

To consider the following agenda items:

1. Introduction and Welcome (Chair) - BUC Annual Report

Chairman's Report- Mr. Palmisciano stated that the District has enjoyed stable electric rates in the past. Management is expecting a 12% rate reduction in electric rates pending RIPUC approval. This year the installation of AMR meters on the electric side began, saving the District money by purchasing refurbished meters. The District also received a grant for LED street lighting. Management is also working on securing two new sources of water for the District. Either source would be sufficient to provide enough water for the District's needs. Extensive flushing has been conducted this year and a water filter rebate program was created. The project that management is hoping voters will approve during this meeting is the cleaning and cement lining of the water pipes. In order to proceed the District will need voter approval. The project would have 40 year financing of 2.4 million dollars with a low interest rate of approximately 2%. Grant money will contribute at least 20% adding \$6.00 each month to water bills. There would be no rate increase in our water department rates for 2016.

General Manager's Report

Standard Offer costs very stable in 2015

- 3-year power hedging contract put in place for 2015-2017 is working beautifully**
- We were able to stabilize and lower PUD pass-through rates for 2015 with conservative power portfolio**

- **Will be decreasing rates again for 2016 by 11.9%**

Automated Meter Reading (AMR) project in Electric division

- **Project is now over 80% complete.**
- **Both operations and office staff members are working hard to implement this technology**
- **Significant savings by purchasing used and refurbished AMR meters**
- **Automates what was previously a constant drain of manpower to read meters**
- **Fits in extremely well with new Billing/Accounting system**
- **Modeled after successful implementation of AMR water meter system in 2011-13**

Managed successfully through very difficult Rock Avenue tank damage

- **Insurance program provided all but \$5,000 of damage costs based on our documentation and approach**
- **Brought tank back in service just in time for annual water main flushing program**

Two new Water Supplies successfully drilled and tested

- **Currently working on permitting application process with state agencies**
- **One source in Pascoag, one source in Glocester**

Pascoag likely will be awarded \$150,000 state grant from Regional Greenhouse Gas Initiative funds for our popular LED streetlight program.

- **Will be used for further roll-out of our LED Street-lighting program**

- **This is on top of \$62,500 awarded in 2014**
- **PUD designated for funds due to track record on successful Conservation efforts**
- **Efforts recognized by State Energy Office**
- **Lowers energy costs for our customers by using much more efficient LED lamps**

2016 Focus

- **Continue permitting two new water supply sources**
- **Development of new clean water supply using Exxon Settlement Funds is a priority**
- **Continue roll-out of electric Automated Meter Reading program**
- **Work towards changing out remaining 20% of meters by end of first quarter, 2016**
- **Continue focusing on technology to become more efficient, cost effective and customer-friendly**
- **Implement more features of iVue billing and accounting system as staff becomes efficient and effective in using it**
- **Continually evaluate other business software and tools for efficiency gains and improved customer experience**
- **Manage successful water main cleaning/cement lining project**
- **First phase will be the successful cement lining of 27,000-30,000 linear feet of mains in our central village area**

Water Main Cleaning/Lining Project

- **Many of the water mains in are our system exceed 100 years of age**
- **Most water mains are cast iron, which is subject to internal rust due to contact with water**

- **Project Eligible for USDA Federal Grant of 20% or more of total cost**
- **Remainder of cost to be financed over 40 years, which helps minimize customer impact**
- **Interest rate is very low compared to market (current USDA loans are at 2% for similar utilities).**
- **Total cost of Phase 1 of project is expected to be \$2.4 million**
- **Cost impact to each customer is less than \$6 per month based on federal 20% grant**
- **Need an affirmative vote at this meeting to approve moving forward**
- **Now is the time to start upgrading our facilities, especially since federal money will subsidize project**

Q&A

o **Mr. Sabella asked where the rust is mostly affecting people.**

 Lower part of the village mostly. Sporadic people are affected.

o **Mr. Sabella asked if the corrosion affects the stability of the pipe once it's cleaned up**

 Mr. Kirkwood said the pipe, once it's cleaned out would look brand new and last for 100 years. Cement lining would eliminate the rust out of the equation.

o **How long will this take and how often will water be down?**

 It will take a few years with a short section being worked on at a time.

o **Estimated time for total completion?**

 Mr. Kirkwood said he'd like to do it over the course of the next ten years due to the cost.

o How about the people in the town that can't afford it? Elderly?

 Mr. Kirkwood said it would be a burden on some people. We work with people that need to spread out payments.

o Are you looking to eliminate the Harrisville surcharge in the future?

 Mr. Kirkwood said that we are looking to lower the rate over time. We are also looking at additional sources of water.

o Timeframe on getting one of these wells in?

 Mr. Kirkwood said that hopefully around a year for permitting, two additional years for installation of wells. He's also hoping to use Exxon settlement funds to bring the well online.

o How about selling the contaminated water to the new power plant, will that help reduce costs?

 Mr. Kirkwood said it will clean up the contaminated water. The company would pay all costs and give money back to the customers.

Treasurer's Report

For the fiscal year of 2014 the Electric Department posted a net income of \$874,598. For the fiscal year of 2014 the Water Department posted a net income of \$61,817. The total net income for the District for both divisions was \$936,415.

2. Election of Officers

• One (1) Moderator for one-year term

 Stephen Mulcahey-elected for a one year term.

 Raymond Trinque- withdrew his name from election.

• One (1) Clerk for a one-year term

 John W. Griffin

• One (1) member of the Board of Utility Commissioners

 Christopher C. Currie-7 votes

 John DeMelim- 20 votes

 Richard A. Jenks-78 votes

 Angela Vietro-7 votes

***One (1) member for a three-year term. (Candidacy properly noticed thirty (30) days prior to annual meeting for all Board of Utility positions)**

3. Action Item: Approval of financing the cleaning and cement lining of 27,000 linear feet of water mains through RI Infrastructure Bank and USDA of 2.4 million dollars.

Ballots were passed out with the statement above. 37 voted Yes and 4 voted No. The project was approved.

4. To consider and act upon the Board of Utility Commissioner's request to approve the Water Department budget for fiscal year 2016.

The motion was made and seconded. The vote in favor was unanimous.

5. To consider and act upon the Treasurer's request to close the books no later than December 31, 2015.

The motion was made and seconded. The vote in favor was

unanimous.

6. Adjournment

The motion was made and seconded. The vote in favor was unanimous. The meeting adjourned at 8:30PM.

Michael Kogut, Secretary
Board of Utility Commissioners

Desarae Dolan, Recording Secretary