New Shoreham.

Section 2. "Utility District" means the Block Island Utility District, a municipal corporation, having a distinct existence from the State of Rhode Island and empowered by the Act to:

1. Fulfill electric utility functions, powers, rights, and obligations;
2. Exercise certain powers as an electric distribution company and an emergency power producer; and
3. Provide additional utility services not inconsistent with the duties, powers, and obligations of the Utility District.

ARTICLE II – MEMBERSHIP

Section 1. A "Qualified Elector" is any person whose name appears on an active account with the Utility District and who is designated by the account holder to be the qualified elector.

Section 2. No active account shall have more than one Qualified Elector, and no Qualified Elector will have more than one vote. Any corporation or other legal entity that holds an active account shall designate in writing an individual officer or another representative to serve as the Qualified Elector for such active account.

Section 3. Annually, on June 1st, the Utility District will mail a form to designate the Qualified Elector to all active account holders. The Qualified Elector Designation will be due back to the Utility District by July 1st. If no new Qualified Elector is designated, it will remain the last Qualified Elector on record.

Section 4. For any vote by Qualified Electors, the Utility District will make available a list of qualified electors thirty (30) days prior to the date of the vote.

ARTICLE III – POWERS OF THE UTILITY DISTRICT

Section 1. The Utility District shall have and may exercise all powers granted to it by the Act, subject to the requirements of the Act and applicable law.

ARTICLE IV – BOARD OF COMMISSIONERS

Section 1. The Board of Commissioners ("Board") has the responsibility to execute the powers of the Utility District in accordance with the Act.

Section 2. The Board shall consist of five (5) members with no less than three (3) being residents of the Town of New Shoreham.

Section 3. A majority of the Board constitutes a quorum, and unless otherwise expressly required, a majority of the members shall be necessary for all actions to be taken. No vacancy in the membership of the Board shall impair the right of a quorum to exercise all the rights and perform all the duties of the Board.

Section 4. The initial Board consisted of three (3) members of the Board serving four (4) year terms and two (2) members of the Board serving two (2) year terms. Upon the expiration of the term of any member of the Board, such member's successor shall be elected for a four (4) year term. Each member of the Board must be a Qualified Elector. The term of office of any member of the Board expires upon his or her death, disability, resignation, or removal as permitted by these bylaws or applicable law and upon the certification of the election of his or her successor by the secretary of the Utility District in accordance with these bylaws.

Section 5. Board members are elected by mail ballot. Ballots will be mailed to all Qualified Electors five (5) days after the Annual Meeting and must be returned within thirty days (30). Qualified Elector candidates have thirty (30) days prior to the Annual Meeting to submit in writing their declaration of candidacy. The secretary of the Utility District will oversee the tabulation and certification of the results of any election of members to the Board.

Section 6. The Board elects annually from among its members a chairperson; a vice chairperson; a secretary; and a treasurer. Such election shall occur at the first meeting of the Board following the certification of any election by the secretary and, in any year without an election, at the meeting of the Board in the month of September.

Section 7. A Board member who misses four (4) consecutive monthly meetings of the Board may be removed from membership on the Board by a majority vote of the remaining Board members.

Section 8. In the event of a vacancy on the Board, the Board will select an eligible candidate to fill the vacancy until the next Annual Meeting.

Section 9. Board members serve without compensation for attending scheduled and special meetings.

Section 10. Approval of the Board shall be required for all employment contracts with executive employees of the Utility District and the adoption of all employee benefit plans, including fringe benefits, for employees of the Utility District.

Section 11. Annual operating and capital budgets for the Utility District will be approved by the Board and presented at the Annual Meeting.

ARTICLE V – MEETINGS

Section 1. An annual meeting of the Utility District ("Annual Meeting") will be held each year. The specific date will be determined by the Board and approved as part of the annual board meeting calendar. Notice of the time and location of the Annual Meeting will be widely publicized not less than forty-five (45) days prior to the Annual Meeting. The meeting time and location will be posted according to the requirements of Rhode Island law governing meetings of public

bodies, including without limitation chapter 42-46 of the Rhode Island General Laws (the "Open Meetings Regulations"), and will also be published in The Block Island Times.

Section 2. A monthly meeting of the Board of the Utility District will be held on dates to be decided during the January Board meeting. The meeting dates will be published on the annual meeting calendar which will be listed on the Secretary of State's and Utility District's websites. The time, location, and agenda will be posted forty-eight hours prior to the meeting.

Section 3. Special Meetings may be scheduled at the discretion of the Chairperson. The date, time, and location will be posted forty-eight (48) hours prior to the meeting. If an emergency meeting is required, the Board will follow the open meetings regulations for posting such a meeting.

Section 4. All meetings held by the Utility District are subject to the Open Meetings Regulations.

Section 5. On those issues requiring member approval, fifteen (15) Qualified Electors shall constitute a quorum. In the event that a quorum should not be reached at a meeting, the Board of Utility District the meeting will be rescheduled for another vote by the Qualified Electors.

Section 6. A Qualified Elector must present an appropriate form of identification in order to vote at any annual or special meeting.

ARTICLE VI – MONEY OF THE UTILITY DISTRICT

Section 1. All money of the Utility District shall be paid to the Office of the Treasurer of the Utility District.

Section 2. Money shall be deposited into a separate bank account or accounts established with the approval of the Board.

Section 3. All deposits of money shall be secured by obligations of the United States and/or the State of Rhode Island as required by the Act. The market value of the securities shall not be less than the amount of the deposits.

Section 4. Money in accounts shall be paid out with the approval of the Office of the Treasurer through normal banking practices.

ARTICLE VII – CODE OF CONDUCT

Section 1. No Board member shall directly or indirectly engage or participate in proceeds of any contract or agreement to supply anything of value to or receive anything of value from the Utility District. This prohibition may be waived by a vote of four (4) of the commissioners if, and only if, the Board first obtains an opinion from the attorney general and/or the Rhode Island Ethics Commission based on full disclosure of all relevant facts that the waiver does not contravene state law and is in the best interests of the consumers served by the Utility District.

Section 2. The Board shall adopt a Conflict of Interest Policy. In the event that the Board is to make a decision that will result in a conflict between the interests of the Utility District and the interests of an individual member of the Board, such member shall inform the Board of such

conflict and shall abstain from voting on such decision. The Board may request a ruling from the Attorney General of the State of Rhode Island or RI Ethics Commission on any perceived conflict, and that ruling will be definitive.

ARTICLE VIII – INDEMNIFICATION

Section 1. This Utility District shall indemnify each current and former member of the Board, officer, manager, employee or agent, including, without limitation, members of Board committees who are not Board members, against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred, to the fullest extent of Rhode Island law, if:

a. He or she conducted himself or herself in good faith; and
b. He or she reasonably believed in the case of conduct in his or her official capacity with the Utility District, that his or her conduct was in its best interests and
c. In all other cases, that his or her conduct was at least not opposed to its best interests and in the case of any criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful.

Section 2. A director is not indemnified under Section 1 in respect to any proceeding charging improper personal benefit to him or her, whether or not involving action in his or her official capacity, in which he or she has been adjudged to be liable on the basis that personal benefit was improperly received by him or her.

ARTICLE IX – BYLAWS

Section 1. These bylaws may be altered, amended and repealed and new bylaws adopted by the members of the Board at a regular or special meeting of the Board; provided, however, that prior to taking any such action, the Board shall provide notice of its intention to alter, amend, repeal, or adopt new bylaws and schedule a public hearing not less than thirty (30) days prior to adopting any such alteration, amendment, repeal or new adoption to describe the proposed change and take comment from Qualified Electors and members of the Board.

Approved: February 27, 2021