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July 8, 2022

Luly Massaro
Clerk
Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

Re: Block Island Utility District – Application to Division for Authorization to Incur Debt


Dear Luly:

As you know, this office represents Block Island Utility District d/b/a Block Island Power Company (“BIUD”). Enclosed please find an original and five (5) copies of the following:

1. BIUD’s application for authorization pursuant to R.I.G.L. § 39-3-15 to incur debt
2. Draft notice as required by Division Rule 1.14(A)(4). Please review it and let me know if it is acceptable, and if you want me to publish it or if you would prefer to publish it yourself in the usual fashion.
3. Supporting testimony of (a) Jeffery M. Wright, BIUD President, (b) Barbara A. MacMullan, Chair of BIUD’s Board of Commissioners, and (c) David G. Bebyn, CPA containing information required by R.I.G.L. § 39-3-17 and Division Rule 1.14.

If you need any further information, please do not hesitate to contact me.

Very truly yours,


Leah J. Donaldson

Encl.

Cc: Christy Hetherington, Esq.
Tiffany Parenteau, Esq.
Maryanne Crawford
Block Island Town Clerk
David G. Bebyn, CPA
Barbara A. MacMullan
Jeffrey M. Wright

STATE OF RHODE ISLAND
DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN RE: BLOCK ISLAND UTILITY DISTRICT

:
:
:
Docket No. D-22-_____

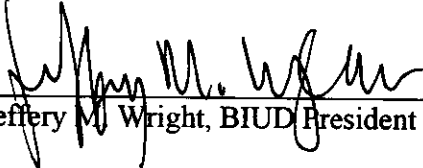
APPLICATION FOR AUTHORIZATION TO INCUR DEBT

NOW COMES the Block Island Utility District ("BIUD"), pursuant to R.I.G.L. §39-3-15, §39-3-17, 815-RICR-00-00-1.14 ("Rule 14") of the Rules of Practice and Procedure of the Division of Public Utilities and Carriers ("Division"), and requests authorization from the Division to incur \$1,400,000 in debt for the purchase of a single-family townhouse for employee housing that will be rented by BIUD's current and future Presidents.

The information required by R.I.G.L. § 39-3-17 and Rule 1.14 is included in the written testimony of (1) Jeffery M. Wright, BIUD President, (2) Barbara A. MacMullan, Chair of BIUD's Board of Commissioners, and (3) David G. Bebyn, CPA, which is filed simultaneously herewith and is incorporated by reference herein.

WHEREFORE, BIUD respectfully requests that the Division approve the loan.

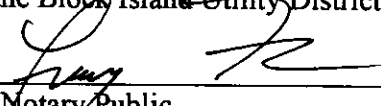
Dated: July 8, 2022



Jeffery M. Wright, BIUD President

STATE OF RHODE ISLAND
COUNTY OF WASHINGTON

In New Shoreham, in said County on the 8th day of July, 2022, before me personally appeared the above named, Jeffery M. Wright, to me known and known by me to be the party executing the foregoing instrument, and he/she acknowledged said instrument, executed, to be his/her free act and deed, and the free act and deed of the Block Island Utility District.



Notary Public
My Commission Expires: 05/03/2026

TRACY FREDERICKS
NOTARY PUBLIC - RHODE ISLAND
ID # 62971
MY COMMISSION EXPIRES 05/03/2026

STATE OF RHODE ISLAND
DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN RE: BLOCK ISLAND UTILITY DISTRICT

Docket No. D-21-_____

NOTICE OF HEARING

Pursuant to the provisions of R.I.G.L. §§ 39-1-1, 39-3-15, and 39-3-17 of the Rhode Island General Laws, as amended, the Division of Public Utilities and Carriers will conduct a public hearing on _____, 2022, at ____ in a hearing room of the Division of Public Utilities and Carriers, 89 Jefferson Boulevard, Warwick, RI 02888. The hearing may continue thereafter from day to day and from time to time as required.

In this docket, the Division of Public Utilities and Carriers will consider an application by Block Island Utility District seeking consent and authorization to incur \$1,400,000 in debt for the purposes of debt for the purchase of a single-family townhouse for employee housing that will be rented by Block Island Utility District's current and future Presidents.

The application and related documents are on file at the office of the Division of Public Utilities and Carriers, 89 Jefferson Boulevard, Warwick, RI 02888 and at the office of McElroy & Donaldson, 21 Dryden Lane, Providence, RI 02904 and may be examined there.

Reference is made to Chapters 39-1, 39-3, and 42-35 of the General Laws; also specific sections 39-1-7, 39-1-8, 39-1-11, 39-1-12, 39-1-16, 39-1-18, 39-1-20, 39-3-24, 39-3-25, 39-3-30, 42-35-8, 42-35-9, and 42-35-10.

THE DIVISION OF PUBLIC UTILITIES AND CARRIERS IS ACCESSIBLE TO THE HANDICAPPED. INDIVIDUALS REQUESTING INTERPRETER SERVICES FOR THE HEARING IMPAIRED MUST NOTIFY THE CLERK'S OFFICE AT 401-941-4500 FIVE DAYS IN ADVANCE OF HEARING DATE.

Direct Testimony

Of

Jeffery M. Wright

For

Block Island Utility District DBA Block Island Power Company

Docket No. _____

July, 2022

1 **Q. Please state your name and business address for the record.**

2 A. My name is Jeffery M. Wright. My principal business address is 100 Ocean Avenue, Block
3 Island, Rhode Island 02807.

4
5 **Q. By whom are you employed and in what capacity?**

6 A. I am the President of the Block Island Utility District dba Block Island Power Company.
7

8 **Q. Can you please describe your education and experience?**

9 A. I have an Associate Degree in Accounting and have worked for electric utilities since
10 1984 in various roles.

11
12 Prior to working for the Block Island Power Company, I was the Chief Operating Officer
13 at the Vermont Electric Cooperative (“VEC”) from 2008-2016. VEC is the state’s second-
14 largest utility and largest electric cooperative which serves approximately 40,000
15 electric meters across the northern 1/3 of the state of VT. I was responsible for all of the
16 company’s operations including transmission and distribution operations, substations
17 and system operations and engineering. I worked closely with the company’s CFO in
18 developing long capital plans, long-range financial forecasting and supported several
19 rate cases.

20
21 Prior to working for VEC, I worked at the Vermont Electric Power Company (VELCO)
22 from 1996-2008. I was a member of the company’s Senior Leadership Team and was
23 responsible for managing the company’s assets which included over 35 high voltage
24 transmission substations, more than 700 miles of high voltage transmission lines, all
25 rights of way, and the company’s facilities and fleet assets. I also managed the assets of
26 the Vermont Electric Transmission Company (VETCO) which owns and maintains
27 Vermont’s portion of the 450 kV DC “Phase One” line.

28

29

1 **Q. What is the purpose of your testimony?**

2 A. The purpose of my testimony is to sponsor the Block Island Utility District's ("BIUD")
3 debt filing seeking Rhode Island Division of Public Utilities and Carriers authorization to
4 incur debt necessary to fund the purchase of a single-family townhouse that will be
5 rented by the company's current and future Presidents.

6
7 **Q. What lender do you plan to use for the financing?**

8 A. The National Rural Utilities Cooperative Finance Cooperation ("CFC") is our lender of
9 choice. We are currently a 100% CFC borrower which maximizes our discounts. They
10 hold our \$5,800,000 secured mortgage. They have also provided us with, 1) a \$670,000
11 line of credit used for operations, 2) a \$300,000 loan to cover the contingent liability
12 associated with Island Light & Power Company's litigation with its minority shareholder,
13 3) a \$325,000 letter of credit used to post collateral for our ISO-NE transmission and
14 capacity obligations and 4) a \$1.5M loan to fund BIUD's Phase One Voltage Conversion.

15
16 **Q. Did BIUD consider seeking funding from other lenders?**

17 A. Not for the purchase of the townhouse because we are a 100% CFC borrower, but when
18 BIUD purchased the assets of the Block Island Power Company from the Town of New
19 Shoreham, they sought proposals from three major electric cooperative lenders, CFC,
20 CoBank and RUS. Although all three had similar rates to offer, neither CoBank nor RUS
21 would finance the acquisition unsecured until BIUD could obtain approvals for incurring
22 the debt as a regulated RI utility. CFC met with the BIUD board several times in person
23 and offered to finance the acquisition with an unsecured \$5.8M loan for the period it
24 took for BIUD to obtain all necessary regulatory approvals for the long-term debt. They
25 also issued an unsecured \$300K line of credit to pay for the contingent liability
26 associated with the minority shareholder of Island Light and Power and \$370K for
27 operating expenses immediately after the acquisition. CFC was the only lender who was
28 willing to take on the risk of funding an acquisition such as this. This type of creativity
29 and risk tolerance in support of the cooperative model is what CFC is known for and

1 they continue to demonstrate this in ways such as financing the power supply debt that
2 many Texas cooperatives incurred during Winter Storm Uri.

3
4 BIUD does compare rates occasionally between all three cooperative/rural utility
5 lenders. CFC remains competitive and we feel the benefits of remaining a 100% CFC
6 borrower outweigh any potential savings we could realize if we selected a different
7 lender and jeopardized our 100% borrower status.

8
9 **Q. Can you describe CFC again for us and the services that they offer?**

10 A. CFC is a \$29 billion member-owned cooperative association incorporated under the laws
11 of the District of Columbia. They were incorporated in April 1969. CFC's principal
12 purpose is to provide its members with financing to supplement the loan programs of
13 the Rural Utilities Service ("RUS") of the United States Department of Agriculture
14 ("USDA"). CFC provides loans to its rural electric members so they can acquire,
15 construct and operate electric distribution, generation and transmission systems and
16 related facilities. CFC also provides its members with credit enhancements in the form
17 of letters of credit and guarantees of debt obligations. As a cooperative, CFC is owned
18 by, governed by, and exclusively serves its membership, which consists of not-for-profit
19 entities or subsidiaries or affiliates of not-for-profit entities.

20
21 CFC also offers various services free of charge to all of their lenders including cost of
22 service studies, rate design assistance, board and senior management trainings, and on-
23 site strategic planning. CFC is much more than a lender, they are a partner and continue
24 to do everything possible to ensure their borrowers are successful.

25
26 CFC's secured long-term debt is rated "A-" by Standard and Poor's, "A1" by Moody's,
27 and "A+" by Fitch. CFC is a "Well Known, Seasoned Issuer" under Securities and
28 Exchange Commission rules and has longstanding relationships with global and domestic
29 banks.

1 **Q. Can you please describe the terms of the loan?**

2 A. CFC has approved a \$1,400,000 loan which will be secured by a first lien on substantially
3 all of the assets and revenue of BIUD, as described in the granting clauses of the
4 standard CFC Mortgage for distribution systems. The loan term will be 30 years. The
5 stated interest rate at this time (July 5, 2022) is 6.00%. The effective interest rate is
6 5.50% after discounts and cash patronage payments as shown below.

Rate Term	Loan Term (Yrs)	Stated Rate	Eligible Discounts	Rate after Discounts	Estimated Pat Cap	Effective Rate
30	30	6.00%	0.25%	5.75%	0.25%	5.50%

7
8 CFC has provided an estimated amortization schedule which is included in David
9 Bebyn’s testimony as Attachment DGB-1. We do not have a rate lock option in place, so
10 the actual rates will be determined by market conditions and the rate will be set by CFC
11 at the time we execute the loan documents. Due to the dynamic nature of interest
12 rates at this time, BIUD will obtain an updated rate and new amortization schedule just
13 prior to the hearing.

14
15 **Q. Can you explain how Total Discounts Cash Patronage applies to the projected annual
16 cash flow summary?**

17 A. Total Discounts are based on BIUD being a 100% borrower and BIUD’s ability to meet
18 our loan covenants. Additional discounts will be applied when BIUD reaches a
19 debt:equity level in excess of 40%. Our equity level on 12/31/2021 was approximately
20 22%. We expect to achieve the 40% equity level in the next four years.

21
22 Cash Patronage is CFC’s distribution of a portion of their excess earnings. It is based on
23 historical cash patronage distributions to its member utilities. It is based on CFC’s annual
24 financial performance. This projection is based on historical distributions and although
25 not guaranteed, it is CFC’s best estimate of our future distributions.

26

1 **Q. What types of loan covenants does CFC impose and does BIUD have adequate funding**
2 **to cover those covenants?**

3 A. CFC only monitors one covenant: Modified Debt Service Coverage "MDSC". MDSC is
4 defined as Operating Margins + Interest Expense LTD + Depreciation / Amortization +
5 Non-Operating Margins * Long Term Debt Service. The level of MDSC that CFC requires
6 is 1.35 in the highest two out of the past three years. BIUD has always met this
7 covenant.

8
9 **Q. Can you please describe the rate impact of the financing?**

10 A. As set forth in Mr. Bebyn's testimony, there will be no rate increase required to fund the
11 employee housing debt service.

12

13 **Q. Can you please describe the townhouse that BIUD plans on purchasing?**

14 A. Yes. BIUD has signed a purchase and sale agreement with several contingencies
15 including regulatory approvals of the loan. The sales price agreed to was \$1.395M,
16 which is full asking price. The townhouse is one of eight units in the Seawind's
17 development which is approximately 9 years old. It is fully furnished. The address is 1801
18 High Street on Block Island. The total living area is 1,922 square feet. There are three
19 bedrooms and two and a half bathrooms. There is a 120 square foot deck and one
20 garage space. The townhouse is simple, does not have ocean views, is in a residential
21 area close to the school, and is a modest year-round Block Island home.

22

23 **Q. Did BIUD attempt to negotiate with the seller to reduce the price?**

24 A. Yes. BIUD made several offers starting at \$1.1M to no avail. The seller would not accept
25 an offer below the asking price.

26

27 **Q. Did BIUD order a home appraisal and if so, what is the appraised value?**

1 A. BIUD did have the property appraised. The appraisal was completed by Richard
2 Moschella of Ideal Realty Services. The appraisal date was May 15, 2022. The appraised
3 value is \$1.395M.

4
5 **Q. Did the appraiser use comparable sales from Block Island?**

6 A. Yes, the appraiser used six Block Island comparable sales that ranged in price from
7 \$900K to \$1.695M. The full appraisal is attached as Attachment JMW-1.

8
9 **Q. Did BIUD have a home inspection performed on the home?**

10 A. Yes, BIUD hired Priority Inspections, Inc to perform a complete home inspection. The
11 inspection identified no significant structural issues with the home and found it to be in
12 good condition. The complete inspection is included as Attachment JMW-2.

13
14 **Q. Has the BIUD Board of Commissioners approved the purchase of this property, and
15 has it been discussed in open Board meetings?**

16 A. Yes. On June 8, 2022 during a normal open board meeting, the purchase of the
17 townhouse was discussed and the BIUD Board of Utility Commissioners voted to borrow
18 up to \$1.4M from CFC for the purchase.

19
20 **Q. Will this impact BIUD's capital improvement goals?**

21 A. BIUD is nearly six years into an aggressive capital improvement plan that includes pole
22 replacements, generating plant upgrades, and most recently a voltage conversion.
23 BIUD's reliability is better than ever, and we feel that the improvements are sustainable
24 even with a reduction in funding. BIUD also has additional borrowing available to them
25 through CFC to fund larger capital projects if ever necessary.

26
27 **Q. Is there anything else about the employee housing project we should know?**

28 A. When I took the job as President of Block Island Power Company and then transitioned
29 to the Utility District my priority was rebuilding the distribution system. The system had

1 been neglected for decades and, with the support of our Board, I directed all available
2 funds towards pole replacements, tree trimming, transformer replacements, and
3 ultimately a voltage conversion that was needed decades before now. Since February
4 2017, when I moved to Block Island, we have changed nearly 600 of 2,000 poles. We
5 have performed a full cycle of vegetation maintenance. We have changed our
6 equipment standards and have replaced all critical large commercial pad mount
7 transformers and about half the overhead transformers with new stainless-steel units
8 that have not only improved reliability but will last for thirty-plus years in a harsh salt air
9 environment. This spring we completed a voltage conversion of about 60% of our load
10 that will deliver savings from reduced system losses while improving power quality. We
11 have done all this work with no rate increase. During this time, we have only talked
12 about employee housing and have done nothing to solve a fast-approaching crisis.

13
14 BIUD has six full-time employees. Only three of six have full-time year-round housing on
15 the island. Of the three that have housing, all are expected to retire within 3-6 years.
16 Without company housing, BIUD's recruiting abilities are extremely thwarted. In order
17 to sustain our momentum, we must invest in our most valuable assets, our employees.
18 We can not continue to expect our younger employees to "live with their parents." We
19 cannot attract skilled, qualified workers from the mainland labor pool without employee
20 housing. BIUD invests a lot in its employee's training and tooling and our success
21 depends on them staying and supporting our long-term goals.

22
23 Specific to the need for this townhouse is my pending retirement. In the next few years,
24 I will begin working with our BOD on succession planning for myself. Within 4-6 years
25 BIUD will be recruiting for my replacement. This townhouse is essential in attracting
26 someone who wants to work and live on Block Island. Having affordable and adequate
27 housing for a family is critical to anyone wanting to relocate here. This townhouse is one
28 of the most important investments BIUD has made.

- 1 **Q. Does this complete your pre-filed direct testimony?**
- 2 **A. Yes, it does.**

Appraiser Independence Certification

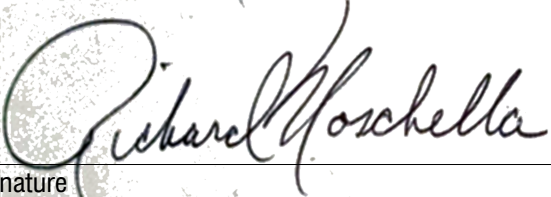
I do hereby certify, I have followed the appraiser independence safeguards in compliance with Appraisal Independence and any applicable state laws I may be required to comply with. This includes but is not limited to the following:

- I am currently licensed and/or certified by the state in which the property to be appraised is located. My license is the appropriate license for the appraisal assignment(s) and is reflected on the appraisal report.
- I certify that there have been no sanctions against me for any reason that would impair my ability to perform appraisals pursuant to the required guidelines.

I assert that no employee, director, officer, or agent of Block Island Utility District, or any other third party acting as joint venture partner, independent contractor, appraisal management company, or partner on behalf of Block Island Utility District, influenced, or attempted to influence the development, reporting, result, or review of my appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner.

I further assert that Block Island Utility District has never participated in any of the following prohibited behavior in our business relationship:

- 1) Withholding or threatening to withhold timely payment or partial payment for an appraisal report;
- 2) Withholding or threatening to withhold future business with me, or demoting or terminating or threatening to demote or terminate me;
- 3) Expressly or impliedly promising future business, promotions, or increased compensation for myself;
- 4) Conditioning the ordering of my appraisal report or the payment of my appraisal fee or salary or bonus on the opinion, conclusion, or valuation to be reached, or on a preliminary value estimate requested from me;
- 5) Requesting that I provide an estimated, predetermined, or desired valuation in an appraisal report prior to the completion of the appraisal report, or requesting that I provide estimated values or comparable sales at any time prior to my completion of an appraisal report;
- 6) Provided me an anticipated, estimated, encouraged, or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;
- 7) Provided to me, or my appraisal company, or any entity or person related to me as appraiser, appraisal company, stock or other financial or non-financial benefits;
- 8) Any other act or practice that impairs or attempts to impair my independence, objectivity, or impartiality or violates law or regulation, including, but not limited to, the Truth in Lending Act (TILA) and Regulation Z, or the USPAP.


 Signature
 Richard Moschella
 Appraiser's Name
 Certified General
 State Title or Designation

05/18/2022
 Date
CGA.0A00128
 State License or Certification #
12/31/2023 RI
 Expiration Date of License or Certification State

1801 High St, New Shoreham, RI 02807
 Address of Property Appraised

05/13



APPRAISAL OF REAL PROPERTY

LOCATED AT:

1801 High St
Bk 389 Pg 245 condo docs.
New Shoreham, RI 02807

FOR:

Block Island Utility District
23 Broad Street
Westerly, RI 02891 usa

AS OF:

04/28/2022

BY:

Richard Moschella
Ideal Realty Services
140 Point Judith Rd, Box 41
Narragansett, RI 02882

RESIDENTIAL APPRAISAL REPORT

File No.: RM38H104

Property Address: 1801 High St	City: New Shoreham	State: RI	Zip Code: 02807
County: Washington		Legal Description: Bk 389 Pg 245 condo docs.	
Tax Year: 2021		R.E. Taxes: \$ 3,937	Special Assessments: \$ 0
Current Owner of Record: BI Housing LLC		Borrower (if applicable): Block Island Utility District	
Project Type: <input type="checkbox"/> PUD <input checked="" type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Other (describe)		HOA: \$ 360 <input type="checkbox"/> per year <input checked="" type="checkbox"/> per month	
Market Area Name: SeaWinds		Map Reference: 39300	Census Tract: 0415.00

Assessor's Parcel #: Plat 8 Lot 219-3-1	Approaches developed for this appraisal: <input checked="" type="checkbox"/> Sales Comparison Approach <input type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach (See Reconciliation Comments and Scope of Work)		
Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)			
Intended Use: To est. the Market Value of the subject property as of the effective date for a possible sale transaction. The subject property is under sales agreement for \$1,395,000. The property is currently listed for sale (#1287119) with an asking price of \$1,395,000. DOM 328.			
Intended User(s) (by name or type): Block Island Utility District			
Client: Block Island Utility District		Address: 518 Ocean Ave, New Shoreham RI 02807	
Appraiser: Richard Moschella		Address: 140 Point Judith Road, Suite 41, Narragansett, RI 02882	

Location: <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Predominant Occupancy	One-Unit Housing	Present Land Use	Change in Land Use
Built up: <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	<input checked="" type="checkbox"/> Owner	PRICE (\$000)	One-Unit 50%	<input checked="" type="checkbox"/> Not Likely
Growth rate: <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	<input type="checkbox"/> Tenant	AGE (yrs)	2-4 Unit 5%	<input type="checkbox"/> Likely * <input type="checkbox"/> In Process *
Property values: <input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	<input type="checkbox"/> Vacant (0-5%)	740 Low 0	Multi-Unit 0%	
Demand/supply: <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	<input checked="" type="checkbox"/> Vacant (>5%)	4,800 High 150	Comm'l 5%	
Marketing time: <input type="checkbox"/> Under 3 Mos. <input type="checkbox"/> 3-6 Mos. <input checked="" type="checkbox"/> Over 6 Mos.		1,500 Pred 40	Vacant 40%	

Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): Current interest rates are in the 4-5% range considered attractive. RIMLS sales stats for condo sales year end 2020 on Block Island AKA New Shoreham show condo values up 110.65% YOY based on only 8 sales. Year end 2021 sales stats show values down 45.40% YOY based on only 7 sales. First qtr. 2022 values up 157.24% YOY based on only one sale. Condo min. price \$460,000-\$977,500 with a median sale price of \$650,000.

The subject is located in New Shoreham AKA Block Island an Island located 13 miles from the Main Land. Access to the Island is via a year round car ferry and small prop. plane. New Shoreham is a summer tourist destination. Year round population is just over 1000. Schools and shopping are within 1 mile. Other land use = vacant land.

Dimensions: Irreg.	Site Area: 1.43	Zoning Classification: RB		Description: Residential and commercial allowed.
Zoning Compliance: <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (grandfathered) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning		Are CC&Rs applicable? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown		
Highest & Best Use as improved: <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> Other use (explain)		Have the documents been reviewed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Actual Use as of Effective Date: Residential Condo		Use as appraised in this report: Residential Condo		

Summary of Highest & Best Use: The subject highest and best use of the site is for a single family condo home. Residential single family condo homes are allowed in this zoning district. The surrounding street and area are improved with single family condo homes. The most financially feasible use of the site is for single family condo development.

Utilities	Off-site Improvements	Topography	Level
Electricity <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other	Street Asphalt	Size 1.43 ac	
Gas <input type="checkbox"/> Propane	Curb/Gutter	Shape Irreg.	
Water <input checked="" type="checkbox"/>	Sidewalk	Drainage Adeq.	
Sanitary Sewer <input checked="" type="checkbox"/>	Street Lights	View Residential/Dist.Wtr.	
Storm Sewer <input type="checkbox"/>	Alley None		

Other site elements: <input type="checkbox"/> Inside Lot <input type="checkbox"/> Corner Lot <input type="checkbox"/> Cul de Sac <input checked="" type="checkbox"/> Underground Utilities <input type="checkbox"/> Other (describe)	
FEMA Spec'l Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone X
FEMA Map # 44009C0366J	FEMA Map Date 10/16/2013
Site Comments: The subject site is level at street grade.	

General Description	Exterior Description	Foundation	Basement	Heating
# of Units 7 <input type="checkbox"/> Acc. Unit	Foundation Prd.Conc./Avg.	Slab	Area Sq. Ft. 943	Type FHA
# of Stories 2	Exterior Walls Wd/Shing./Gd.	Crawl Space	% Finished 0	Fuel Prop.Gas
Type <input type="checkbox"/> Det. <input checked="" type="checkbox"/> Att. <input type="checkbox"/>	Roof Surface AspltShing./Gd	Basement 100%	Ceiling	
Design (Style) Townhouse	Gutters & Dwnspts. Alum	Sump Pump <input type="checkbox"/>	Walls	Cooling
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und.Cons.	Window Type Double Hung/Gd.	Dampness <input type="checkbox"/>	Floor	Central X
Actual Age (Yrs.) 13	Storm/Screens Yes	Settlement	Outside Entry None	Other
Effective Age (Yrs.) 5		Infestation		
Interior Description	Appliances	Attic <input type="checkbox"/> None	Amenities	Car Storage <input type="checkbox"/> None
Floors Hwd/Gd.	Refrigerator <input checked="" type="checkbox"/>	Stairs <input type="checkbox"/>	Fireplace(s) # 1	Garage # of cars (2 Tot.)
Walls Plaster/Gd.	Range/Oven <input checked="" type="checkbox"/>	Drop Stair <input type="checkbox"/>	Woodstove(s) # 0	Attach. _____
Trim/Finish Wood/Gd.	Disposal <input type="checkbox"/>	Scuttle <input checked="" type="checkbox"/>	Deck Deck	Detach. 1
Bath Floor Tile/Gd.	Dishwasher <input checked="" type="checkbox"/>	Doorway <input type="checkbox"/>	Porch None	Blt.-In _____
Bath Wainscot Plaster/Gd.	Fan/Hood <input type="checkbox"/>	Floor <input type="checkbox"/>	Fence None	Carport _____
Doors Panel/Gd.	Microwave <input checked="" type="checkbox"/>	Heated <input type="checkbox"/>	Pool None	Driveway 1
	Washer/Dryer <input checked="" type="checkbox"/>	Finished <input type="checkbox"/>		Surface Gravel

Finished area above grade contains: 6 Rooms 3 Bedrooms 2.1 Bath(s) 1,922 Square Feet of Gross Living Area Above Grade

Additional features: 100 amp CB elec. service. Propane gas FHA heat and propane gas on demand hot water.

Describe the condition of the property (including physical, functional and external obsolescence): No recent remodeling to the kitchen or baths. The subject property has been well maintained having received maintenance on an as needed basis. Remaining economic life is 65 years.



RESIDENTIAL APPRAISAL REPORT

File No.: RM38HI04

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): Public Records

1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing: <u>No prior sale of the subject in 3 years or the comparables in 1 year.</u>
Date:	
Price:	
Source(s): RIMLS/Public Rec.	
2nd Prior Subject Sale/Transfer	
Date:	
Price:	
Source(s):	

SALES COMPARISON APPROACH TO VALUE (if developed) The Sales Comparison Approach was not developed for this appraisal.

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
Address	1801 High St New Shoreham, RI 02807	72 W Side Rd New Shoreham, RI 02807			1800 High St New Shoreham, RI 02807			1715 Corn Neck Rd New Shoreham, RI 02807		
Proximity to Subject		1.72 miles NW			0.04 miles N			2.24 miles N		
Sale Price	\$ 1,395,000	\$ 977,500			\$ 995,000			\$ 1,350,000		
Sale Price/GLA	\$ 725.81 /sq.ft.	\$ 539.16 /sq.ft.			\$ 578.15 /sq.ft.			\$ 746.27 /sq.ft.		
Data Source(s)	Inspection	RIMLS#1282479;DOM 244			RIMLS#1067344;DOM 2392			RIMLS#1259915;DOM 30		
Verification Source(s)	Assessor	Assessor			Assessor			Assessor		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.	
Sales or Financing Concessions	ArmLth 0	ArmLth Conv;0		ArmLth Conv;0		ArmLth Conv;0		ArmLth Conv;0		
Date of Sale/Time		s02/22;c02/22		s12/20;c12/20	+169,150	s09/20;c08/20	+270,000			
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple		Fee Simple		
Location	Good	Avg.	+97,750	Good/Busy Rd.Fr	+49,750	Good		Good		
Site	N/A-Condo	N/A-Condo		N/A-Condo		N/A-Condo		N/A-Condo		
View	Residential/Dist.Wtr	Residential		Residential/Dist.Wtr		Res./Wtr. Vw.	-67,500			
Design (Style)	Townhouse	Townhouse	0	Townhouse		Townhouse		Townhouse		
Quality of Construction	Good	Avg.	+97,750	Good		Good		Good		
Age	13,8	18	0	8		33	0			
Condition	Good	Good		Good		Good		Good		
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths		
Room Count	6 3 2.1	6 4 4.0	-12,000	7 4 3.0	-4,000	6 3 2.1				
Gross Living Area	1,922 sq.ft.	1,813 sq.ft.	+27,250	1,721 sq.ft.	+50,250	1,809 sq.ft.	+28,250			
Basement & Finished Rooms Below Grade	943sf0sfin	0sf	+10,000	725sf0sfin		520sfwu				
Functional Utility	Avg.	Avg.		Avg.		Avg.				
Heating/Cooling	Fha/CAC	Fha/wall		Fhw/CAC		Fhw/None	+5,000			
Energy Efficient Items	Windows	Windows		Windows		Windows				
Garage/Carport	1 car garage/1 op	3 open	+4,000	1 car garage/1 op		2 open	+4,000			
Porch/Patio/Deck	Deck	Deck		Decks/Frt.Pr.	-7,500	Dk./Frt.Pr.	-7,500			
Extras	1 Fp	1 Fp		None	+5,000	None	+5,000			
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 224,750	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 262,650	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 237,250			
Adjusted Sale Price of Comparables		Net 23.0 % Gross 25.4 %	\$ 1,202,250	Net 26.4 % Gross 28.7 %	\$ 1,257,650	Net 17.6 % Gross 28.7 %	\$ 1,587,250			

Summary of Sales Comparison Approach **The subject property is under sales contract for \$1,395,000. According to the sale agreement all appliances and furnishings are included in the sale. There is no seller financing concessions. The agreement was signed on 04/20/2022.**

The subject complex consists of seven townhouse style condo units. Of the seven units BI Housing LLC owns five including the subject unit. There is no commercial use in the complex.

Adjustments as follows; Time adj. at 1% p/month from contract date based on RIMLS sales stats for condo sale on New Shoreham. Location adj. at 10% based on the median sale price of the units in the condo unit v subject unit. Superior water view adj. at 5%. Full bath adj. at \$8000, half bath at \$4000. GLA adj. at \$250 p/sf based on the unadjusted sale price of the comps p/sf of GLA. Lack of basement at \$10,000. CAC adj. at \$5000. Garage adj. at \$4000 p/stall. Front porch adj. at \$7500. Fireplace at \$5000. Quality of construction adj. at 5% for comp 1 as this comp property is more of a hotel style complex and the subject is a corner unit in a small attached complex. In addition the subject has higher end finish and materials. Quality of construction adj, for comp 5 is 20% Based on the subject superior materials, finish and fenestration. For the final value estimate all comparable sales were weighted (rd) as follows based on their gross adjustments, the lower the gross adj., the more the comp was weighted; Comp 1-21%, Comp 2-21%, Comp 3-21%, Comp 4-21%, Comp 5-16%.

Some comps and or listings used may exceed 25% in size, this is due to the varied housing styles and configurations in the area.

Days on the Market. Homes/condos stay on the market longer than the main land due to the shortened selling season on the Island, typically May-October.

Indicated Value by Sales Comparison Approach \$ 1,395,000



RESIDENTIAL APPRAISAL REPORT

File No.: RM38H104

COST APPROACH TO VALUE (if developed) The Cost Approach was not developed for this appraisal.

Provide adequate information for replication of the following cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value):

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE _____ = \$
Source of cost data:	DWELLING Sq.Ft. @ \$ _____ = \$
Quality rating from cost service: Effective date of cost data:	Sq.Ft. @ \$ _____ = \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.):	Sq.Ft. @ \$ _____ = \$
The cost approach was not considered relevant for this appraisal due to the condo ownership of the subject property.	Sq.Ft. @ \$ _____ = \$
	Sq.Ft. @ \$ _____ = \$
	Sq.Ft. @ \$ _____ = \$
	Sq.Ft. @ \$ _____ = \$
	Sq.Ft. @ \$ _____ = \$
	Sq.Ft. @ \$ _____ = \$
	Sq.Ft. @ \$ _____ = \$
	Sq.Ft. @ \$ _____ = \$
Garage/Carport	Sq.Ft. @ \$ _____ = \$
Total Estimate of Cost-New	_____ = \$
Less Physical Functional External	
Depreciation	= \$()
Depreciated Cost of Improvements	= \$
"As-is" Value of Site Improvements	= \$
	= \$
	= \$
Estimated Remaining Economic Life (if required): Years	INDICATED VALUE BY COST APPROACH _____ = \$

INCOME APPROACH TO VALUE (if developed) The Income Approach was not developed for this appraisal.

Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM): The income approach was considered but not weighted due to the fact that residential condo properties are not typically purchased based on their income potential.

PROJECT INFORMATION FOR PUDs (if applicable) The Subject is part of a Planned Unit Development.

Legal Name of Project:

Describe common elements and recreational facilities:

Indicated Value by: Sales Comparison Approach \$ 1,395,000 Cost Approach (if developed) \$ Income Approach (if developed) \$

Final Reconciliation Most weight was placed on the sales comparison approach to value. The income approach was not considered due to the fact that residential condo properties are not typically purchased for their income potential. The cost approach was not considered due to the condo ownership of this property.

This appraisal is made "as is", subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair:

This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 1,395,000 , as of: 04/28/2022 , which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

ATTACHMENTS

A true and complete copy of this report contains 18 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.

Attached Exhibits:

Scope of Work Limiting Cond./Certifications Narrative Addendum Photograph Addenda Sketch Addendum

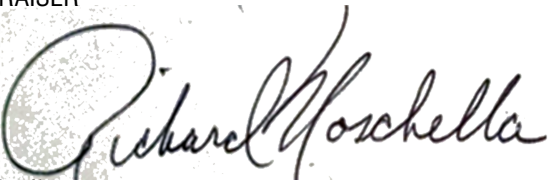
Map Addenda Additional Sales Cost Addendum Flood Addendum Manuf. House Addendum

Hypothetical Conditions Extraordinary Assumptions

SIGNATURES

Client Contact: _____ Client Name: Block Island Utility District

E-Mail: _____ Address: 518 Ocean Ave, New Shoreham RI 02807

<p>APPRAISER</p>  <p>Appraiser Name: <u>Richard Moschella</u></p> <p>Company: <u>Ideal Realty Services</u></p> <p>Phone: <u>(401) 788-8120</u> Fax: _____</p> <p>E-Mail: <u>idealre@gmail.com</u></p> <p>Date of Report (Signature): <u>05/18/2022</u></p> <p>License or Certification #: <u>CGA.0A00128</u> State: <u>RI</u></p> <p>Designation: <u>Certified General</u></p> <p>Expiration Date of License or Certification: <u>12/31/2023</u></p> <p>Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None</p> <p>Date of Inspection: <u>04/28/2022</u></p>	<p>SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)</p> <p>Supervisory or Co-Appraiser Name: _____</p> <p>Company: _____</p> <p>Phone: _____ Fax: _____</p> <p>E-Mail: _____</p> <p>Date of Report (Signature): _____</p> <p>License or Certification #: _____ State: _____</p> <p>Designation: _____</p> <p>Expiration Date of License or Certification: _____</p> <p>Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None</p> <p>Date of Inspection: _____</p>
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ADDITIONAL COMPARABLE SALES

File No.: RM38HI04

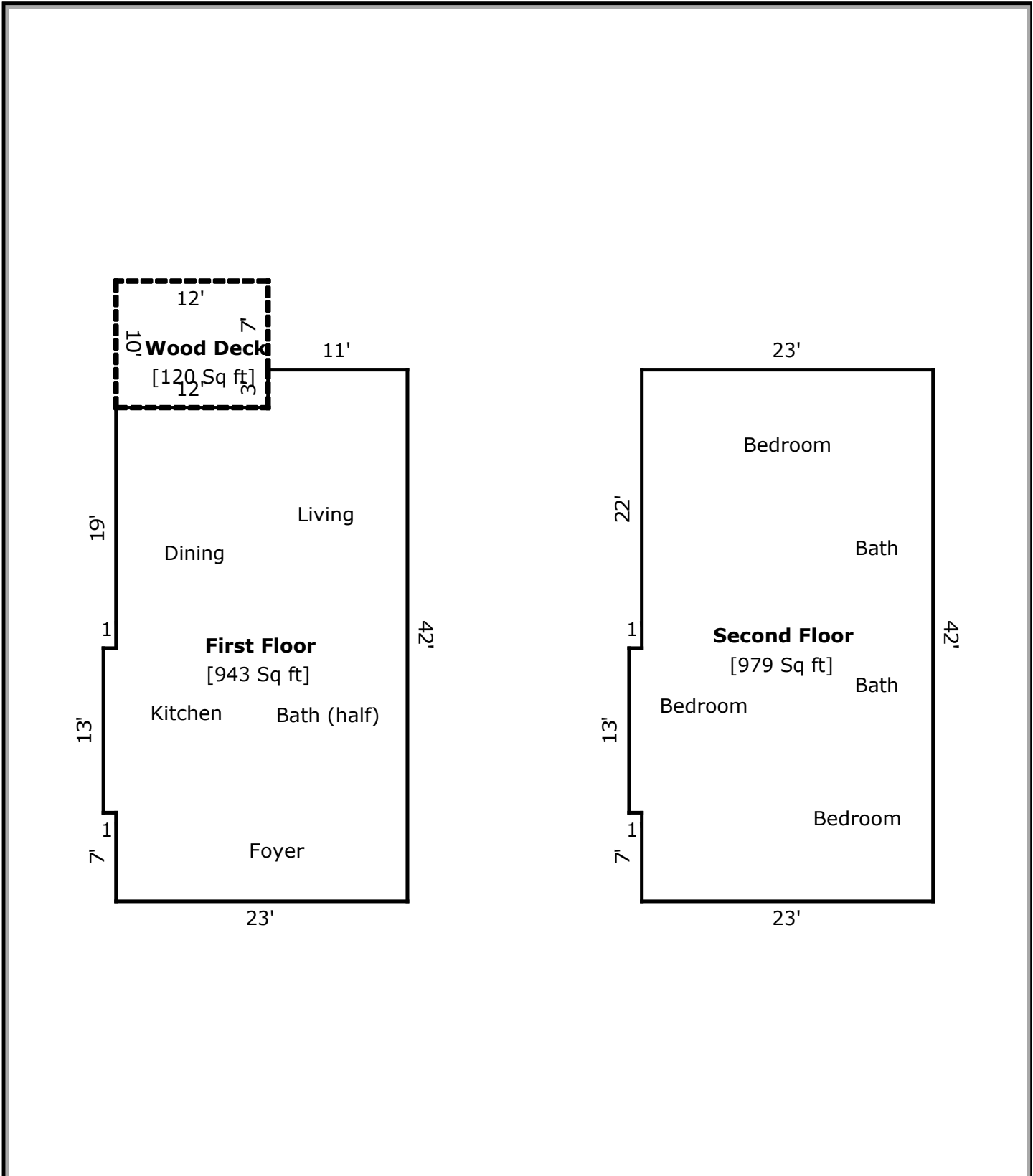
FEATURE		SUBJECT			COMPARABLE SALE # 4				COMPARABLE SALE # 5				COMPARABLE SALE # 6			
Address		1801 High St New Shoreham, RI 02807			1712 Corn Neck Rd New Shoreham, RI 02807				1254 Connecticut Ave New Shoreham, RI 02807				1806 High St New Shoreham, RI 02807			
Proximity to Subject					2.23 miles N				0.56 miles NW				0.08 miles NE			
Sale Price		\$ 1,395,000			\$ 1,160,000				\$ 900,000				\$ 1,695,000			
Sale Price/GLA		\$ 725.81 /sq.ft.			\$ 672.46 /sq.ft.				\$ 651.23 /sq.ft.				\$ 865.68 /sq.ft.			
Data Source(s)		Inspection			RIMLS#1261978;DOM 58				RIMLS#1275353;DOM 219				RIMLS#1126339;DOM 2190			
Verification Source(s)		Assessor			Assessor				Assessor				Assessor			
VALUE ADJUSTMENTS		DESCRIPTION			DESCRIPTION +(-) \$ Adjust.				DESCRIPTION +(-) \$ Adjust.				DESCRIPTION +(-) \$ Adjust.			
Sales or Financing Concessions		ArmLth 0			ArmLth Conv;0				ArmLth Conv;0				Listing			
Date of Sale/Time					s10/20;c10/20 +220,400				s12/21;c10/21 +63,000				Active			
Rights Appraised		Fee Simple			Fee Simple				Fee Simple				Fee Simple			
Location		Good			Good				Good				Good			
Site		N/A-Condo			N/A-Condo				N/A-Condo				N/A-Condo			
View		Residential/Dist.Wtr			Res./Wtr. Vw. +58,000				Residential +45,000				Residential/Dist.Wtr			
Design (Style)		Townhouse			Townhouse				Townhouse				Townhouse			
Quality of Construction		Good			Good				Avg. +90,000				Good			
Age		13,8			33				37				13			
Condition		Good			Good				Avg. +180,000				Good			
Above Grade		Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths			
Room Count		6	3	2.1	6	3	2.0	+4,000	7	3	2.0	+4,000	6	4	2.1	
Gross Living Area		1,922 sq.ft.			1,725 sq.ft. +49,250				1,382 sq.ft. +135,000				1,958 sq.ft.			
Basement & Finished Rooms Below Grade		943sf0sfin			616sfwu				480sf0sfin				979sf0sfin			
Functional Utility		Avg.			Avg.				Avg.				Avg.			
Heating/Cooling		Fha/CAC			Fhw/None +5,000				Fha/None +5,000				Fhw/CAC			
Energy Efficient Items		Windows			Windows				Windows				Windows			
Garage/Carport		1 car garage/1 op			2 open +4,000				4 open +4,000				1 car garage/1 op			
Porch/Patio/Deck		Deck			Dk./Frt.Pr. -7,500				Decks/Frt.Pr. -7,500				Deck			
Extras		1 Fp			None +5,000				1 Fp				1 Fp			
Net Adjustment (Total)					<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 338,150				<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 518,500				<input type="checkbox"/> + <input type="checkbox"/> - \$			
Adjusted Sale Price of Comparables					Net 29.2 % Gross 30.4 % \$ 1,498,150				Net 57.6 % Gross 59.3 % \$ 1,418,500				Net 0.0 % Gross 0.0 % \$ 1,695,000			

SALES COMPARISON APPROACH

Summary of Sales Comparison Approach

Building Sketch

Borrower	Block Island Utility District				
Property Address	1801 High St				
City	New Shoreham	County	Washington	State	RI Zip Code 02807
Lender/Client	Block Island Utility District				



TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area		Calculation Details
First Floor	943 Sq ft	$13 \times 1 = 13$ $23 \times 39 = 897$ $3 \times 11 = 33$
Second Floor	979 Sq ft	$42 \times 23 = 966$ $13 \times 1 = 13$
Total Living Area (Rounded):	1922 Sq ft	
Non-living Area		
Wood Deck	120 Sq ft	$12 \times 10 = 120$

Location Map

Borrower	Block Island Utility District				
Property Address	1801 High St				
City	New Shoreham	County	Washington	State	RI Zip Code 02807
Lender/Client	Block Island Utility District				



Subject Photo Page

Borrower	Block Island Utility District						
Property Address	1801 High St						
City	New Shoreham	County	Washington	State	RI	Zip Code	02807
Lender/Client	Block Island Utility District						



Subject Front

1801 High St	
Sales Price	1,395,000
Gross Living Area	1,922
Total Rooms	6
Total Bedrooms	3
Total Bathrooms	2.1
Location	Good
View	Residential/Dist.Wtr.
Site	N/A-Condo
Quality	Good
Age	13,8



Subject Rear



Subject Street

Interior Photos

Borrower	Block Island Utility District				
Property Address	1801 High St				
City	New Shoreham	County	Washington	State	RI Zip Code 02807
Lender/Client	Block Island Utility District				



Subject Garage



Kitchen



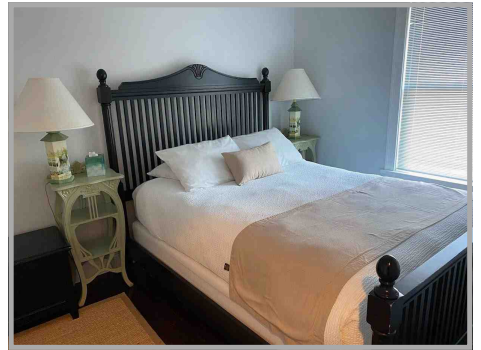
Half Bath



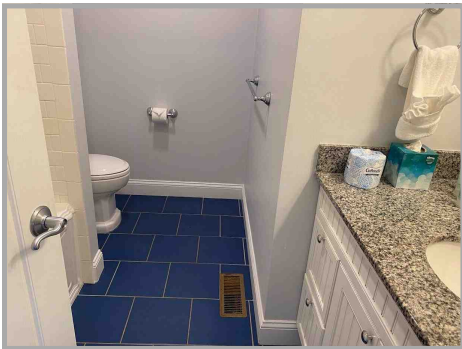
Dining



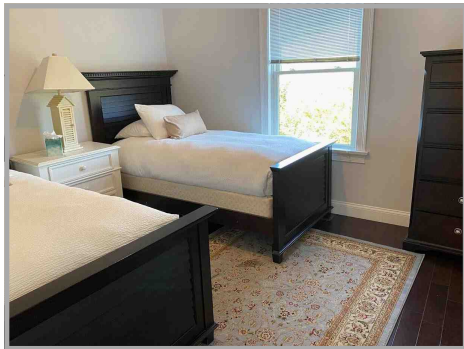
Living



Bed



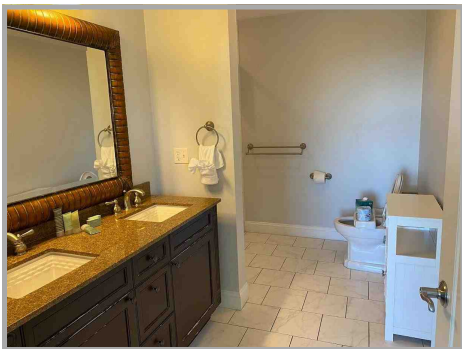
Bath



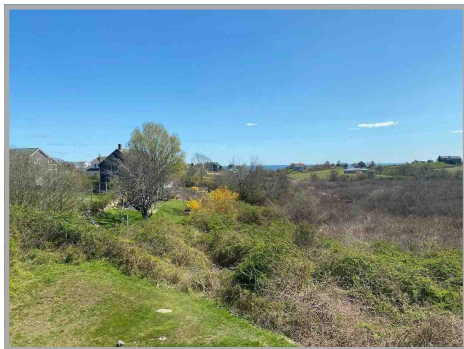
Bed



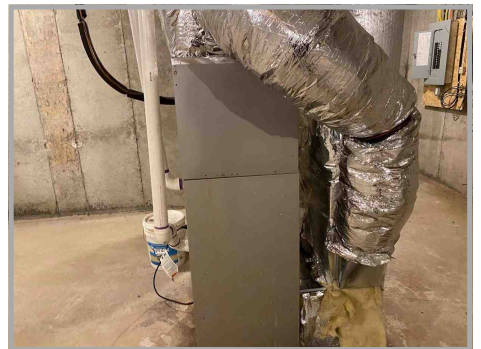
Bed



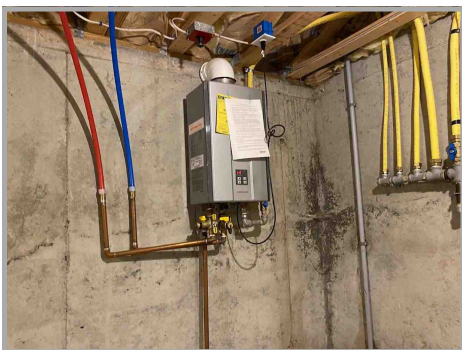
Bath



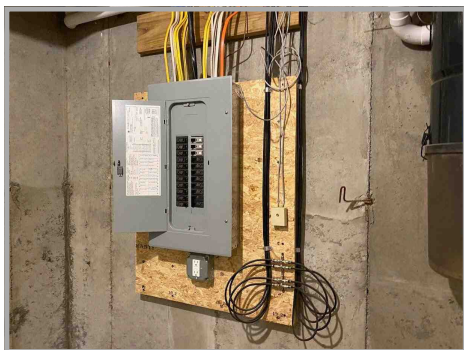
View



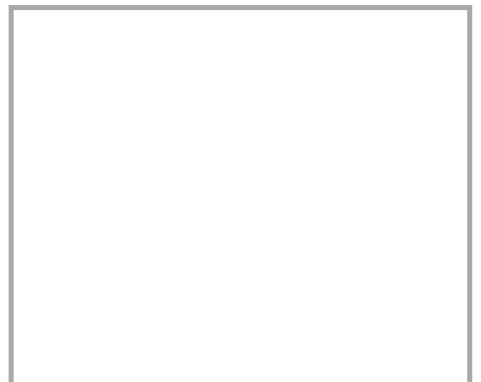
Basement



Basement



Basement



Comparable Photo Page

Borrower	Block Island Utility District				
Property Address	1801 High St				
City	New Shoreham	County	Washington	State	RI
Lender/Client	Block Island Utility District				
				Zip Code	02807



Comparable 1

72 W Side Rd	
Prox. to Subject	1.72 miles NW
Sales Price	977,500
Gross Living Area	1,813
Total Rooms	6
Total Bedrooms	4
Total Bathrooms	4.0
Location	Avg.
View	Residential
Site	N/A-Condo
Quality	Avg.
Age	18



Comparable 2

1800 High St	
Prox. to Subject	0.04 miles N
Sales Price	995,000
Gross Living Area	1,721
Total Rooms	7
Total Bedrooms	4
Total Bathrooms	3.0
Location	Good/Busy Rd.Fr
View	Residential/Dist.Wtr.
Site	N/A-Condo
Quality	Good
Age	8



Comparable 3

1715 Corn Neck Rd	
Prox. to Subject	2.24 miles N
Sales Price	1,350,000
Gross Living Area	1,809
Total Rooms	6
Total Bedrooms	3
Total Bathrooms	2.1
Location	Good
View	Res./Wtr. Vw.
Site	N/A-Condo
Quality	Good
Age	33

Comparable Photo Page

Borrower	Block Island Utility District				
Property Address	1801 High St				
City	New Shoreham	County Washington	State RI	Zip Code 02807	
Lender/Client	Block Island Utility District				



Comparable 4

1712 Corn Neck Rd
 Prox. to Subject 2.23 miles N
 Sales Price 1,160,000
 Gross Living Area 1,725
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2.0
 Location Good
 View Res./Wtr. Vw.
 Site N/A-Condo
 Quality Good
 Age 33



Comparable 5

1254 Connecticut Ave
 Prox. to Subject 0.56 miles NW
 Sales Price 900,000
 Gross Living Area 1,382
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 2.0
 Location Good
 View Residential
 Site N/A-Condo
 Quality Avg.
 Age 37



Comparable 6

1806 High St
 Prox. to Subject 0.08 miles NE
 Sales Price 1,695,000
 Gross Living Area 1,958
 Total Rooms 6
 Total Bedrooms 4
 Total Bathrooms 2.1
 Location Good
 View Residential/Dist.Wtr.
 Site N/A-Condo
 Quality Good
 Age 13

Supplemental Addendum

File No. RM38HI04

Borrower	Block Island Utility District				
Property Address	1801 High St				
City	New Shoreham	County	Washington	State	RI Zip Code 02807
Lender/Client	Block Island Utility District				

Comparable sales used in this report may be located over one mile from the subject. However, this appraiser is satisfied that the sales used in this report reflect a location similar to the subjects location, thus buyer reaction to the comparable is similar.

The subjects final value is above the predominant value in the area. The predominant value for the subject's neighborhood includes all homes and all sales, just not similar homes like the subject, or similar comparable sales to the subject. On page 1 of this report, Fannie Mae is requesting the predominant value for all homes in the subject's neighborhood, which warrants the appraiser to take into consideration a very diverse area of existing, older and smaller homes combined with larger, homes, such as the subject's neighborhood is comprised of. The subject is not an overimprovement for the area as some properties in the area are higher than the predominant value due to the explanation in this comment.

The appraiser notes that a one line adjustment of over 10% exists. While the rule of thumb one line adjustment of over 10% is to be avoided there are circumstances where the market will acknowledge a value difference of over 10%. This appraiser feels that in this case the adjustment as presented is supported by market participants.

The appraiser notes that the net adjustments exceed 15% for one or more of the comparable sales. While this rule of thumb net adjustment cap is to be avoided, these are sales that reflect the market reaction to the subject even though they exceed this cap. Being knowledgeable in the subjects area, it is this appraisers opinion that these sales are indeed comparable and reflect market reactions to the subject.

The gross adjustment may exceed 25% for one or more of the comparable sales or listings. It is this appraisers objective not to exceed the rule of thumb 25% gross adjustment ratio, however, certain properties may require adjustments that land outside of this ratio based on buyer reaction. This appraiser feels that adjustments based on buyer reaction may at times exceed rule of thumb ratios.

The subject has propane gas hot water & heat. Propane gas appliances are common for the area. The tank is above ground and no leaks noted.

It must be noted the value presented here is based on basic overall inspection of visible and accessible areas only. The appraiser is not a licensed contractor, home or environmental inspector. The appraisal does not guarantee that the subject property is free of defects or environmental problems. The appraiser notes the value presented here may increase or decrease depending the extent of unseen damages or findings by a home, construction or environmental inspection by a licensed contractor.

As of the effective date of this appraisal all utilities were on and functioning. It should be noted that the appraiser is not a home or environmental inspector. The appraiser provides an opinion of value. The appraisal does not guarantee that the subject property is free of defects or environmental problems.

Borrower	Block Island Utility District	File No.	RM38HI04
Property Address	1801 High St		
City	New Shoreham	County	Washington
		State	RI
		Zip Code	02807
Lender/Client	Block Island Utility District		

APPRAISAL AND REPORT IDENTIFICATION

This Report is one of the following types:

- Appraisal Report (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- Restricted Appraisal Report (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Reasonable Exposure Time

(USPAP defines Exposure Time as the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.)

My Opinion of Reasonable Exposure Time for the subject property at the market value stated in this report is: 6-12 months
based on MLS sales.

Comments on Appraisal and Report Identification

Note any USPAP-related issues requiring disclosure and any state mandated requirements:

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

APPRAISER:

Signature: _____
Name: Richard Moschella
Certified General
State Certification #: CGA.0A00128
or State License #: _____
State: RI Expiration Date of Certification or License: 12/31/2023
Date of Signature and Report: 05/18/2022
Effective Date of Appraisal: 04/28/2022
Inspection of Subject: None Interior and Exterior Exterior-Only
Date of Inspection (if applicable): 04/28/2022

SUPERVISORY or CO-APPRAISER (if applicable):

Signature: _____
Name: _____
State Certification #: _____
or State License #: _____
State: _____ Expiration Date of Certification or License: _____
Date of Signature: _____
Inspection of Subject: None Interior and Exterior Exterior-Only
Date of Inspection (if applicable): _____

Certification



State of Rhode Island
Department of Business Regulation
Real Estate Appraisers Section
John O. Pastore Complex, Bldg. 69-1
1511 Pontiac Avenue
Cranston, RI 02920-0942



Certified General Appraiser

Certification No. CGA.0A00128 This Certification Expires on: 12/31/2023

(In accordance with Title V, Chapter 20.7 of the General Laws of Rhode Island relating to Real Estate Appraisers) Pursuant to vested authority and having received full payment of the required fee, the Department of Business Regulation has licensed/certified

Richard Moschella

The person named herein may engage in the business of appraisal practice, provided he shall in all respects conform to the Provisions of Title V, Chapter 20.7 of the General Laws of Rhode Island 1987, as amended, and the rules and regulations issued under authority thereof, beginning 01/01/2022 and ending 12/31/2023 unless this license is suspended, revoked or voluntarily returned to the Department during this period.

Vanessa Sloan

Chairperson, Real Estate Appraisers Board

E&O



**APPRAISAL, VALUATION AND PROPERTY SERVICES
PROFESSIONAL LIABILITY INSURANCE POLICY**



DECLARATIONS

Aspen American Insurance Company

(Referred to below as the "Company")
590 Madison Avenue, 7th Floor
New York, NY 10022
877-245-3510

Date Issued	Policy Number	Previous Policy Number
12/14/2021	AAI007700-07	AAI007700-06

THIS IS A **CLAIMS MADE AND REPORTED** POLICY. COVERAGE IS LIMITED TO LIABILITY FOR ONLY THOSE **CLAIMS** THAT ARE FIRST MADE AGAINST THE **INSURED** DURING THE **POLICY PERIOD** AND THEN REPORTED TO THE COMPANY IN WRITING NO LATER THAN SIXTY (60) DAYS AFTER EXPIRATION OR TERMINATION OF THIS POLICY, OR DURING THE **EXTENDED REPORTING PERIOD**, IF APPLICABLE, FOR A **WRONGFUL ACT** COMMITTED ON OR AFTER THE **RETROACTIVE DATE** AND BEFORE THE END OF THE **POLICY PERIOD**. PLEASE READ THE POLICY CAREFULLY.

<p>1. Customer ID: 143299 Named Insured: IDEAL REALTY SERVICES INC. Richard Moschella 140 Point Judith Rd., Suite 41 Narragansett, RI 02882</p>																																	
<p>2. Policy Period: From: 01/12/2022 To: 01/12/2023 12:01 A.M. Standard Time at the address stated in 1 above.</p>																																	
<p>3. Deductible: \$1000 Each Claim</p>																																	
<p>4. Retroactive Date: 01/12/1998</p>																																	
<p>5. Inception Date: 01/12/2016</p>																																	
<p>6. Limits of Liability: A. \$1,000,000 Each Claim B. \$1,000,000 Aggregate Subpoena Response: \$5,000 Supplemental Payment Coverage Pre-Claim Assistance: \$5,000 Supplemental Payment Coverage Disciplinary Proceeding: \$7,500 Supplemental Payment Coverage Loss of Earnings: \$500 per day Supplemental Payment Coverage</p>																																	
<p>7. Covered Professional Services (as defined in the Policy and/or by Endorsement):</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Real Estate Appraisal and Valuation:</td> <td style="text-align: right;">Yes <input checked="" type="checkbox"/></td> <td style="text-align: right;">No <input type="checkbox"/></td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Residential Property:</td> <td style="text-align: right;">Yes <input checked="" type="checkbox"/></td> <td style="text-align: right;">No <input type="checkbox"/></td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Commercial Property:</td> <td style="text-align: right;">Yes <input checked="" type="checkbox"/></td> <td style="text-align: right;">No <input type="checkbox"/></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Bodily Injury and Property Damage Caused During Appraisal Inspection (\$100,000 Sub-Limit):</td> <td style="text-align: right;">Yes <input checked="" type="checkbox"/></td> <td style="text-align: right;">No <input type="checkbox"/></td> <td style="font-size: small;">(If "yes", added by endorsement)</td> </tr> <tr> <td style="padding-left: 20px;">Right of Way Agent and Relocation:</td> <td style="text-align: right;">Yes <input type="checkbox"/></td> <td style="text-align: right;">No <input checked="" type="checkbox"/></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Machinery and Equipment Valuation:</td> <td style="text-align: right;">Yes <input type="checkbox"/></td> <td style="text-align: right;">No <input checked="" type="checkbox"/></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Personal Property Appraisal:</td> <td style="text-align: right;">Yes <input type="checkbox"/></td> <td style="text-align: right;">No <input checked="" type="checkbox"/></td> <td style="font-size: small;">(If "yes", added by endorsement)</td> </tr> <tr> <td style="padding-left: 20px;">Real Estate Sales/Brokerage:</td> <td style="text-align: right;">Yes <input type="checkbox"/></td> <td style="text-align: right;">No <input checked="" type="checkbox"/></td> <td style="font-size: small;">(If "yes", added by endorsement)</td> </tr> </table>	Real Estate Appraisal and Valuation:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>		Residential Property:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>		Commercial Property:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>		Bodily Injury and Property Damage Caused During Appraisal Inspection (\$100,000 Sub-Limit):	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	(If "yes", added by endorsement)	Right of Way Agent and Relocation:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>		Machinery and Equipment Valuation:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>		Personal Property Appraisal:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	(If "yes", added by endorsement)	Real Estate Sales/Brokerage:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	(If "yes", added by endorsement)	
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Location Map

Borrower	Block Island Utility District				
Property Address	1801 High St				
City	New Shoreham	County	Washington	State	RI Zip Code 02807
Lender/Client	Block Island Utility District				





Inspection Report

Barbara MacMullan

Property Address:
1801 High St Unit8
New Shoreham RI 02807



Priority Inspections Inc

**Dominic Silvio
40 Cedar Rd
Charlestown, R.I. 02813
(401) 294-4994**



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Date: 4/26/2022	Time: 12:00 PM	Report ID: 20220425-1801-High-St-Unit8
Property: 1801 High St Unit8 New Shoreham RI 02807	Customer: Barbara MacMullan	Real Estate Professional: Wendy Crawford Lila Delman Real Estate

You have contracted with Priority Inspections, Inc. to perform a generalist inspection in accordance with the standards of practice established by International Association of Certified Home Inspectors, Inc a copy of which is available upon request. Generalist inspections are essentially visual, and distinct from those of specialists, inasmuch as they do not include the use of specialized instruments, the dismantling of equipment, or the sampling of air and inert materials. Consequently, a generalist inspection and the subsequent report will not be as comprehensive, nor as technically exhaustive, as that generated by specialists, and it is not intended to be. The purpose of a generalist inspection is to identify significant defects or adverse conditions that would warrant a specialist evaluation. Therefore, you should be aware of the limitations of this type of inspection, which are clearly indicated in the standards. However, the inspection is not intended to document the type of cosmetic deficiencies that would be apparent to the average person, and certainly not intended to identify insignificant deficiencies. Similarly, we do not inspect for vermin infestation, which is the responsibility of a licensed exterminator.

Most homes built after 1978, are generally assumed to be free of asbestos and many other common environmental contaminants. However, as a courtesy to our clients, we are including some well documented, and therefore public, information about several environmental contaminants that could be of concern to you and your family, all of which we do not have the expertise or the authority to evaluate, such as asbestos, radon, methane, formaldehyde, termites and other wood-destroying organisms, pests and rodents, molds, microbes, bacterial organisms, and electromagnetic radiation, to name some of the more commonplace ones. Nevertheless, we will attempt to alert you to any suspicious substances that would warrant evaluation by a specialist. However, health and safety, and environmental hygiene are deeply personal responsibilities, and you should make sure that you are familiar with any contaminant that could affect your home environment. You can learn more about contaminants that can affect you home from a booklet published by The environmental Protection Agency, which you can read online at www.epa.gov/iaq/pubs/insidest.htm.

Mold is one such contaminant. It is a microorganism that has tiny seeds, or spores, that are spread on the air then land and feed on organic matter. It has been in existence throughout human history, and actually contributes to the life process. It takes many different forms, many of them benign, like mildew. Some characterized as allergens are relatively benign but can provoke allergic reactions among sensitive people, and others characterized as pathogens can have adverse health effects on large segments of the population, such as the very young, the elderly, and people with suppressed immune systems. However, there are less common molds that are called toxigens that represent a serious health threat. All molds flourish in the presence of moisture, and we make a concerted effort to look for any evidence of it wherever there could be a water source, including that from condensation. Interestingly, the molds that commonly appear on ceramic tiles in bathrooms do not usually constitute a health threat, but they should be removed. However, some visibly similar molds that form on cellulose materials, such as on drywall, plaster, and wood, are potentially toxigenic. If mold is to be found anywhere within a home, it will likely be in the area of tubs, showers, toilets, sinks, water heaters, evaporator coils, inside attics with unvented bathroom exhaust fans, and return-air compartments that draw outside air, all of which are areas that we inspect very conscientiously. Nevertheless, mold can appear as though spontaneously at any time, so you should be prepared to monitor your home, and particularly those areas that we identified. Naturally, it is equally important to maintain clean air-supply ducts and to change filters as soon as they become soiled, because contaminated ducts are a common breeding ground for dust mites, rust, and other contaminants. Regardless, although some mold-like substances may be visually identified, the specific identification of molds can only be determined by specialists and laboratory analysis, and is absolutely beyond the scope of our inspection. Nonetheless, as a prudent investment in environmental hygiene, we categorically recommend that you have your home tested for the presence of any such contaminants, and particularly if you or any member of your family suffers from allergies or asthma. Also, you can learn more about mold from an Environmental Protection Agency document entitled "A Brief Guide to Mold, Moisture and Your Home," by visiting their web site at: <http://www.epa.gov/iaq/molds/moldguide.html/>, from which it can be downloaded.

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Radon is a gas that results from the natural decay of radioactive materials within the soil, and is purported to be the second leading cause of lung cancer in the United States. The gas is able to enter homes through the voids around pipes in concrete floors or through the floorboards of poorly ventilated crawlspaces, and particularly when the ground is wet and the gas cannot easily escape through the soil and be dispersed into the atmosphere. However, it cannot be detected by the senses, and its existence can only be determined by sophisticated instruments and laboratory analysis, which is completely beyond the scope of our service. However, you can learn more about radon and other environmental contaminants and their affects on health, by contacting the Environmental Protection Agency (EPA), at www.epa.gov/radon/images/hmbuygud.pdf, and it would be prudent for you to inquire about any high radon readings that might be prevalent in the general area surrounding your home.

Lead poses an equally serious health threat. In the 1920's, it was commonly found in many plumbing systems. In fact, the word "plumbing" is derived from the Latin word "plumbum," which means lead. When in use as a component of a waste system, it is not an immediate health threat, but as a component of potable water pipes it is a definite health-hazard. Although rarely found in modern use, lead could be present in any home build as recently as the nineteen forties. For instance, lead was an active ingredient in many household paints, which can be released in the process of sanding, and even be ingested by small children and animals chewing on painted surfaces. Fortunately, the lead in painted surfaces can be detected by industrial hygienists using sophisticated instruments, but testing for it is not cheap. There are other environmental contaminants, some of which we have already mentioned, and others that may be relatively benign. However, we are not environmental hygienists, and as we stated earlier we disclaim any responsibility for testing or establishing the presence of any environmental contaminant, and recommend that you schedule whatever specialist inspections that may deem prudent within the contingency period.

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Standards of Practice:

INTERNACHI International Association of Certified Home Inspectors

In Attendance:

Customer representative, Seller and customer's agent

Type of building:

Condominium

Approximate age of building:

Over 10 Years

Temperature:

Below 60 (F) = 15.5 (C)

Weather:

Cloudy

Ground/Soil surface condition:

Dry

Rain in last 3 days:

Yes

Radon Test:

No

Water Test:

No



1. Roofing

The home inspector shall observe: Roof covering; Roof drainage systems; Flashings; Skylights, chimneys, and roof penetrations; and Signs of leaks or abnormal condensation on building components. The home inspector shall: Describe the type of roof covering materials; and Report the methods used to observe the roofing. The home inspector is not required to: Walk on the roofing; or Observe attached accessories including but not limited to solar systems, antennae, and lightning arrestors.



Styles & Materials

Roof Covering:

Architectural

Viewed roof covering from:

Ground
Binoculars

Sky Light(s):

None

Chimney (exterior):

N/A

Limited access to view roof:

Unable to view entire roof limited access

Items

1.0 Roof Coverings Systems

Comments: Inspected

Condition is commensurate with age & typical wear

1.1 Skylights, Chimneys and Roof Penetrations

Comments: Inspected

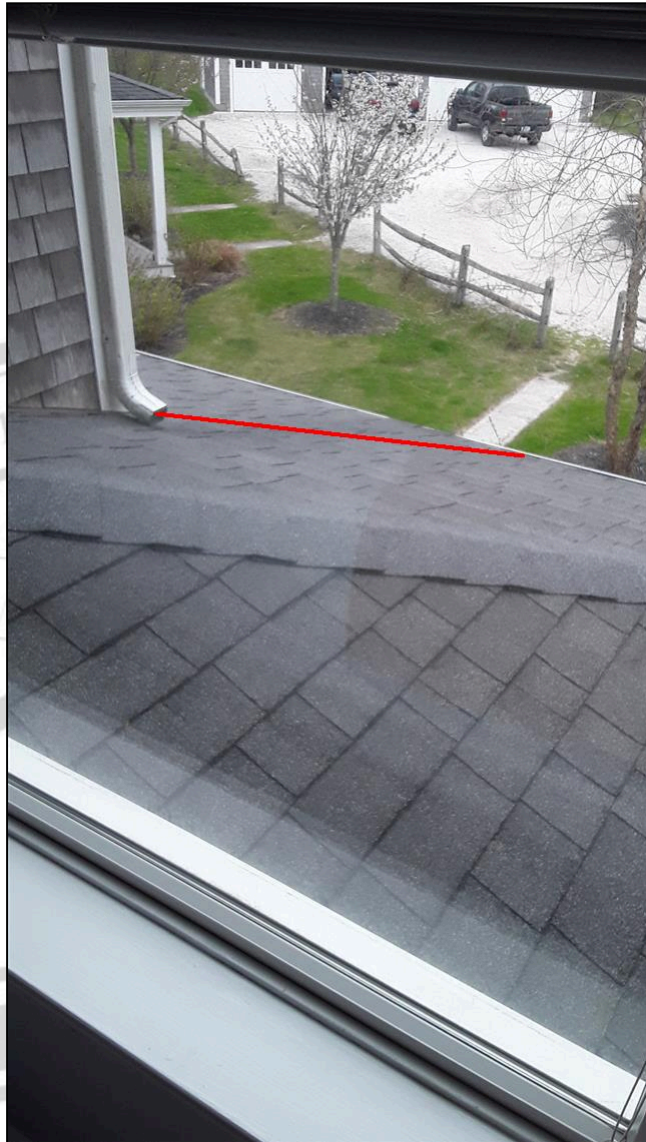
1.2 Flashings

Comments: Inspected

1.3 Roof Drainage Systems

Comments: Suggested Maintenance

(1) The downspouts at the upper level of the roof, should be extended to the lower gutter, to avoid excessive roof wear. (suggestion).



1.3 Item 1(Picture)

(2) It would be prudent to extend downspouts & splash blocks away from the house perimeter to discourage water intrusion



1.3 Item 2(Picture)



(3) It would be prudent to extend downspouts & splash blocks away from the house perimeter to discourage water intrusion



1.3 Item 3(Picture)

The roof of the home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Roof coverings and skylights can appear to be leak proof during inspection and weather conditions. Our inspection makes an attempt to find a leak but sometimes cannot. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

2. Exterior



The home inspector shall observe: Wall cladding, flashings, and trim; Entryway doors and a representative number of windows; Garage door operators; Decks, balconies, stoops, steps, areaways, porches and applicable railings; Eaves, soffits, and fascias; and Vegetation, grading, drainage, driveways, patios, walkways, and retaining walls with respect to their effect on the condition of the building. The home inspector shall: Describe wall cladding materials; Operate all entryway doors and a representative number of windows; Operate garage doors manually or by using permanently installed controls for any garage door operator; Report whether or not any garage door operator will automatically reverse or stop when meeting reasonable resistance during closing; and Probe exterior wood components where deterioration is suspected. The home inspector is not required to observe: Storm windows, storm doors, screening, shutters, awnings, and similar seasonal accessories; Fences; Presence of safety glazing in doors and windows; Garage door operator remote control transmitters; Geological conditions; Soil conditions; Recreational facilities (including spas, saunas, steam baths, swimming pools, tennis courts, playground equipment, and other exercise, entertainment, or athletic facilities); Detached buildings or structures; or Presence or condition of buried fuel storage tanks. The home inspector is not required to: Move personal items, panels, furniture, equipment, plant life, soil, snow, ice or debris that obstructs access or visibility.



Styles & Materials

Styles & Materials:

White Cedar Shingles

Siding & Trim Material:

Wood

Exterior Entry Doors:

- Wood
- Steel
- Fiberglass
- Insulated glass

Appurtenance:

Porch

Driveway:

Gravel

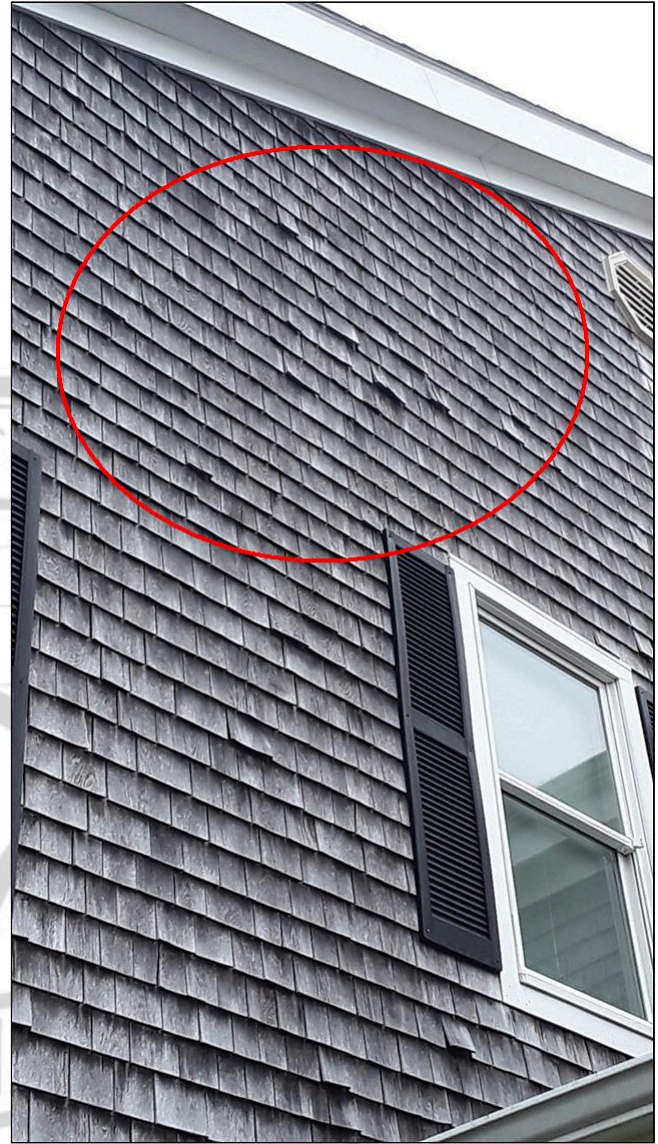
*Items***2.0 Wall Cladding Flashing and Trim**

Comments: Suggested Maintenance

The siding needs selective repair. Aging, curling shingles. (Select areas).



2.0 Item 1(Picture)



2.0 Item 2(Picture)

2.1 Fascia, Soffits, Rakes & Misc Trim

Comments: Inspected

2.2 Doors (Exterior)

Comments: Inspected

2.3 Windows

Comments: Inspected

2.4 Decks, Balconies, Stoops, Steps, Areaways, Porches, Patio/Cover and Applicable Railings

Comments: Inspected

2.5 Vegetation, Grading, Drainage, Driveways, Patio Floor, Walkways and Retaining Walls (With respect to their effect on the condition of the building)

Comments: Inspected

2.6 Other

Comments: Repair or Replace

Dangerous hole. A child or adult could easily break a leg if they were running and did not see this hole almost completely covered with grass. Fill in the hole to avoid an accident.



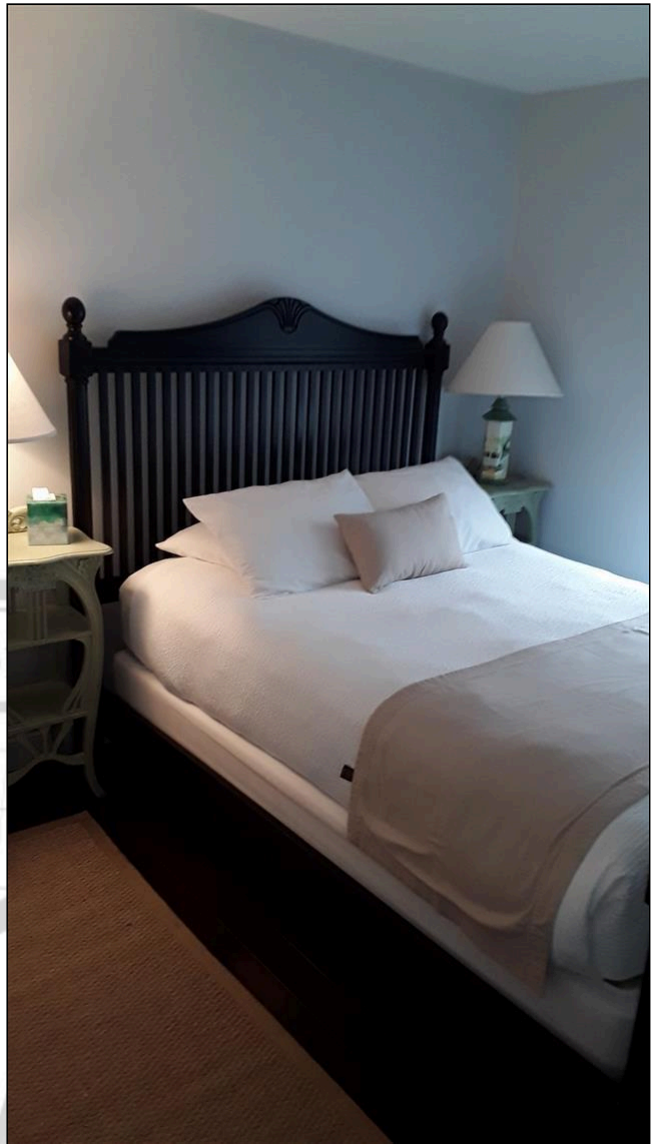
2.6 Item 1(Picture)

The exterior of the home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

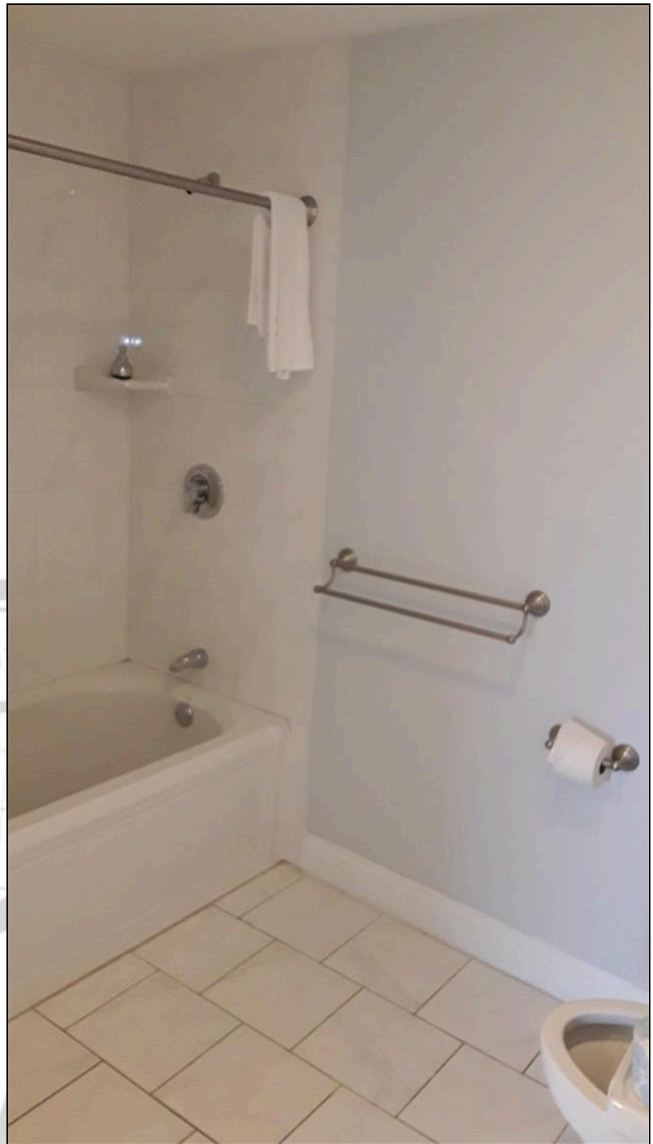
3. Interiors

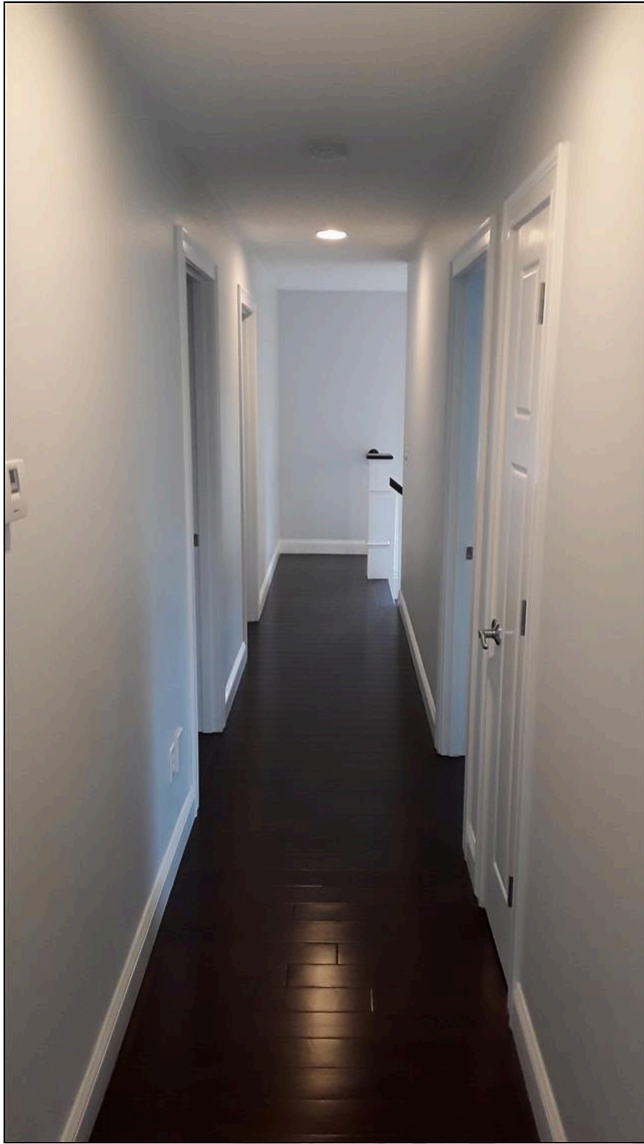
The home inspector shall observe: Walls, ceiling, and floors; Steps, stairways, balconies, and railings; Counters and a representative number of installed cabinets; and A representative number of doors and windows. The home inspector shall: Operate a representative number of windows and interior doors; and Report signs of abnormal or harmful water penetration into the building or signs of abnormal or harmful condensation on building components. The home inspector is not required to observe: Paint, wallpaper, and other finish treatments on the interior walls, ceilings, and floors; Carpeting; or Draperies, blinds, or other window treatments.

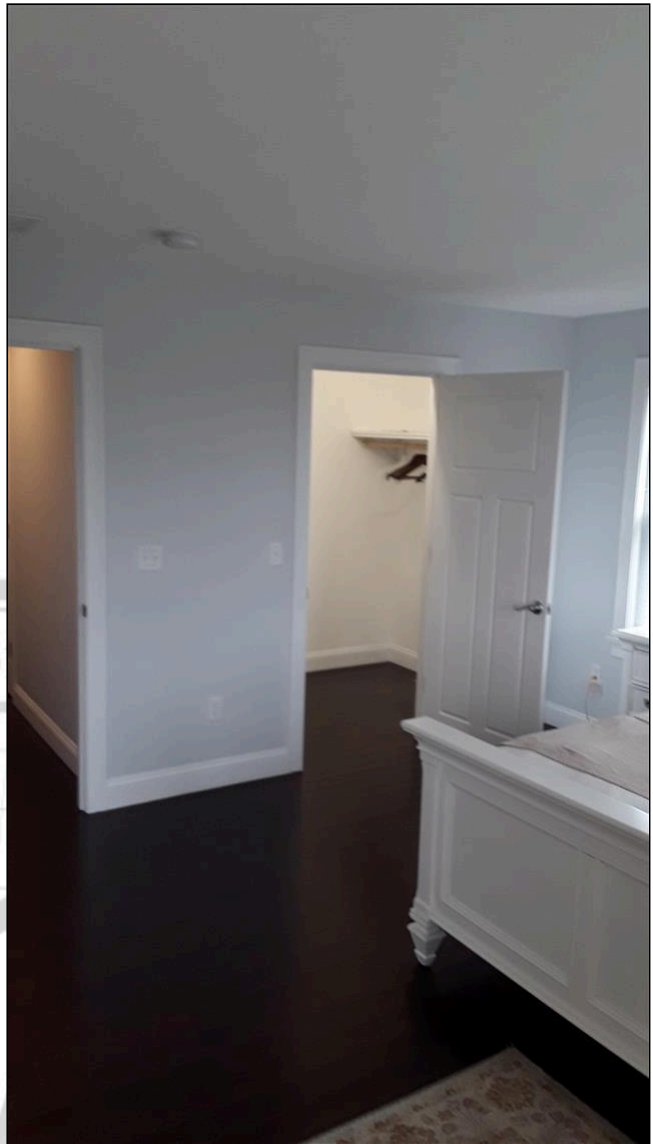


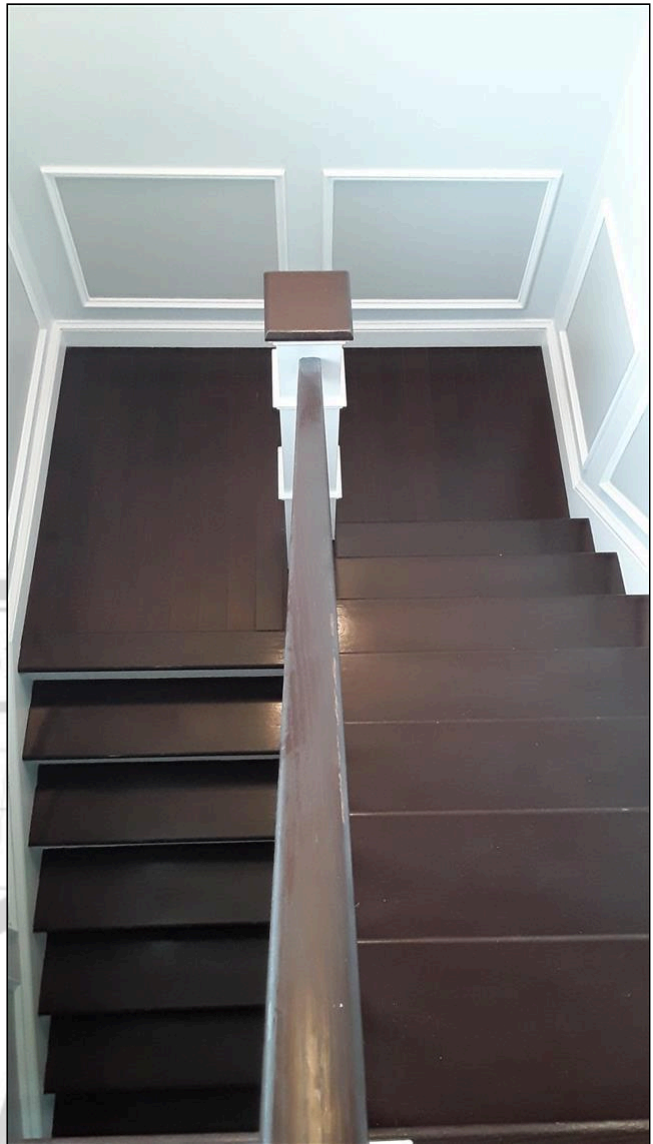
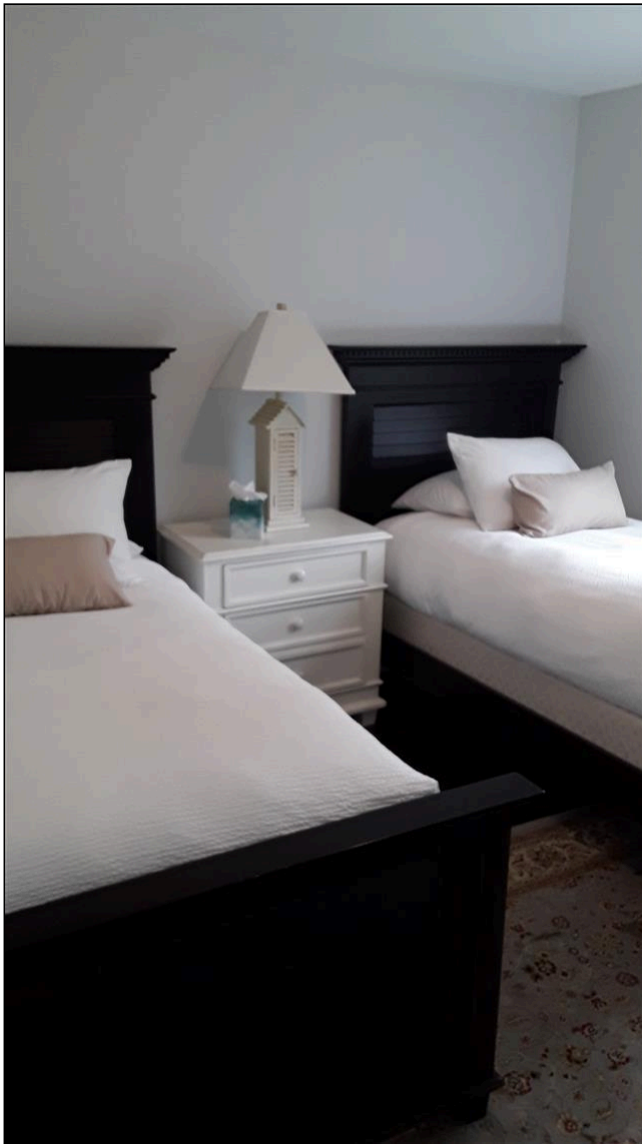


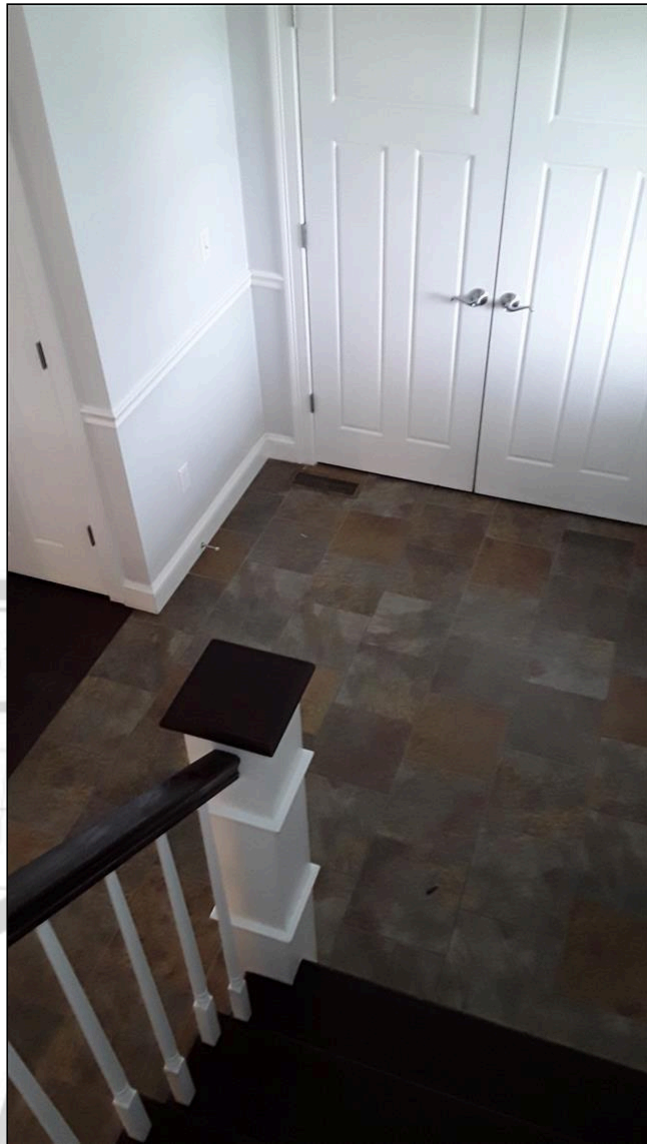












Styles & Materials

Ceiling Materials:

Plaster

Wall Material:

Plaster
Tile

Floor Covering(s):

Concrete
Hardwood T&G
Tile
Unfinished

Interior Doors:

Raised panel
Wood

Window Types:

Thermal/Insulated
Double-hung

Window Manufacturer:

ANDERSEN

Cabinetry:

Wood

Countertop:

Granite

Items

3.0 Ceilings

Comments: Inspected

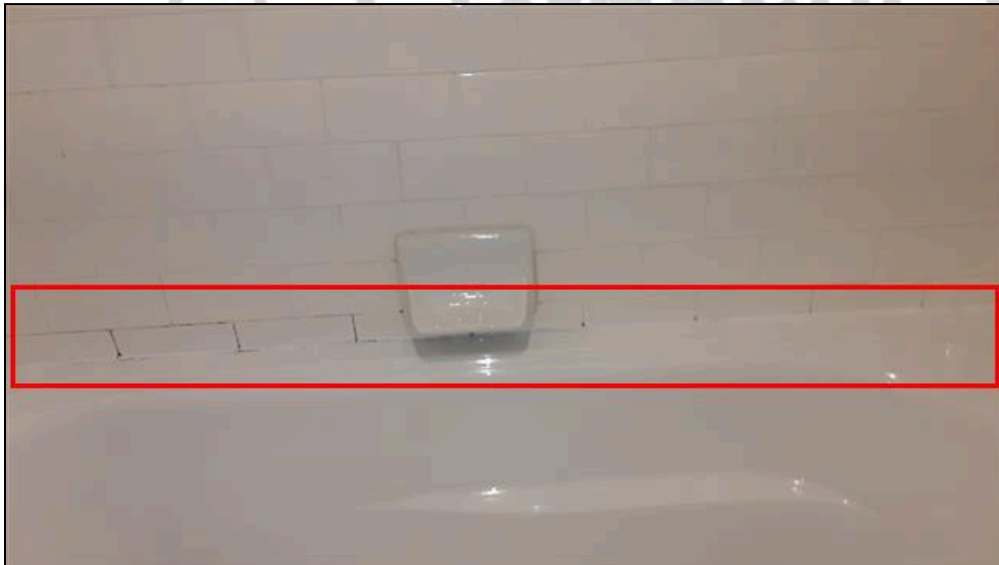
3.1 Walls

Comments: Suggested Maintenance

Needs grout in select areas. Caulk was used as a temporary control. Repair needed.



3.1 Item 1(Picture)



3.1 Item 2(Picture)

3.2 Floors

Comments: Inspected

3.3 Steps, Stairways, Balconies and Railings

Comments: Inspected

3.4 Counters and Cabinets (representative number)

Comments: Suggested Maintenance

Mirror does swing and semi interfere with faucet trip waste however it is still operable. Recommend securing mirror from swinging. This is a safety concern.



3.4 Item 1(Picture)

3.5 Doors (representative number)

Comments: Inspected

3.6 Windows (representative number)

Comments: Inspected

3.7 Pest

Comments: Inspected

.....
The interior of the home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection did not involve moving furniture and inspecting behind furniture, area rugs or areas obstructed from view. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.



4. Structural Components

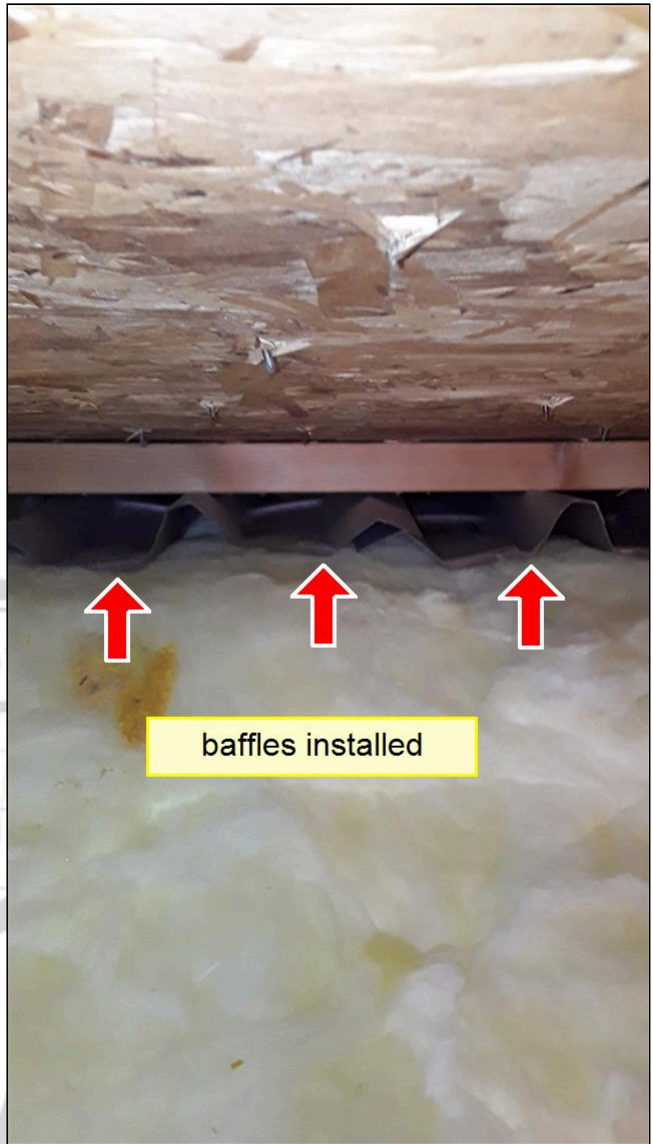
The Home Inspector shall observe structural components including foundations, floors, walls, columns or piers, ceilings and roof. The home inspector shall describe the type of Foundation, floor structure, wall structure, columns or piers, ceiling structure, roof structure. The home inspector shall: Probe structural components where deterioration is suspected; Enter under floor crawl spaces, basements, and attic spaces except when access is obstructed, when entry could damage the property, or when dangerous or adverse situations are suspected; Report the methods used to observe under floor crawl spaces and attics; and Report signs of abnormal or harmful water penetration into the building or signs of abnormal or harmful condensation on building components. The home inspector is not required to: Enter any area or perform any procedure that may damage the property or its components or be dangerous to or adversely effect the health of the home inspector or other persons.













Styles & Materials

Foundation:

Poured concrete

Wall Structure:

Wood
 2 X 4 Wood
 2 X 6 Wood

Roof-Type:

Gable

Method used to observe Crawlspace:

No crawlspace

Ceiling Structure:

Not visible

Method used to observe attic:

From entry
 Limited access

Floor Structure:

Engineered floor trusses

Roof Structure:

Engineered wood trusses
 2 X 4 Rafters
 Lateral bracing
 Plywood
 Sheathing

Attic info:

Attic access
 Pull Down stairs
 No Storage
 Limited access
 Visual access only

Items

4.0 Foundations, Basement and Crawlspace (Report signs of abnormal or harmful water penetration into the building or signs of abnormal or harmful condensation on building components.)

Comments: Repair or Replace

Problematic area. Main waste line passes through foundation and there is a gap present around the pipe that has had one or two repair attempts. It appears to have helped, however some water still leaks through. This can be professionally cured with the poly injection method with long time warranty. Needs repair.



4.0 Item 1(Picture)

4.1 Walls (Structural)

Comments: Inspected

4.2 Columns or Piers

Comments: Not Present

4.3 Floors (Structural)

Comments: Inspected

4.4 Ceilings (Structural)

Comments: Inspected

4.5 Roof Structure and Attic

Comments: Inspected

4.6 Wood boring insect damage or infestation

Comments: Suggested Maintenance

Any Home or Building can be attacked by Wood Boring Insects at any time.

We do recommend taking a pro-active preventative approach by obtaining a preventive service by a licensed Pest Control contractor.

4.7 *Advise(Structural*.

Comments: Advisory

Shows good structural integrity. A sturdy home.

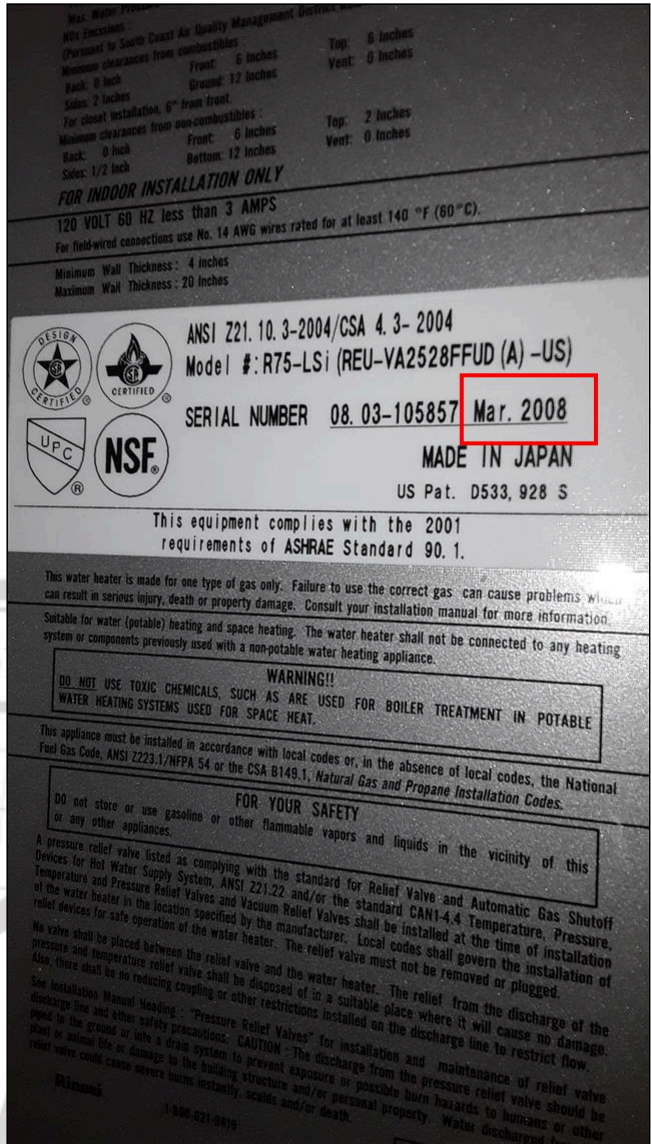
The structure of the home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

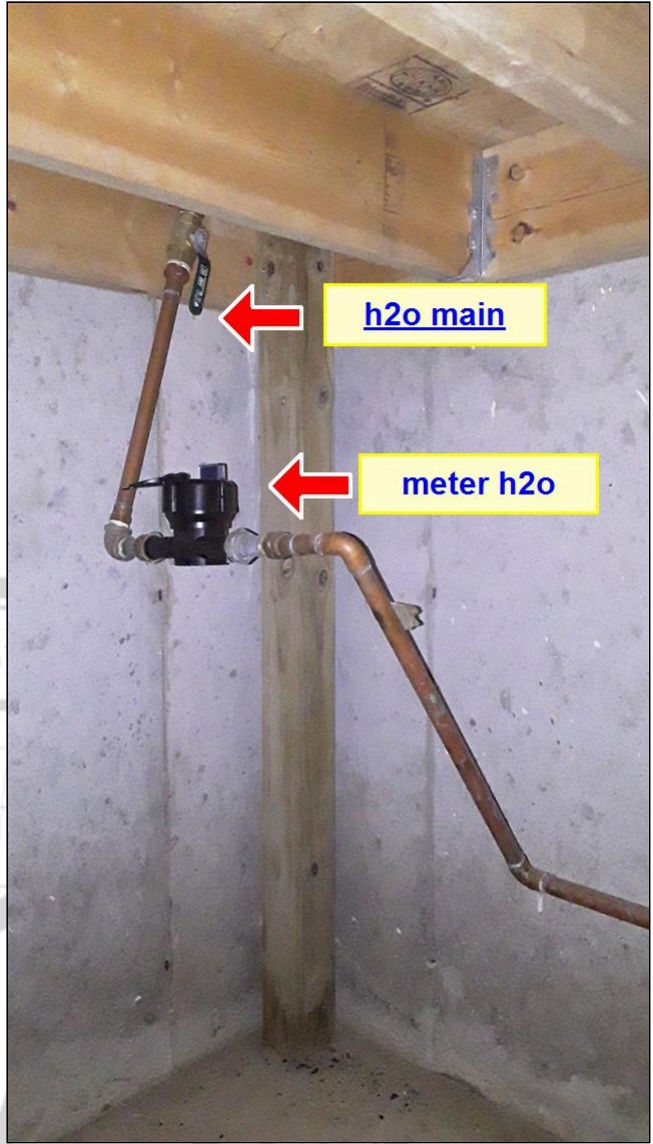


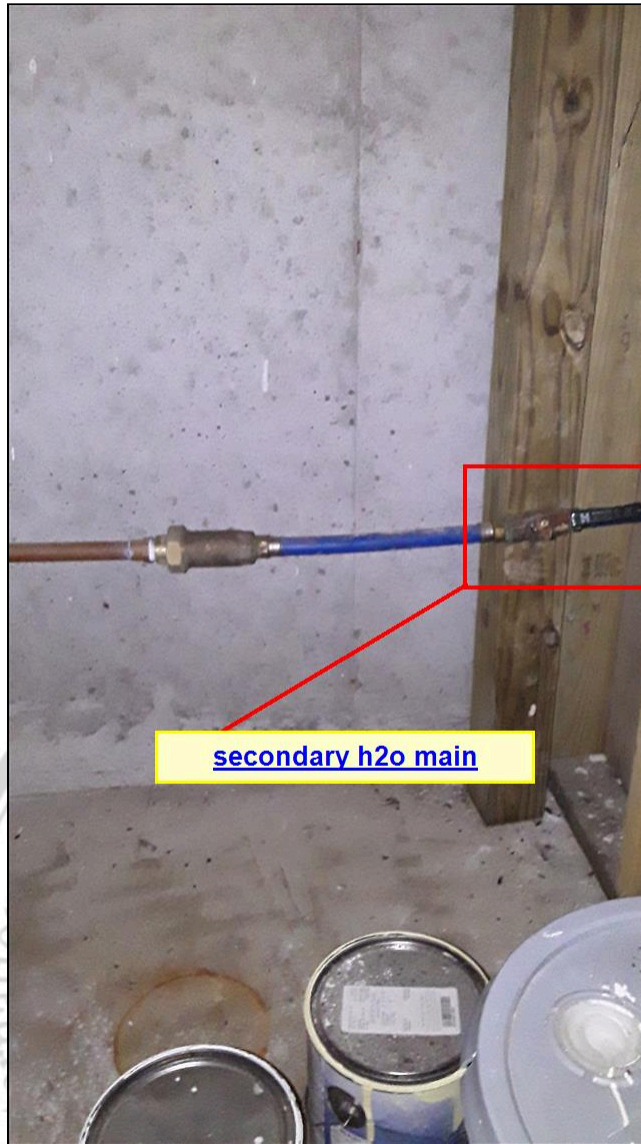
5. Plumbing System

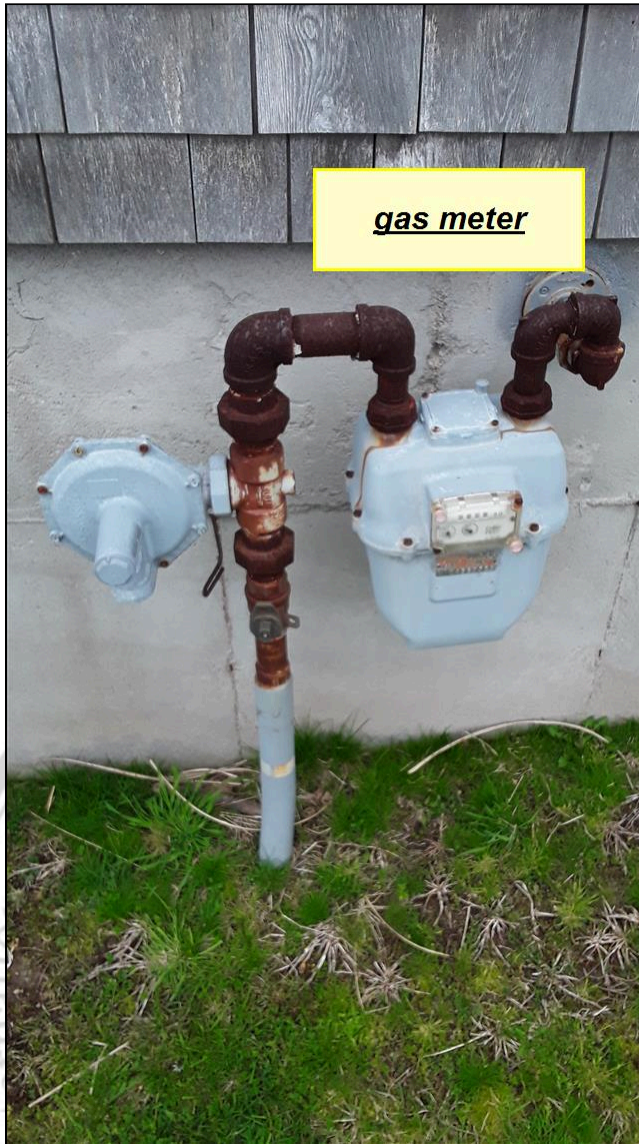
The home inspector shall observe: Interior water supply and distribution system, including: piping materials, supports, and insulation; fixtures and faucets; functional flow; leaks; and cross connections; Interior drain, waste, and vent system, including: traps; drain, waste, and vent piping; piping supports and pipe insulation; leaks; and functional drainage; Hot water systems including: water heating equipment; normal operating controls; automatic safety controls; and chimneys, flues, and vents; Fuel storage and distribution systems including: interior fuel storage equipment, supply piping, venting, and supports; leaks; and Sump pumps. The home inspector shall describe: Water supply and distribution piping materials; Drain, waste, and vent piping materials; Water heating equipment; and Location of main water supply shutoff device. The home inspector shall operate all plumbing fixtures, including their faucets and all exterior faucets attached to the house, except where the flow end of the faucet is connected to an appliance. The home inspector is not required to: State the effectiveness of anti-siphon devices; Determine whether water supply and waste disposal systems are public or private; Operate automatic safety controls; Operate any valve except water closet flush valves, fixture faucets, and hose faucets; Observe: Water conditioning systems; Fire and lawn sprinkler systems; On-site water supply quantity and quality; On-site waste disposal systems; Foundation irrigation systems; Spas, except as to functional flow and functional drainage; Swimming pools; Solar water heating equipment; or Observe the system for proper sizing, design, or use of proper materials.











Styles & Materials

Water Source:

Public

Water Filters:

None

Plumbing Water Supply (into home):

Copper
Poly

Plumbing Water Distribution (inside home):

Copper
PEX

Washer Drain Size:

2" Diameter

Plumbing Waste:

PVC

Water Heater Power Source:

Tank less on demand

Water Heater Capacity:

Direct vent tank less independent hot water maker

Manufacturer:

Rinnai

Water Heater Location:

Basement

Items

5.0 Plumbing Drain, Waste and Vent Systems

Comments: Repair or Replace

(1) what is the 1/4" clear poly hose for? Appears it was intended for some sort of drain. Currently dead ended.



5.0 Item 1(Picture)



(2) previously mentioned.



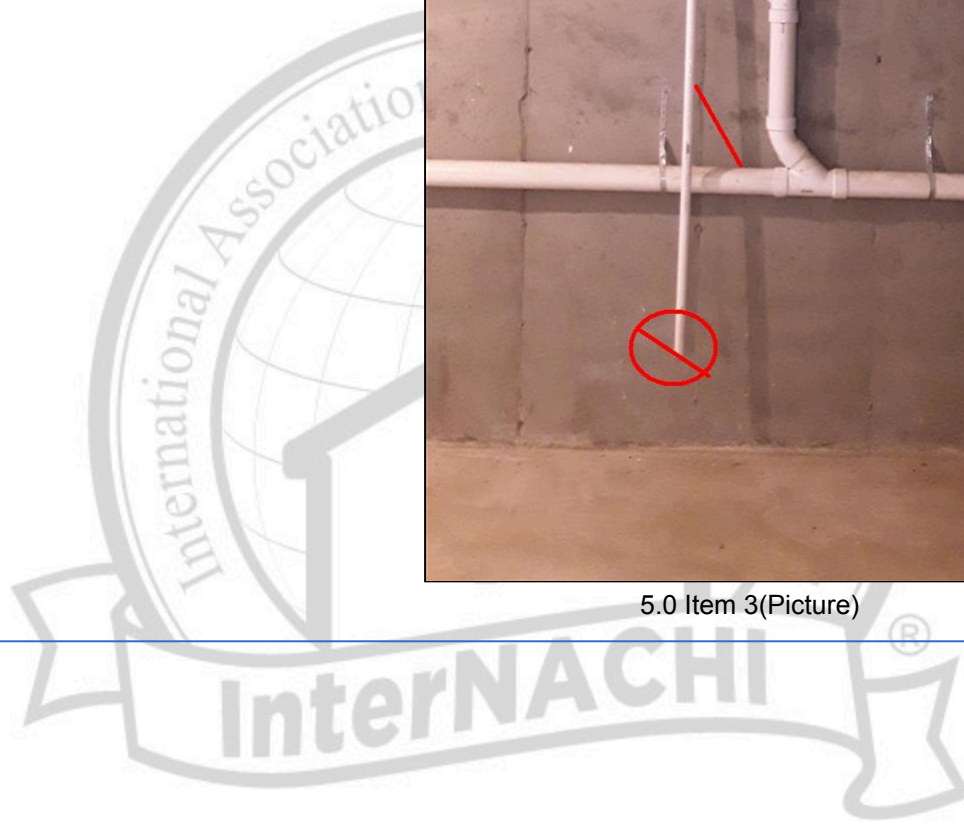
5.0 Item 2(Picture)



(3) Washer over spill pan should be plumbed in to the main waste line instead of dead ending in to the basement. The main waste line is right there. Very easy to drain away rather than to flood the basement.



5.0 Item 3(Picture)



(4) Trip waste needs repair or replace as needed



5.0 Item 4(Picture)

5.1 Plumbing Water Supply, Distribution System and Fixtures

Comments: Suggested Maintenance

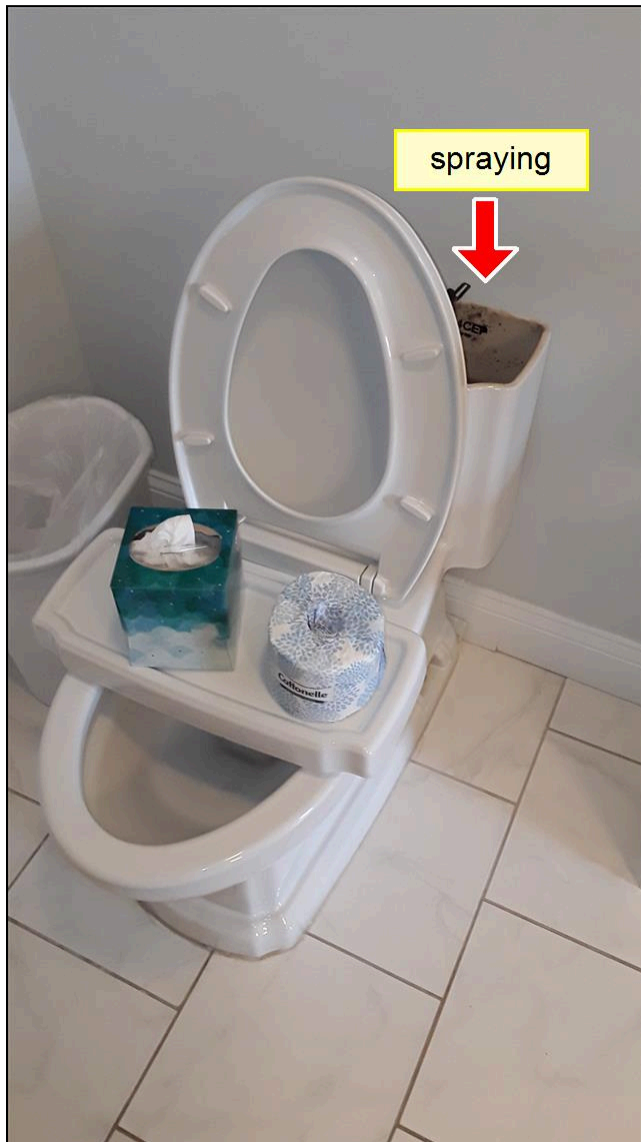
(1) Kitchen sink fixture is loose and needs securing.



5.1 Item 1(Picture)



(2) NOT INSPECTED. MASTER TOILET SHUT OFF



5.1 Item 2(Picture)



5.1 Item 3(Picture)

5.2 Hot Water Systems, Controls, Chimneys, Flues and Vents

Comments: Inspected

5.3 Main Water Shut-off Device (Describe location)

Comments: Inspected

5.4 Fuel Storage and Distribution Systems (Interior fuel storage, piping, venting, supports, leaks)

Comments: Inspected

5.5 Main Fuel Shut-off (Describe Location)

Comments: Inspected

The main fuel shut off is at gas meter outside

5.6 Sump Pump

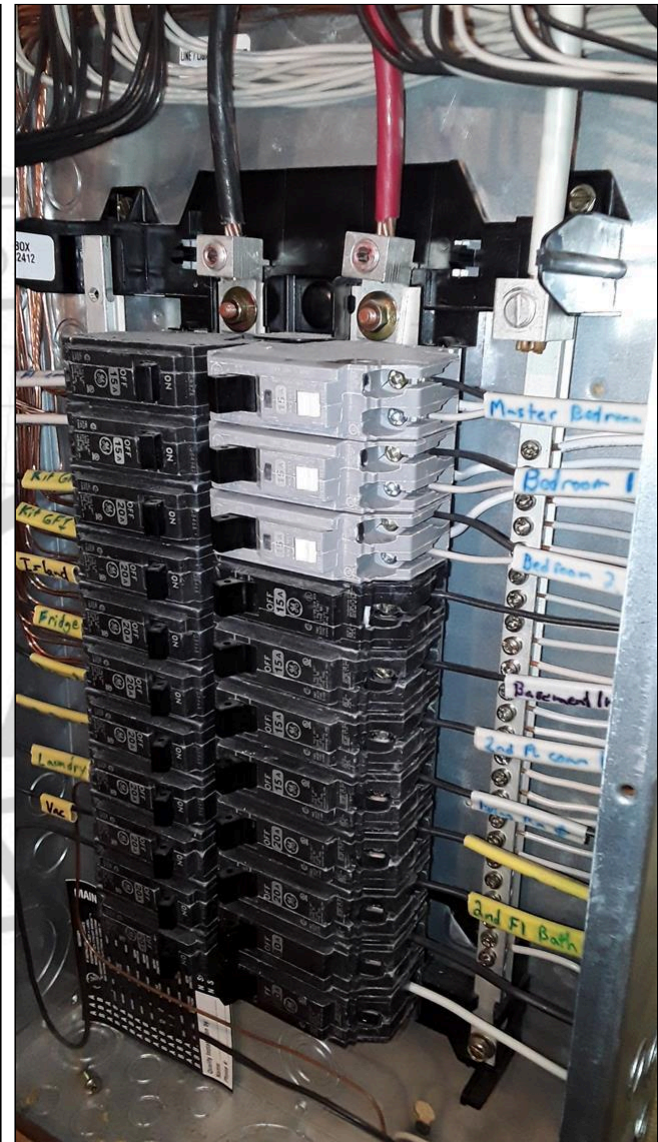
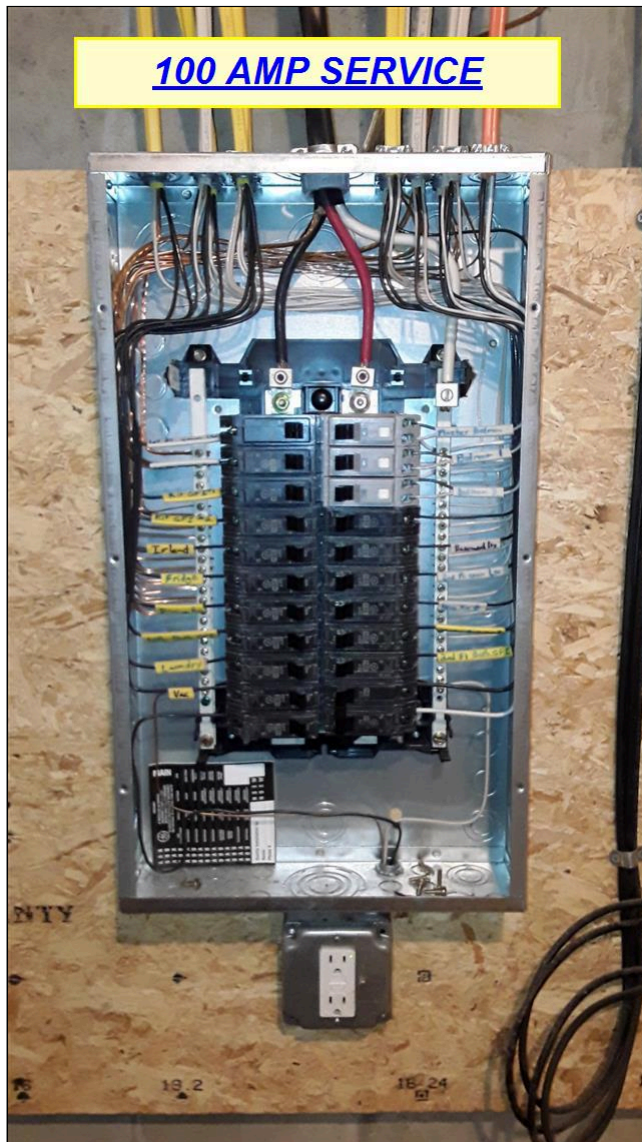
Comments: Not Present

The plumbing in the home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Washing machine drain line for example cannot be checked for leaks or the ability to handle the volume during drain cycle. Older homes with galvanized supply lines or cast iron drain lines can be obstructed and barely working during an inspection but then fails under heavy use. If the water is turned off or not used for periods of time (like a vacant home waiting for closing) rust or deposits within the pipes can further clog the piping system. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.



6. Electrical System

The home inspector shall observe: Service entrance conductors; Service equipment, grounding equipment, main over current device, and main and distribution panels; Amperage and voltage ratings of the service; Branch circuit conductors, their over current devices, and the compatibility of their ampacities and voltages; The operation of a representative number of installed ceiling fans, lighting fixtures, switches and receptacles located inside the house, garage, and on the dwelling's exterior walls; The polarity and grounding of all receptacles within six feet of interior plumbing fixtures, and all receptacles in the garage or carport, and on the exterior of inspected structures; The operation of ground fault circuit interrupters; and Smoke detectors. The home inspector shall describe: Service amperage and voltage; Service entry conductor materials; Service type as being overhead or underground; and Location of main and distribution panels. The home inspector shall report any observed aluminum branch circuit wiring. The home inspector shall report on presence or absence of smoke detectors, and operate their test function, if accessible, except when detectors are part of a central system. The home inspector is not required to: Insert any tool, probe, or testing device inside the panels; Test or operate any over current device except ground fault circuit interrupters; Dismantle any electrical device or control other than to remove the covers of the main and auxiliary distribution panels; or Observe: Low voltage systems; Security system devices, heat detectors, or carbon monoxide detectors; Telephone, security, cable TV, intercoms, or other ancillary wiring that is not a part of the primary electrical distribution system; or Built-in vacuum equipment.





Styles & Materials

Electrical Service Conductors:

Below ground

Panel capacity:

100 AMP

Panel Type:

Circuit breakers

Electric Panel Manufacturer:

GENERAL ELECTRIC

Branch wire 15 and 20 AMP:

Copper

Wiring Methods:

Romex

Items

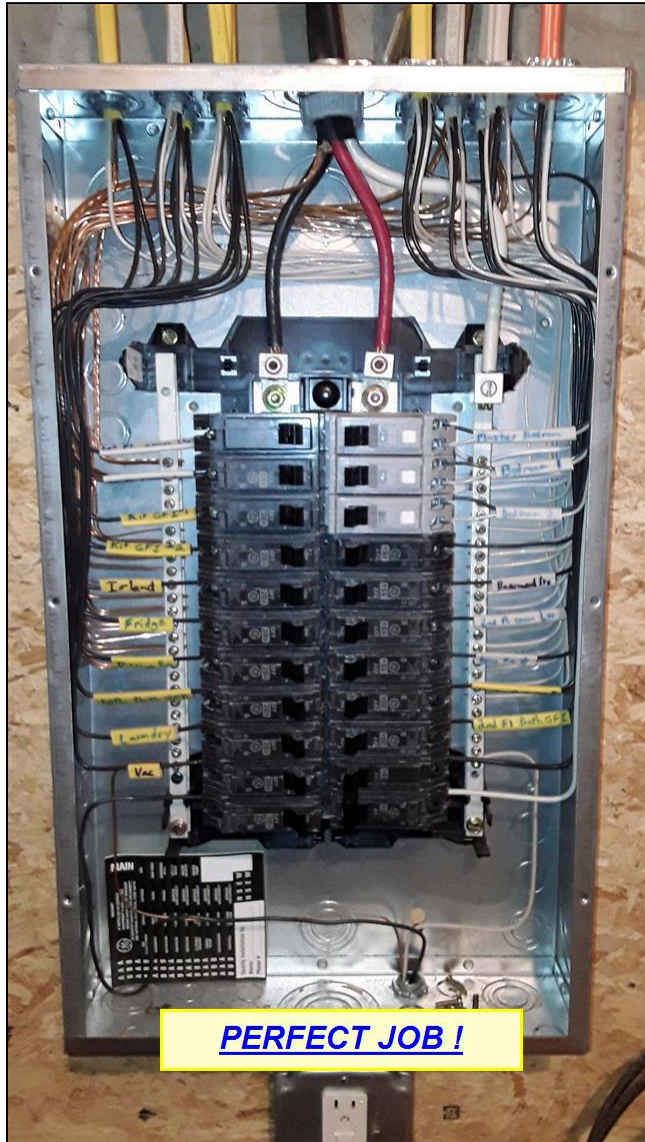
6.0 Service Entrance Conductors

Comments: Inspected

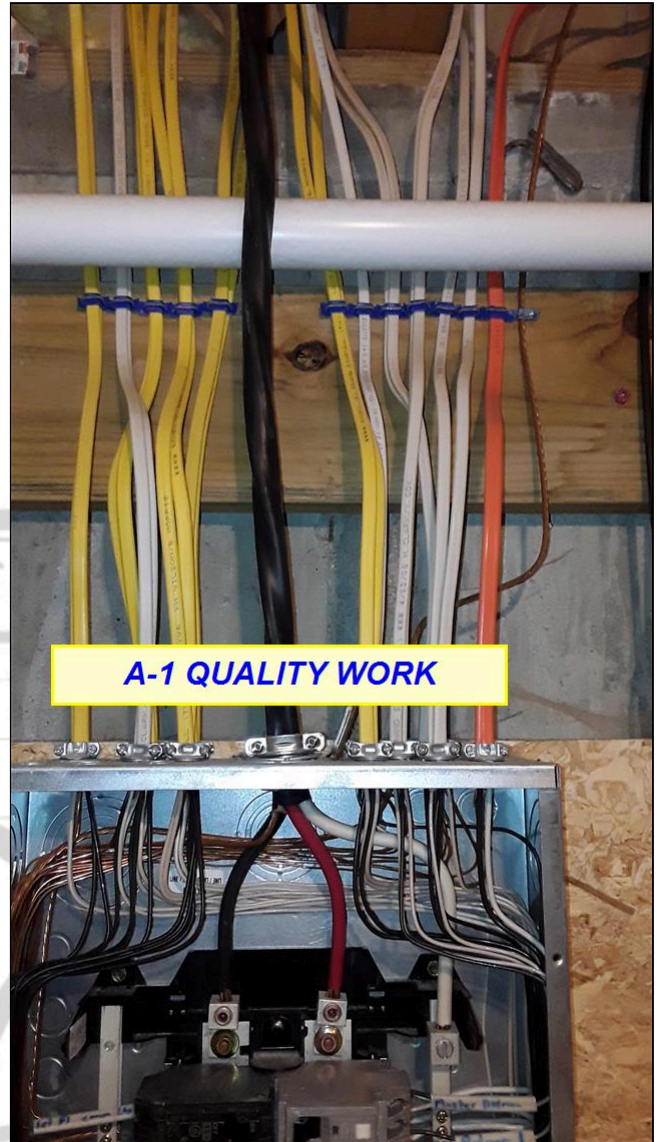
6.1 Service and Grounding Equipment, Main Overcurrent Device, Main and Distribution Panels

Comments: Inspected

Extremely neat and prideful Electric service panel. Above and beyond what is required.



6.1 Item 1(Picture)



6.1 Item 2(Picture)

The photograph shows an electrical panel with a handwritten table of breaker ratings. The table lists breaker numbers, their descriptions, and their ratings. A large watermark for 'Certified Home Inspectors InternACHI' is visible in the background.

Breaker	Description	Rating
1	1st FL lights	Master Bedroom
2	1st FL lights	Bed Room
3	Kitchen GFI	Bed Room
4	Kitchen GFI	Furnace
5	Island	Basement lights
6	Fridge	2nd FL lights
7	Dinning Room	Living Room
8	1st FL Bath GFI	Master Bath GFI
9	Laundry	2nd FL Bath GFI
10	Vacuum	Air Condition
11	Panel GFI	Condenser

Additional handwritten notes on the panel include: '1st FL lights', 'Master Bedroom', 'Bed Room', 'Kitchen GFI', 'Bed Room', 'Furnace', 'Island', 'Basement lights', 'Fridge', '2nd FL lights', 'Dinning Room', 'Living Room', '1st FL Bath GFI', 'Master Bath GFI', 'Laundry', '2nd FL Bath GFI', 'Vacuum', 'Air Condition', 'Panel GFI', 'Condenser'.

6.1 Item 3(Picture)

6.2 Branch Circuit Conductors, Overcurrent Devices and Compatability of their Amperage and Voltage

Comments: Repair or Replace

ARC FAULT BREAKER for the master bedroom needs to be replaced by a licensed electrician. Currently no protection.



6.2 Item 1(Picture)

6.3 Connected Devices and Fixtures (Observed from a representative number operation of ceiling fans, lighting fixtures, switches and receptacles located inside the house, garage, and on the dwelling's exterior walls)

Comments: Suggested Maintenance

No light fixture . Ready to receive a fixture. bedrooms second level (2).



6.3 Item 1(Picture)

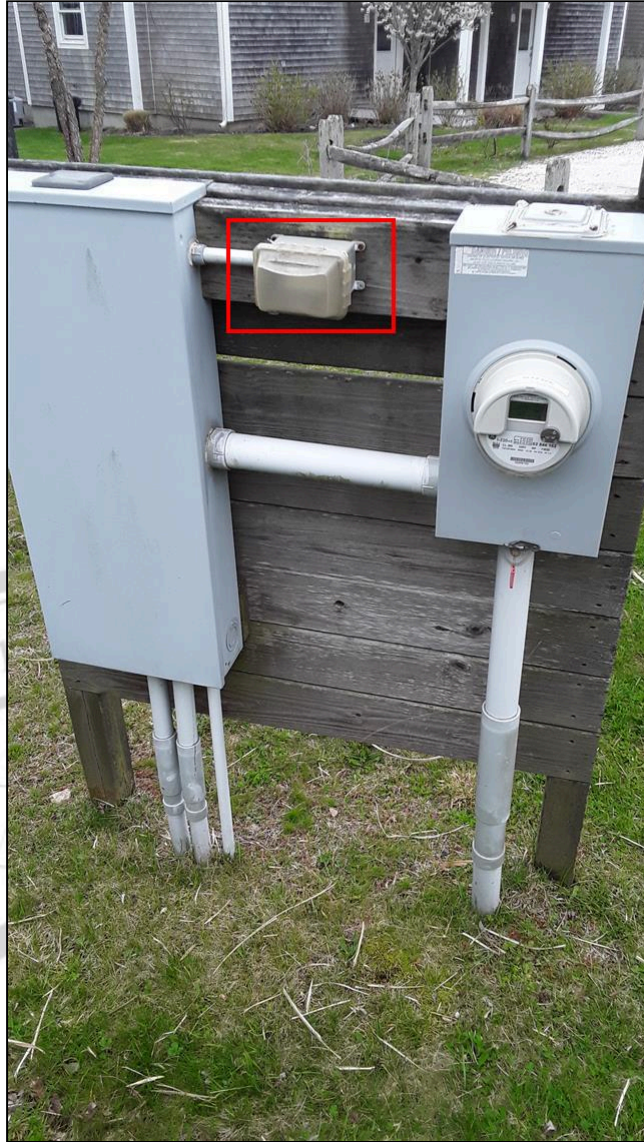
6.4 Polarity and Grounding of Receptacles within 6 feet of interior plumbing fixtures, all receptacles in garage, carport and exterior walls of inspected structure

Comments: Inspected

6.5 Operation of GFCI (Ground Fault Circuit Interrupters)

Comments: Repair or Replace

Needs to be replaced. Will not reset.



6.5 Item 1(Picture)

6.6 Location of Main and Distribution Panels

Comments: Inspected

The main distribution box is in the basement

6.7 Carbon Monoxide & Smoke Detectors

Comments: Not Inspected

FIRE MARSHALL WILL PROVIDE A CERTIFICATE OF CONFORMANCE PAID FOR BY THE SELLER. (R.I. LAW).

The electrical system of the home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Outlets were not removed and the inspection was only visual. Any outlet not accessible (behind the refrigerator for example) was not inspected or accessible. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

7. Heating / Central Air Conditioning

The home inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to home; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The home inspector shall describe: Energy source; and Heating equipment and distribution type. The home inspector shall operate the systems using normal operating controls. The home inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The home inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

Styles & Materials

Heat Type: Forced Air	Energy Source: Propane	Number of Heat Systems (excluding wood): One
Heat System Brand: CARRIER	Ductwork: Insulated	Filter Type: Cartridge Disposable
Filter Size: N/A	Types of Fireplaces: Solid Fuel Conventional	Operable Fireplaces: One NOT CERTIFIED FOR USE
Number of Woodstoves: None WE DO NOT INSPECT WOOD BURNING STOVES	Cooling Equipment Type: Air conditioner unit	Cooling Equipment Energy Source: Electricity
Number of AC Only Units: None		

Items

7.0 Heating Equipment

Comments: Suggested Maintenance

The heating system needs cleaning & tune up by a licensed HVAC contractor

7.1 Normal Operating Controls

Comments: Inspected

7.2 Automatic Safety Controls

Comments: Inspected

7.3 Distribution Systems (including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units and convectors)

Comments: Suggested Maintenance

Needs further evaluation by a licensed HVAC TECH. Takes on water at times. See pic for detail. Service required. Repair or replace as needed.



7.3 Item 1(Picture)

7.4 Presence of Installed Heat Source in Each Room

Comments: Inspected

7.5 Chimneys, Flues and Vents (for fireplaces, gas water heaters or heat systems)

Comments: Not Inspected

The liners for furnace or fireplaces were not inspected by our company. I recommend a qualified chimney sweep inspect & clean for safety.

7.6 Solid Fuel Heating Devices (Fireplaces, Woodstove)

Comments: Inspected

FIREPLACE NEVER USED. I do not inspect the shape of fireplace or the design to determine if your fireplace has a proper air draw.



7.6 Item 1(Picture)

7.7 Gas/LP Firelogs and Fireplaces

Comments: Not Present

7.8 Cooling and Air Handler Equipment

Comments: Not Inspected

7.9 Normal Operating Controls

Comments: Not Inspected

7.10 Presence of Installed Cooling Source in Each Room

Comments: Not Inspected

The heating and cooling system of this home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

8. Insulation and Ventilation

The home inspector shall observe: Insulation and vapor retarders in unfinished spaces; Ventilation of attics and foundation areas; Kitchen, bathroom, and laundry venting systems; and the operation of any readily accessible attic ventilation fan, and, when temperature permits, the operation of any readily accessible thermostatic control. The home inspector shall describe: Insulation in unfinished spaces; and Absence of insulation in unfinished space at conditioned surfaces. The home inspector shall: Move insulation where readily visible evidence indicates the need to do so; and Move insulation where chimneys penetrate roofs, where plumbing drain/waste pipes penetrate floors, adjacent to earth filled stoops or porches, and at exterior doors. The home inspector is not required to report on: Concealed insulation and vapor retarders; or Venting equipment that is integral with household appliances.

Styles & Materials

Attic Insulation:

Fiberglass

Ventilation:

Gable vents

Soffit Vents

Exhaust Fans:

Fan with light

Dryer Power Source:

Propane Connection

Dryer Vent:

Flexible Metal

Floor System Insulation:

NONE

WALL INSULATION:

not visible

unknown

Attic Access:

Pull down staircase

Items

8.0 Insulation in Attic

Comments: Inspected

8.1 Insulation Under Floor System

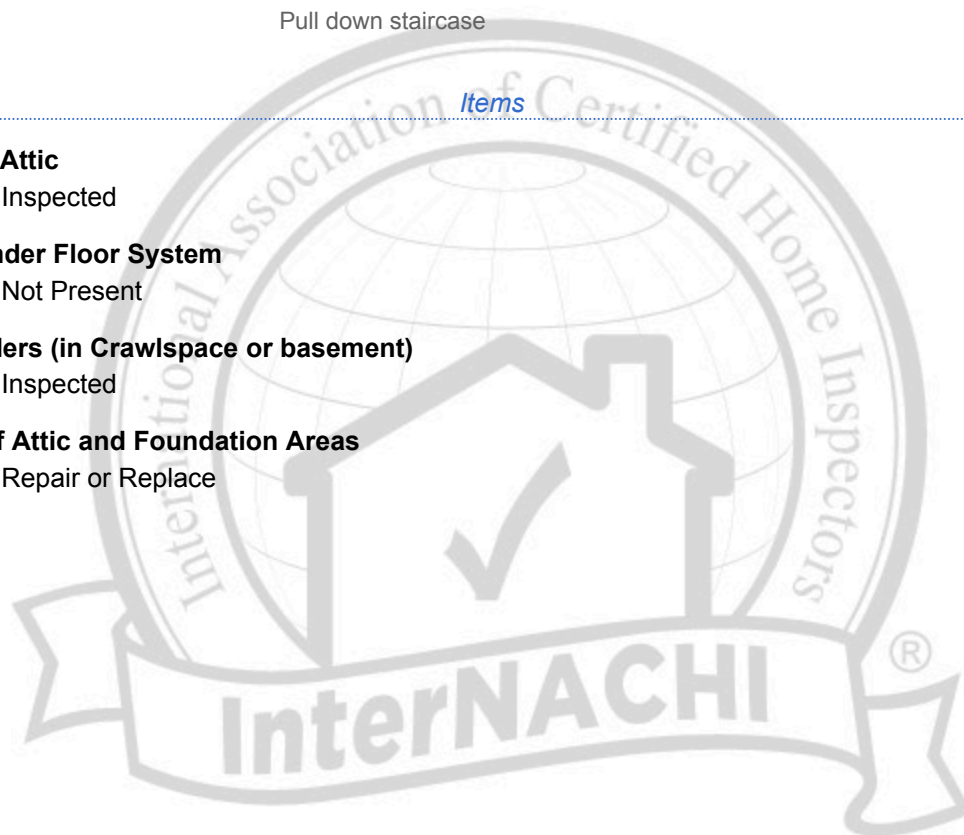
Comments: Not Present

8.2 Vapor Retarders (in Crawlspace or basement)

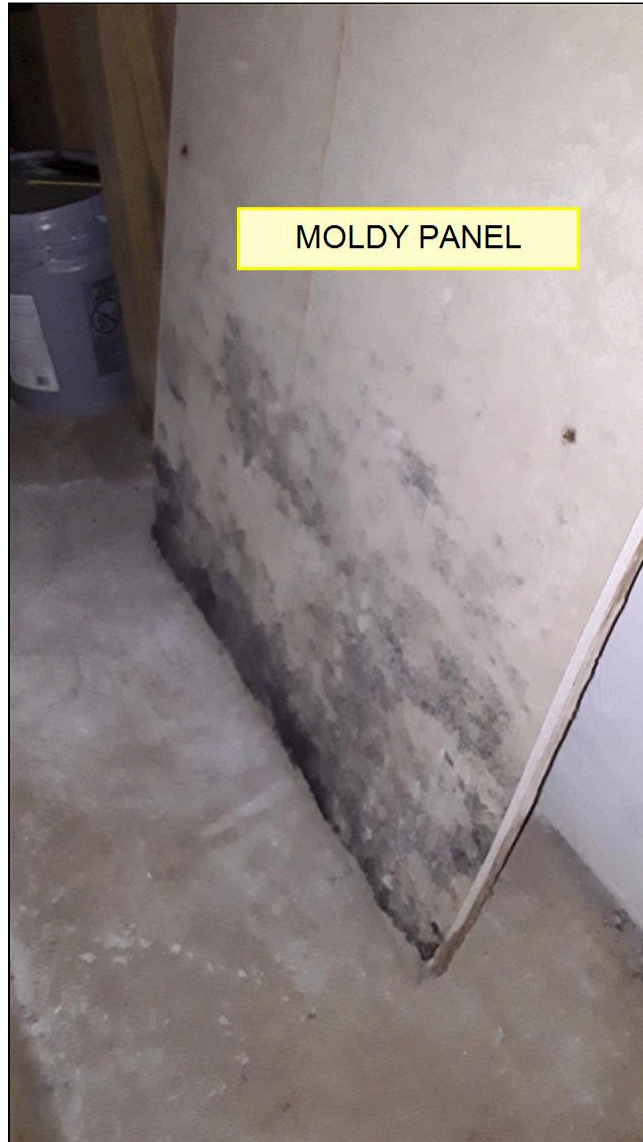
Comments: Inspected

8.3 Ventilation of Attic and Foundation Areas

Comments: Repair or Replace



Moldy Dry Wall panels under stair case in more than one location. Strongly recommend a high quality commercial grade dehumidifier sized properly to the basement. Panels can be replaced easily as this is an unfinished area. You need to create an environment that mold can not survive in. This means keeping humidity levels as low as possible. The goal being 50% relative humidity or less at all times. Needs further evaluation.



8.3 Item 1(Picture)



8.3 Item 2(Picture)

8.4 Venting Systems (Kitchens, Baths and Laundry)

Comments: Repair or Replace

(1) Kink is creating a blockage and lint trap. This also creates excess heat in this location. Repair or replace as needed. Recommend using hard pipe with a pre determined angle.



8.4 Item 1(Picture)



(2) Bathroom exhaust(s) (ALL) are dead ended and exhausting in to the attic. They are supposed to exhaust to the exterior to eliminate excessive moisture build up in the attic space. Currently only a small discoloration however with more use this situation could escalate rapidly. Plumb to the exterior to avoid more costly and totally avoid any indoor air quality / health related issues.



8.4 Item 2(Picture)



8.4 Item 3(Picture)

8.5 Ventilation Fans and Thermostatic Controls in Attic

Comments: Repair or Replace

See section 8.4 (Needs repair)

8.6 Insulation in Walls

Comments: Not Inspected

The insulation and ventilation of the home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Venting of exhaust fans or clothes dryer cannot be fully inspected and bends or obstructions can occur without being accessible or visible (behind wall and ceiling coverings). Only insulation that is visible was inspected. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

9. Built-In Kitchen Appliances

The home inspector shall observe and operate the basic functions of the following kitchen appliances: Permanently installed dishwasher, through its normal cycle; Range, cook top, and permanently installed oven; Trash compactor; Garbage disposal; Ventilation equipment or range hood; and Permanently installed microwave oven. The home inspector is not required to observe: Clocks, timers, self-cleaning oven function, or thermostats for calibration or automatic operation; Non built-in appliances; or Refrigeration units. The home inspector is not required to operate: Appliances in use; or Any appliance that is shut down or otherwise inoperable.

Items

9.0 Dishwasher

Comments: Inspected

9.1 Ranges/Ovens/Cooktops

Comments: Inspected

PROPANE FIRED.



9.1 Item 1(Picture)

9.2 Range Hood (s)

Comments: Inspected

Micro incorporated filter style only

9.3 Trash Compactor

Comments: Not Present

9.4 Food Waste Disposer

Comments: Not Present

9.5 Microwave Cooking Equipment

Comments: Repair or Replace

Light not working. (REPAIR OR REPLACE AS NEEDED)



9.5 Item 1(Picture)

9.6 Wine cooler

Comments: Not Present

9.7 Refrigerator

Comments: Not Inspected

9.8 Instant Hot Water Maker

Comments: Not Present

The built-in appliances of the home were inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.



General Summary



Priority Inspections Inc

**40 Cedar Rd
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(401) 294-4994**

Customer
Barbara MacMullan

Address
1801 High St Unit8
New Shoreham RI 02807



Congratulations on the purchase of your new home. Inasmuch as we never know who will be occupying or visiting a property, whether it be children or the elderly, we ask you to consider following these general safety recommendations: install smoke and carbon monoxide detectors; identify all escape and rescue ports; rehearse an emergency evacuation of the home; upgrade older electrical systems by at least adding ground-fault outlets; never service any electrical equipment without first disconnecting its power source; safety-film all non-tempered glass; ensure that every elevated window and the railings of stairs, landings, balconies, and decks are child-safe, meaning that barriers are in place or that the distance between the rails is not wider than three inches; regulate the temperature of water heaters to prevent scalding; make sure that goods that contain caustic or poisonous compounds, such as bleach, drain cleaners, and nail polish removers be stored where small children cannot reach them; ensure that all garage doors are well balanced and have a safety device, particularly if they are the heavy wooden type; remove any double-cylinder deadbolts from exterior doors; and consider installing child-safe locks and alarms on the exterior doors of all pool and spa properties.

We are proud of our service, and trust that you will be happy with the quality of our report. We have made every effort to provide you with an accurate assessment of the condition of the property and its components and to alert you to any significant defects or adverse conditions. However, we may not have tested every outlet, and opened every window and door, or identified every minor defect. Also because we are not specialists or because our inspection is essentially visual, latent defects could exist. Therefore, you should not regard our inspection as conferring a guarantee or warranty. It does not. It is simply a report on the general condition of a particular property at a given point in time. Furthermore, as a homeowner, you should expect problems to occur. Roofs will leak, drain lines will become blocked, and components and systems will fail without warning. For these reasons, you should take into consideration the age of the house and its components and keep a comprehensive insurance policy current. If you have been provided with a home protection policy, read it carefully. Such policies usually only cover insignificant costs, such as that of roofer service, and the representatives of some insurance companies can be expected to deny coverage on the grounds that a given condition was preexisting or not covered because of what they claim to be a code violation or a manufacture's defect. Therefore, you should read such policies very carefully, and depend upon our company for any consultation that you may need.

Thank you for taking the time to read this report, and call us if you have any questions or observations whatsoever. We are always attempting to improve the quality of our service and our report, and we will continue to adhere to the highest standards of the real estate industry and to treat everyone with kindness, courtesy, and respect.

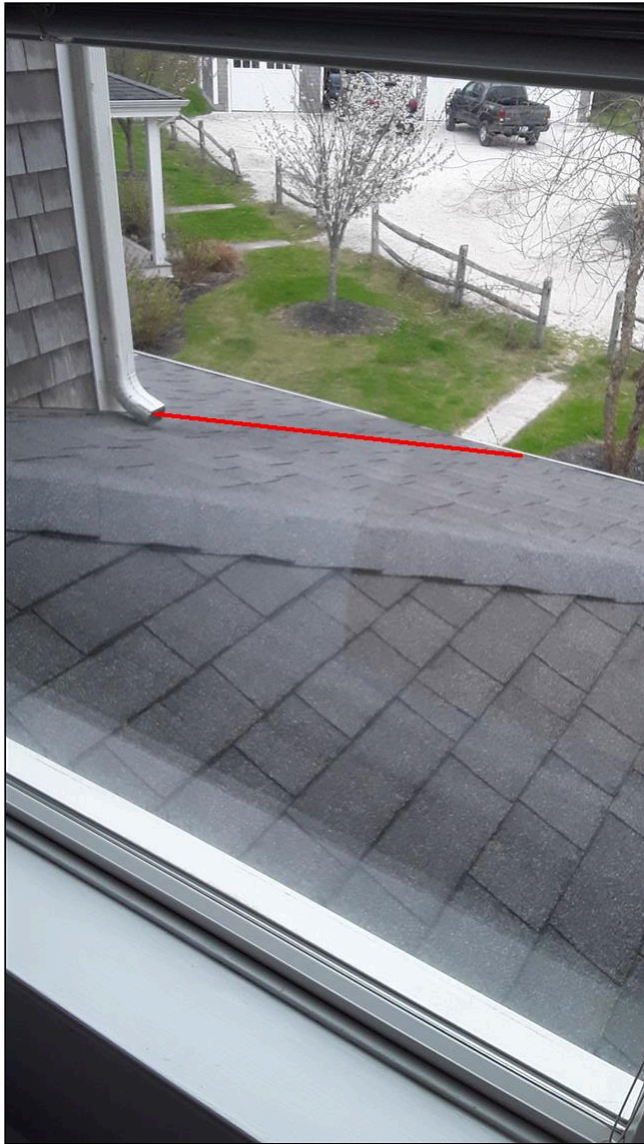
The following items or discoveries indicate that these systems or components **do not function as intended or adversely affects the habitability of the dwelling; or warrants further investigation by a specialist, or requires subsequent observation.** This summary shall not contain recommendations for routine upkeep of a system or component to keep it in proper functioning condition or recommendations to upgrade or enhance the function or efficiency of the home. This Summary is not the entire report. The complete report may include additional information of concern to the customer. It is recommended that the customer read the complete report.

1. Roofing

1.3 Roof Drainage Systems

Suggested Maintenance

(1) The downspouts at the upper level of the roof, should be extended to the lower gutter, to avoid excessive roof wear. (suggestion).



1.3 Item 1(Picture)

(2) It would be prudent to extend downspouts & splash blocks away from the house perimeter to discourage water intrusion





1.3 Item 2(Picture)

(3) It would be prudent to extend downspouts & splash blocks away from the house perimeter to discourage water intrusion





1.3 Item 3(Picture)

2. Exterior

2.0 Wall Cladding Flashing and Trim

Suggested Maintenance

The siding needs selective repair. Aging, curling shingles. (Select areas).



2.0 Item 1(Picture)



2.0 Item 2(Picture)

2.6 Other

Repair or Replace

Dangerous hole. A child or adult could easily break a leg if they were running and did not see this hole almost completely covered with grass. Fill in the hole to avoid an accident.



2.6 Item 1(Picture)

3. Interiors

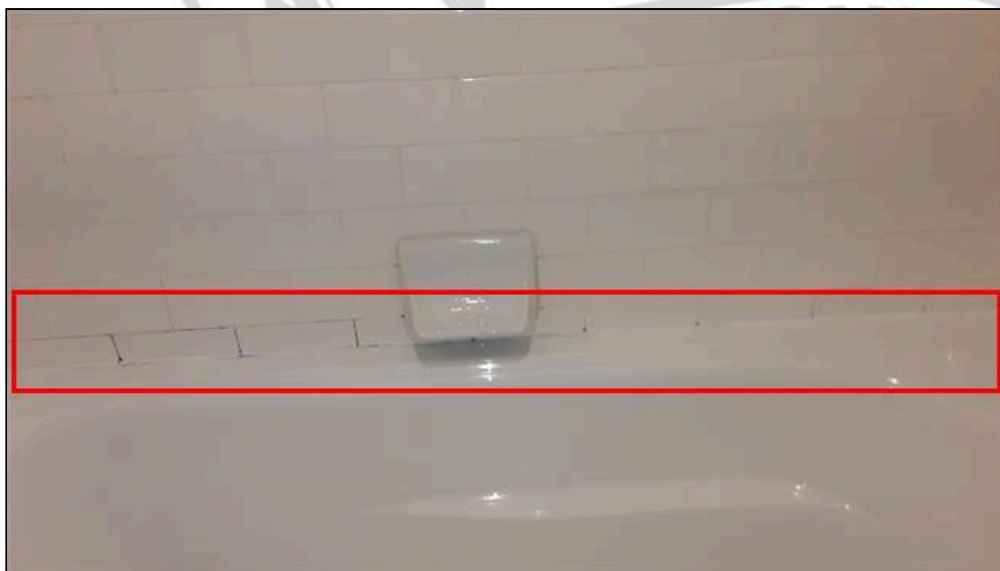
3.1 Walls

Suggested Maintenance

Needs grout in select areas. Caulk was used as a temporary control. Repair needed.



3.1 Item 1(Picture)



3.1 Item 2(Picture)

3.4 Counters and Cabinets (representative number)

Suggested Maintenance

Mirror does swing and semi interfere with faucet trip waste however it is still operable. Recommend securing mirror from swinging. This is a safety concern.



3.4 Item 1(Picture)

4. Structural Components

4.0 Foundations, Basement and CrawlSpace (Report signs of abnormal or harmful water penetration into the building or signs of abnormal or harmful condensation on building components.)

Repair or Replace

Problematic area. Main waste line passes through foundation and there is a gap present around the pipe that has had one or two repair attempts. It appears to have helped, however some water still leaks through. This can be professionally cured with the poly injection method with long time warranty. Needs repair.



4.0 Item 1(Picture)

- 4.6 **Wood boring insect damage or infestation**
Suggested Maintenance

Any Home or Building can be attacked by Wood Boring Insects at any time.

We do recommend taking a pro-active preventative approach by obtaining a preventive service by a licensed Pest Control contractor.

5. Plumbing System

- 5.0 **Plumbing Drain, Waste and Vent Systems**
Repair or Replace

(1) what is the 1/4" clear poly hose for? Appears it was intended for some sort of drain. Currently dead ended.



5.0 Item 1(Picture)
(2) previously mentioned.





5.0 Item 2(Picture)

(3) Washer over spill pan should be plumbed in to the main waste line instead of dead ending in to the basement. The main waste line is right there. Very easy to drain away rather than to flood the basement.



5.0 Item 3(Picture)
(4) Trip waste needs repair or replace as needed





5.0 Item 4(Picture)

5.1 Plumbing Water Supply, Distribution System and Fixtures

Suggested Maintenance

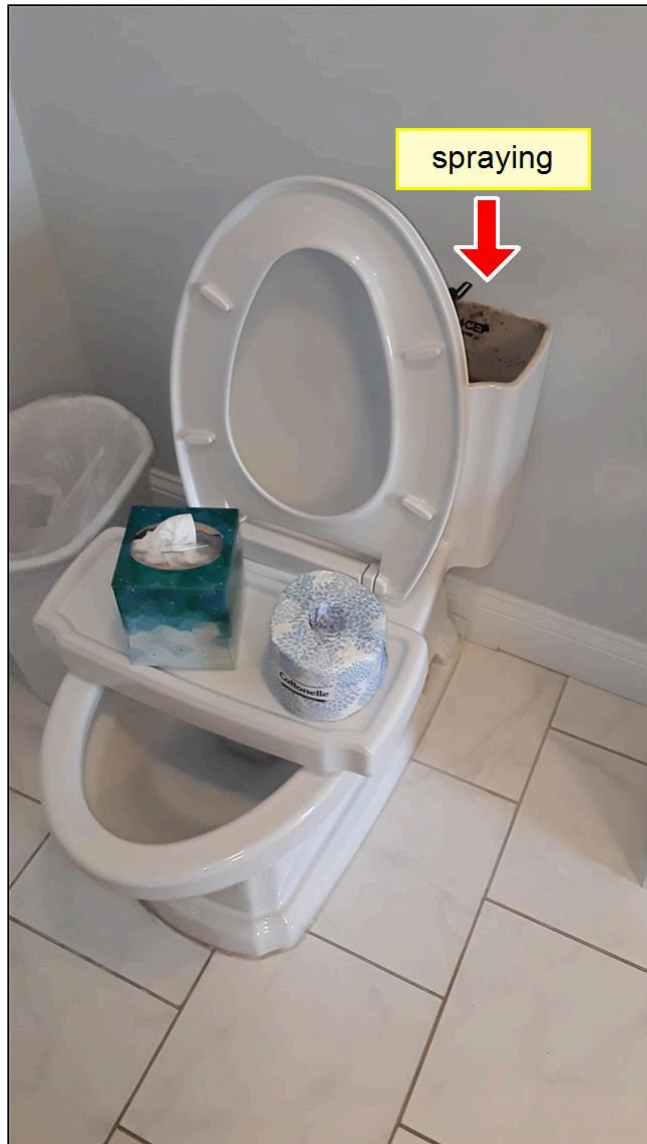
(1) Kitchen sink fixture is loose and needs securing.





5.1 Item 1(Picture)
(2) NOT INSPECTED. MASTER TOILET SHUT OFF





5.1 Item 2(Picture)



5.1 Item 3(Picture)

6. Electrical System

6.2 Branch Circuit Conductors, Overcurrent Devices and Compatability of their Amperage and Voltage

Repair or Replace

ARC FAULT BREAKER for the master bedroom needs to be replaced by a licensed electrician. Currently no protection.



6.2 Item 1(Picture)

- 6.3 Connected Devices and Fixtures (Observed from a representative number operation of ceiling fans, lighting fixtures, switches and receptacles located inside the house, garage, and on the dwelling's exterior walls)**

Suggested Maintenance

No light fixture . Ready to receive a fixture. bedrooms second level (2).



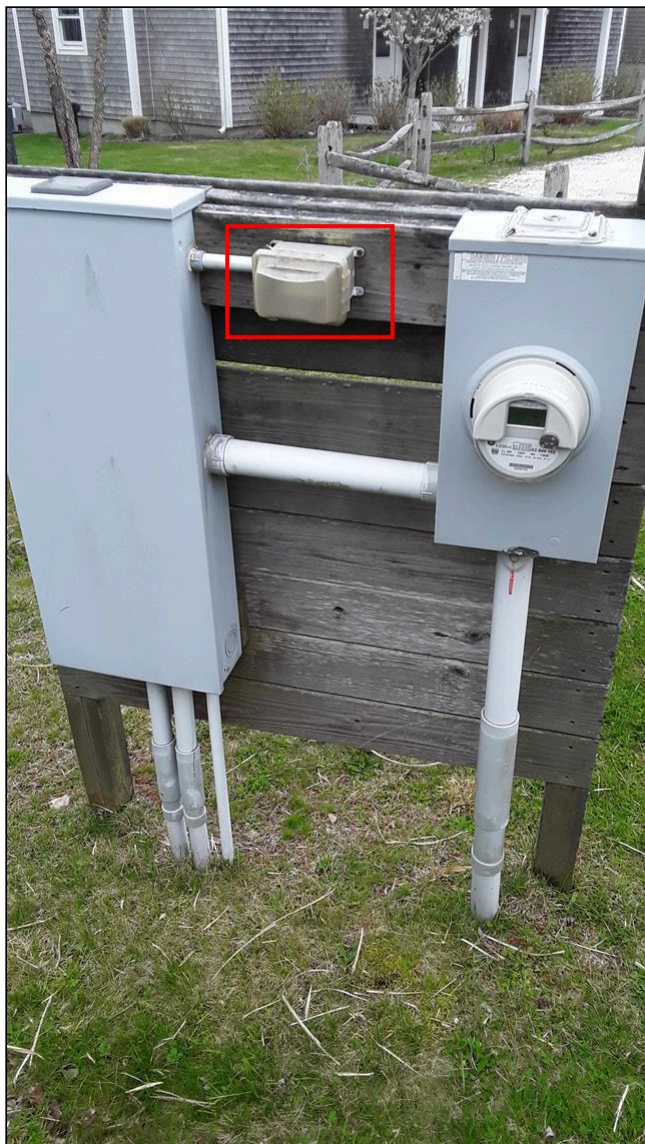
6.3 Item 1(Picture)

6.5 Operation of GFCI (Ground Fault Circuit Interrupters)

Repair or Replace

Needs to be replaced. Will not reset.





6.5 Item 1(Picture)

7. Heating / Central Air Conditioning

7.0 Heating Equipment

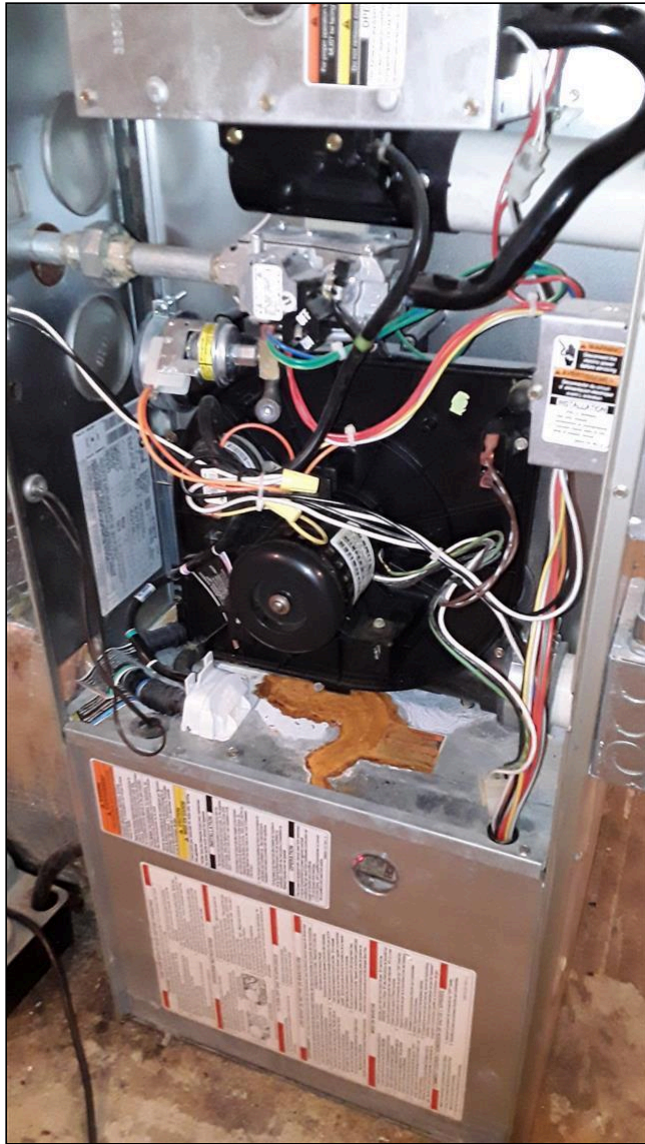
Suggested Maintenance

The heating system needs cleaning & tune up by a licensed HVAC contractor

7.3 Distribution Systems (including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units and convectors)

Suggested Maintenance

Needs further evaluation by a licensed HVAC TECH. Takes on water at times. See pic for detail. Service required. Repair or replace as needed.



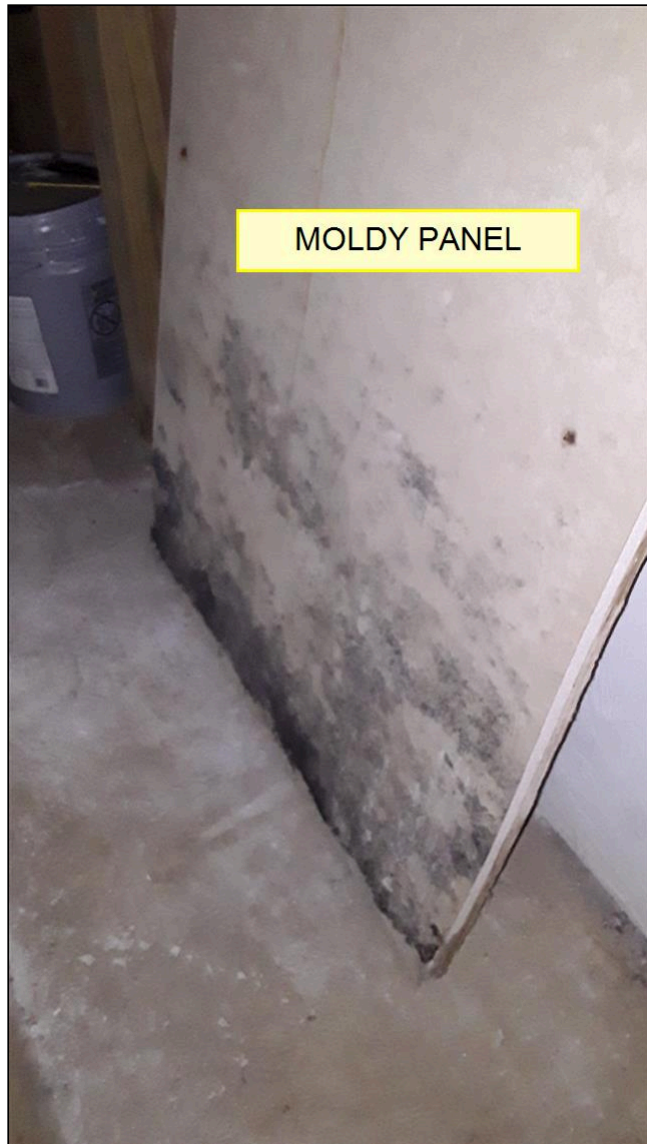
7.3 Item 1(Picture)

8. Insulation and Ventilation

8.3 Ventilation of Attic and Foundation Areas

Repair or Replace

Moldy Dry Wall panels under stair case in more than one location. Strongly recommend a high quality commercial grade dehumidifier sized properly to the basement. Panels can be replaced easily as this is an unfinished area. You need to create an environment that mold can not survive in. This means keeping humidity levels as low as possible. The goal being 50% relative humidity or less at all times. Needs further evaluation.



8.3 Item 1(Picture)



8.3 Item 2(Picture)

8.4 Venting Systems (Kitchens, Baths and Laundry)

Repair or Replace

(1) Kink is creating a blockage and lint trap. This also creates excess heat in this location. Repair or replace as needed. Recommend using hard pipe with a pre determined angle.



8.4 Item 1(Picture)

(2) Bathroom exhaust(s) (ALL) are dead ended and exhausting in to the attic. They are supposed to exhaust to the exterior to eliminate excessive moisture build up in the attic space. Currently only a small discoloration however with more use this situation could escalate rapidly. Plumb to the exterior to avoid more costly and totally avoid any indoor air quality / health related issues.



8.4 Item 2(Picture)

8.4 Item 3(Picture)

- 8.5 Ventilation Fans and Thermostatic Controls in Attic**
Repair or Replace
See section 8.4 (Needs repair)

9. Built-In Kitchen Appliances

- 9.5 Microwave Cooking Equipment**
Repair or Replace
Light not working. (REPAIR OR REPLACE AS NEEDED)



9.5 Item 1(Picture)

Home inspectors are not required to report on the following: Life expectancy of any component or system; The causes of the need for a repair; The methods, materials, and costs of corrections; The suitability of the property for any specialized use; Compliance or non-compliance with codes, ordinances, statutes, regulatory requirements or restrictions; The market value of the property or its marketability; The advisability or inadvisability of purchase of the property; Any component or system that was not observed; The presence or absence of pests such as wood damaging organisms, rodents, or insects; or Cosmetic items, underground items, or items not permanently installed. Home inspectors are not required to: Offer warranties or guarantees of any kind; Calculate the strength, adequacy, or efficiency of any system or component; Enter any area or perform any procedure that may damage the property or its components or be dangerous to the home inspector or other persons; Operate any system or component that is shut down or otherwise inoperable; Operate any system or component that does not respond to normal operating controls; Disturb insulation, move personal items, panels, furniture, equipment, plant life, soil, snow, ice, or debris that obstructs access or visibility; Determine the presence or absence of any suspected adverse environmental condition or hazardous substance, including but not limited to mold, toxins, carcinogens, noise, contaminants in the building or in soil, water, and air; Determine the effectiveness of any system installed to control or remove suspected hazardous substances; Predict future condition, including but not limited to failure of components; Since this report is provided for the specific benefit of the customer(s), secondary readers of this information should hire a licensed inspector to perform an inspection to meet their specific needs and to obtain current information concerning this property.

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Direct Testimony

Of

Barbara A. MacMullan

For

Block Island Utility District DBA Block Island Power Company

Docket No. _____

July, 2022

1 **Q. Please state your name and address for the record.**

2 A. My name is Barbara A. MacMullan. My address is 1163 Beacon Hill Rd, Block Island, RI
3 02807.

4
5 **Q. What is your role with the Block Island Utility District?**

6 A. I am the Chair of the Board of Commissions of the Block Island Utility District. I was
7 elected to the board initially in 2017, upon its formation, and was re-elected in October
8 2021 for a four-year term.

9
10 **Q. Can you please describe your education and experience?**

11 A. I have a BS in Natural Resources and a MA in Economics from the University of Rhode
12 Island. I am currently employed by the Washington Trust Company as Vice President
13 and Branch Manager and have been in this position since November 1999. Prior to that
14 I was employed by National Economic Research Associates (NERA), Inc. as a consultant
15 working primarily with electric utility customers.

16
17 **Q. What is the purpose of your testimony?**

18 A. The purpose of my testimony is to support BIUD's request for long-term debt approval
19 of a \$1.4M loan which will be used by the utility district to purchase a townhouse for
20 employee housing, specifically to rent to BIUD's President.

21
22 **Q. BIUD is a 100% borrower of NRUCFC. Do you as the BIUD Board Chair and the Utility
23 Board of Commissioners support this strategy of borrowing 100% of your needs from
24 one bank?**

25 A. Yes. As a 100% borrower, BIUD receives preferential rates.

26
27 **Q. Can you please explain the need for BIUD to provide a rental home for its President?**

28 A. Block Island has a shortage of housing at affordable (or attainable) rates due to a variety
29 of factors. We are an island and are isolated from other communities which limits our

1 housing stock to what is available on the Island. Block Island’s economy is largely based
2 on tourism, and there is a high demand for rental housing for summer vacations. As a
3 result, it is far more lucrative for homeowners to rent their houses seasonally to
4 vacationers than to make them available for year-round rental. The supply of houses
5 available for purchase is also limited, and as a result, prices are quite high—the average
6 sales price over the past year is \$1.55 million. These factors make it very difficult for
7 those who work on the Island to find appropriate year-round housing. In order for us to
8 attract employees, it has become necessary for us to provide appropriate housing for
9 them.

10
11 **Q. Are you aware of any other island communities that make rental housing available to**
12 **its employees?**

13 A. Fox Island Electric Cooperative in Maine owns a company house that is occupied by their
14 General Manager. More locally, the Town of New Shoreham provides rental housing for
15 its Town Manager, medical center doctor and nurse practitioner, police officers and
16 others. Other private businesses also provide housing for employees.

17
18 **Q. Where does BIUD’s President currently live and does BIUD charge rent?**

19 A. BIUD’s current President currently lives in a small apartment above BIUD’s office. BIUD
20 charges \$18,000/year for rent. All utilities and other expenses are included.

21
22 **Q. What will happen with the apartment above the BIUD office apartment after the**
23 **current BIUD President moves into the newly purchased Townhouse?**

24 A. We will use the existing apartment to house other employees. The Board is committed
25 to ensuring a stable workforce and as part of that commitment, making sure
26 appropriate housing is available is critical.

27
28 **Q. Has the BIUD Board of Commissioners approved this project, and has it been discussed**
29 **in Board meetings?**

1 A. Yes. After carefully considering options, including constructing a house on land the
2 Utility District already owns, we concluded that purchasing an existing home was our
3 most cost-effective option, particularly since maintenance will be managed by the
4 condo association. The Board voted unanimously to proceed with this purchase.

5

6 **Q. How much will BIUD charge its President for rent to live in the home?**

7 A. We have agreed to and have budgeted \$1,500/month or \$18,000/year. BIUD and its
8 President will split the cost of the \$400/month HOA fee. The cost of all utilities will also
9 be paid for by the occupant.

10

11 **Q. How will the difference be paid for?**

12 A. The difference will be funded out of BIUD's capital fund as explain in David Bebyn's
13 testimony.

14

15 **Q. Is there anything else about the Townhouse purchase we should know?**

16 A. I would just like to reiterate that the BIUD Board of Commissioner's long-term goal is to
17 provide an adequate level of employee housing for the retention of existing employees
18 and the recruitment of future employees. Block Island's housing market is strong and
19 buying a home is out of reach for most electric utility workers. The average age of the
20 BIUD workforce is 55 years old, most of whom are homeowners. As our existing
21 workforce ages and moves toward retirement, they will be replaced by younger workers
22 who will need housing. As the company further develops and we look at our future
23 recruiting needs, being able to provide housing will be a key component of our
24 recruiting strategy.

25

26 **Q. Does this complete your pre-filed direct testimony?**

27 A. Yes, it does.

**BLOCK ISLAND UTILITY DISTRICT d/b/a BLOCK ISLAND POWER
COMPANY**

PRE-FILED DIRECT TESTIMONY

OF

DAVID G BEBYN, CPA

BEFORE

RHODE ISLAND DIVISION OF PUBLIC UTILITIES AND CARRIERS

DOCKET NO. D-22 - _____

July 2022

1 **Q. Please state your name and business address for the record.**

2 A. My name is David G. Bebyn, CPA and my business address is 21 Dryden Lane,
3 Providence, Rhode Island 02904.

4

5 **Q. By whom are you employed and in what capacity?**

6 A. I am the President of B&E Consulting LLC (B&E). B&E is a CPA firm that
7 specializes in utility regulation, expert rate and accounting testimony, tax and accounting
8 services.

9

10 **Q. Mr. Bebyn, have you testified as an expert accounting witness prior to this**
11 **docket?**

12 A. Yes. I have provided testimony on rate-related matters before utility commissions in
13 Rhode Island and Connecticut. Regarding the Rhode Island Public Utilities Commission, I
14 have prepared testimony and testified in the Block Island Utility District d/b/a Block Island
15 Power Company ("BIUD") last rate filings in Docket #4690 in support of the Power
16 Procurement Plan and Last Resort and Transmission Tariffs. In addition to BIUD's Last
17 Resort and Transmission filings, I provided testimony covering the test year and rate year
18 supporting BIUD's last major rate filing in Docket #4975. I also prepared testimony on
19 behalf of the Pascoag Utility District (PUD) in Dockets #5134 and #4341 to support the
20 adjusted test year, rate year and rate design. In addition to rate filings before the
21 Commission, I provided testimony supporting BIUD's last financing requests with the
22 Division in Dockets #D-19-11 and #D-22-01 and PUD's last financing request with the
23 Division in #D-20-11. Dockets #4975 and #D-19-11 covered the rates and financing as
24 part of the transition from the old investor owner Block Island Power Company (BIPCo) to
25 the new non-profit BIUD. Docket #D-22-01 covered the financing of BIUD's Voltage
26 Conversion project and a contingency liability of BIUD regarding litigation from the
27 transition from the old investor owner BIPCo to the new non-profit BIUD.

28

29 **Q. What is your educational background?**

30 A. I received my Bachelor of Science Degree in Accounting (BSA) from Rhode Island
31 College. I became a Certified Public Accountant in 2000 after passing the CPA exam.

32

1 **Q. What is the purpose of your testimony?**

2 A. I will provide information on proposed new debt financings for Block Island Utility
3 District in the amount of \$1,400,000. The borrowing is made up of one loan to fund the
4 purchase of a single-family townhouse for employee housing that will be rented by BIUD's
5 current and future Presidents. I will address the financial impact of this proposed
6 refinancing. I will provide the reasoning behind BIUD's selection of the financing
7 terms for the loans. I will also present the information required by the Division Rules
8 so the Division can review and evaluate this proposed \$1,400,000 financing package.

9

10

11 **Q. How will the proceeds of this borrowing be used?**

12 A. The \$1,400,000 loan proceeds will cover the purchase of a single-family townhouse
13 for employee housing.

14

15 **Q. Mr. Bebyn, what are the terms for the proposed \$1,400,000 mortgage loans?**

16 A. The loans will be secured by all of the BIUD's real and personal property. CFC
17 provided an amortization table attached to my testimony as Attachment DGB-1. The
18 interest rate of 6.00% used in the DGB-1 document is the rate as of 7/5/2022 (used as a
19 guide to estimate the eventual rates at closing). The interest rate of 6.00% is before the
20 impact of interest rate discounts (~25 bps) and patronage capital (~25 bps). Based on
21 current rates, the effective rate after discounts and pat cap would be approximately 5.50%.
22 The loan's interest rates at closing will be calculated using a revenue market rate not to
23 exceed 7.00% or 100 bps over the market rate. BIUD will provide supplemental testimony
24 one week before the hearing with an updated market rate and market rate not to exceed
25 rate. Amortization tables utilizing the updated market rate and market rate not to exceed
26 rate will be attached to my supplemental testimony.

27

28 There is no drawdown period for the \$1,400,000 mortgage funds that will be used to
29 purchase the new employee housing. The repayment period for the loan will be 30 years
30 and there will be no balloon payment due at the end of the 30 years. The debt service on
31 the loan will be designed to include level annual payments of less than \$101,300 for the
32 \$1,400,000 loan.

1 **Q. Mr. Bebyn, in your opinion, does BIUD have sufficient rates in place to pay the**
2 **debt service for the \$1,400,000 mortgage loan?**

3 A. Yes. BIUD will be utilizing a portion of its capital reserve funding currently in rates
4 and some additional rental income not currently in rates. In BIUD's last general rate filing,
5 Docket #4975, the BIUD informed the Commission while justifying the funding levels for
6 the capital and voltage conversion reserves that part of those funds would be used for these
7 two loans in Docket #D-22-01 and the BIUD was anticipating a future loan to cover
8 employee housing.

9
10 **Q. What is the estimated annual debt service?**

11 A. The annual debt service for the loan is estimated to be \$101,209 using a 6% interest
12 rate. It is expected that the BIUD's President will always pay rent to offset a portion of this
13 expense. BIUD's President has agreed to pay \$18,000 per year, plus utilities and half of the
14 HOA fees assessed by the Home Owner's Association. BUID's President currently pays
15 \$18,000 per year for the Apartment above the office space, which is in the current rates of
16 Docket #4975. The space will be freed once the President moves into the new housing and
17 is anticipated to be rented by one of the linesmen. The rent, however, will be \$14,400 per
18 year to reflect the lower salary of a linesman.

19
20 **Q. Will there be any property taxes on this property?**

21 A. No. BIUD is exempt from all state and local taxes and, therefore, will pay no property
22 tax on the property.

23
24 **Q. How much are the HOA fees per year and what do they cover?**

25 A. HOA fees are currently \$4,800/year (\$400/month) to cover any outside operating and
26 maintenance expenses such as lawn care, landscaping, and snow removal. A portion of the
27 \$400/month is applied to a capital fund that will pay for all outside structural maintenance,
28 such as replacing roofing, siding, etc. Inside maintenance is the responsibility of the owner.
29 Since the BIUD President will cover half the fees, this would leave \$2,400/ year to be
30 covered by the BIUD.

1 **Q. What would be the net additional rental income and where will the remaining**
2 **funds come from to cover the debt service?**

3 A. As mentioned above, BIUD would receive additional rent of \$14,400 less \$2,400 in
4 HOA fees the District would cover for a \$12,000 net extra rental income. The balance of
5 the annual debt service offset by net rent is \$89,207, as shown in Attachment DGB-2. That
6 \$89,207 will be funded from the capital fund. BIUD had an annual budgeted pay-go capital
7 fund of \$400,00 per year as set by Docket #4975. Attachment DGB-2 shows that after
8 Docket #D-22-01 and the current filing, there would be \$294,185 in capital reserve funding
9 available for capital projects.

10
11 **Q. What interest rates will be used for the loan?**

12 A. As I stated above, the interest rate used in the DGB-1 CFC document is the rate as of
13 7/5/2022 (used as a guide to estimate the eventual rates at closing). The loan's interest rates
14 will be calculated using the revenue market rate not to exceed 7.00%, resulting in a
15 projected subsidized rate of approximately 6.50%. This not to exceed rate will be updated
16 in supplemental testimony before the hearing.

17 **Q. Is there a prepayment premium?**

18 A. Yes. The loan is subject to a prepayment administrative fee and any make-whole
19 prepayment premium.

20
21 **Q. What, if any, financial covenants are required?**

22 A. BIUD is to maintain a Modified Debt Service Coverage ("MDSC"). MDSC is defined
23 as Operating Margins + Interest Expense LTD + Depreciation, Amortization + Non-
24 Operating Margins. The level of MDSC that CFC requires is 1.35 for two out of the past
25 three years.

26
27 **Q. In your opinion, will BIUD be able to satisfy the 1.35 MDSC test?**

28 A. Yes. As previously mentioned, CFC's calculation of BIUD's proforma projections is
29 based upon CFC's Compass financial modeling. The model was run for Docket #D-22-01
30 and any debt service from this filing would be revenue neutral since capital expenditures

1 would be reduced to cover the additional debt service. That review included satisfying this
2 1.35 MDSC test. The Compass model resulted in factors in excess of 1.86.

3

4 **Q. Will this financing impact the ratepayers?**

5 A. No. There will be no rate impact on the ratepayers because current rates will cover the
6 debt service cost. The \$101,209 annual debt service will be covered by \$12,000 additional
7 rental income and \$89,207 of BIUD's annual capital reserve funding. Even after using the
8 capital reserve, there would be \$294,185 in capital reserve funding for capital projects.

9 **Q. Are the terms of the \$1,400,000 mortgage loan of the CFC in the best interest of**
10 **the ratepayers?**

11 A. Absolutely. BIUD has worked hard to secure this below-market rate financing, which
12 provides a low interest rate and maximum flexibility in terms of repayment.

13

14 **Q. What is the impact of this borrowing on the debt/asset ratio or any other**
15 **information required by the Division's rules?**

16 A. The debt to asset ratio is attached to my testimony as attachment DGB-3. This debt
17 would be covered by the current rates in place.

18

19 **Q. Does that conclude your testimony?**

20 A. Yes.

Amortization Scenario

Lender:	CFC	Payment Method:	Level Debt
Loan Amount:	\$1,400,000.00	Loan Advance Date:	9/6/2022
Loan Term:	30 Years	Billing Cycle:	Quarterly
Interest Rate:	6.00%	Amortization Start Date:	10/1/2022
Interest Type:	Fixed 30/360		

Payment Date	Beginning Principal	Principal Paid	Interest Paid	Total Paid	Principal Balance Outstanding
9/30/2022	\$1,400,000.00		\$0.00	\$5,753.42	\$1,400,000.00
12/31/2022	\$1,400,000.00	\$4,302.30	\$21,000.00	\$25,302.30	\$1,395,697.70
TOTALS		\$4,302.30	\$26,753.42	\$31,055.72	
3/31/2023	\$1,395,697.70	\$4,366.83	\$20,935.47	\$25,302.30	\$1,391,330.87
6/30/2023	\$1,391,330.87	\$4,432.34	\$20,869.96	\$25,302.30	\$1,386,898.53
9/30/2023	\$1,386,898.53	\$4,498.82	\$20,803.48	\$25,302.30	\$1,382,399.71
12/31/2023	\$1,382,399.71	\$4,566.30	\$20,736.00	\$25,302.30	\$1,377,833.41
TOTALS		\$17,864.29	\$83,344.91	\$101,209.20	
3/31/2024	\$1,377,833.41	\$4,634.80	\$20,667.50	\$25,302.30	\$1,373,198.61
6/30/2024	\$1,373,198.61	\$4,704.32	\$20,597.98	\$25,302.30	\$1,368,494.29
9/30/2024	\$1,368,494.29	\$4,774.89	\$20,527.41	\$25,302.30	\$1,363,719.40
12/31/2024	\$1,363,719.40	\$4,846.51	\$20,455.79	\$25,302.30	\$1,358,872.89
TOTALS		\$18,960.52	\$82,248.68	\$101,209.20	
3/31/2025	\$1,358,872.89	\$4,919.21	\$20,383.09	\$25,302.30	\$1,353,953.68
6/30/2025	\$1,353,953.68	\$4,992.99	\$20,309.31	\$25,302.30	\$1,348,960.69
9/30/2025	\$1,348,960.69	\$5,067.89	\$20,234.41	\$25,302.30	\$1,343,892.80
12/31/2025	\$1,343,892.80	\$5,143.91	\$20,158.39	\$25,302.30	\$1,338,748.89
TOTALS		\$20,124.00	\$81,085.20	\$101,209.20	
3/31/2026	\$1,338,748.89	\$5,221.07	\$20,081.23	\$25,302.30	\$1,333,527.82
6/30/2026	\$1,333,527.82	\$5,299.38	\$20,002.92	\$25,302.30	\$1,328,228.44
9/30/2026	\$1,328,228.44	\$5,378.87	\$19,923.43	\$25,302.30	\$1,322,849.57
12/31/2026	\$1,322,849.57	\$5,459.56	\$19,842.74	\$25,302.30	\$1,317,390.01
TOTALS		\$21,358.88	\$79,850.32	\$101,209.20	
3/31/2027	\$1,317,390.01	\$5,541.45	\$19,760.85	\$25,302.30	\$1,311,848.56
6/30/2027	\$1,311,848.56	\$5,624.57	\$19,677.73	\$25,302.30	\$1,306,223.99
9/30/2027	\$1,306,223.99	\$5,708.94	\$19,593.36	\$25,302.30	\$1,300,515.05
12/31/2027	\$1,300,515.05	\$5,794.57	\$19,507.73	\$25,302.30	\$1,294,720.48
TOTALS		\$22,669.53	\$78,539.67	\$101,209.20	
3/31/2028	\$1,294,720.48	\$5,881.49	\$19,420.81	\$25,302.30	\$1,288,838.99
6/30/2028	\$1,288,838.99	\$5,969.72	\$19,332.58	\$25,302.30	\$1,282,869.27
9/30/2028	\$1,282,869.27	\$6,059.26	\$19,243.04	\$25,302.30	\$1,276,810.01
12/31/2028	\$1,276,810.01	\$6,150.15	\$19,152.15	\$25,302.30	\$1,270,659.86
TOTALS		\$24,060.62	\$77,148.58	\$101,209.20	
3/31/2029	\$1,270,659.86	\$6,242.40	\$19,059.90	\$25,302.30	\$1,264,417.46
6/30/2029	\$1,264,417.46	\$6,336.04	\$18,966.26	\$25,302.30	\$1,258,081.42
9/30/2029	\$1,258,081.42	\$6,431.08	\$18,871.22	\$25,302.30	\$1,251,650.34
12/31/2029	\$1,251,650.34	\$6,527.54	\$18,774.76	\$25,302.30	\$1,245,122.80
TOTALS		\$25,537.06	\$75,672.14	\$101,209.20	
3/31/2030	\$1,245,122.80	\$6,625.46	\$18,676.84	\$25,302.30	\$1,238,497.34
6/30/2030	\$1,238,497.34	\$6,724.84	\$18,577.46	\$25,302.30	\$1,231,772.50
9/30/2030	\$1,231,772.50	\$6,825.71	\$18,476.59	\$25,302.30	\$1,224,946.79
12/31/2030	\$1,224,946.79	\$6,928.10	\$18,374.20	\$25,302.30	\$1,218,018.69
TOTALS		\$27,104.11	\$74,105.09	\$101,209.20	
3/31/2031	\$1,218,018.69	\$7,032.02	\$18,270.28	\$25,302.30	\$1,210,986.67
6/30/2031	\$1,210,986.67	\$7,137.50	\$18,164.80	\$25,302.30	\$1,203,849.17
9/30/2031	\$1,203,849.17	\$7,244.56	\$18,057.74	\$25,302.30	\$1,196,604.61
12/31/2031	\$1,196,604.61	\$7,353.23	\$17,949.07	\$25,302.30	\$1,189,251.38
TOTALS		\$28,767.31	\$72,441.89	\$101,209.20	

3/31/2032	\$1,189,251.38	\$7,463.53	\$17,838.77	\$25,302.30	\$1,181,787.85
6/30/2032	\$1,181,787.85	\$7,575.48	\$17,726.82	\$25,302.30	\$1,174,212.37
9/30/2032	\$1,174,212.37	\$7,689.11	\$17,613.19	\$25,302.30	\$1,166,523.26
12/31/2032	\$1,166,523.26	\$7,804.45	\$17,497.85	\$25,302.30	\$1,158,718.81
TOTALS		\$30,532.57	\$70,676.63	\$101,209.20	
3/31/2033	\$1,158,718.81	\$7,921.52	\$17,380.78	\$25,302.30	\$1,150,797.29
6/30/2033	\$1,150,797.29	\$8,040.34	\$17,261.96	\$25,302.30	\$1,142,756.95
9/30/2033	\$1,142,756.95	\$8,160.95	\$17,141.35	\$25,302.30	\$1,134,596.00
12/31/2033	\$1,134,596.00	\$8,283.36	\$17,018.94	\$25,302.30	\$1,126,312.64
TOTALS		\$32,406.17	\$68,803.03	\$101,209.20	
3/31/2034	\$1,126,312.64	\$8,407.61	\$16,894.69	\$25,302.30	\$1,117,905.03
6/30/2034	\$1,117,905.03	\$8,533.72	\$16,768.58	\$25,302.30	\$1,109,371.31
9/30/2034	\$1,109,371.31	\$8,661.73	\$16,640.57	\$25,302.30	\$1,100,709.58
12/31/2034	\$1,100,709.58	\$8,791.66	\$16,510.64	\$25,302.30	\$1,091,917.92
TOTALS		\$34,394.72	\$66,814.48	\$101,209.20	
3/31/2035	\$1,091,917.92	\$8,923.53	\$16,378.77	\$25,302.30	\$1,082,994.39
6/30/2035	\$1,082,994.39	\$9,057.38	\$16,244.92	\$25,302.30	\$1,073,937.01
9/30/2035	\$1,073,937.01	\$9,193.24	\$16,109.06	\$25,302.30	\$1,064,743.77
12/31/2035	\$1,064,743.77	\$9,331.14	\$15,971.16	\$25,302.30	\$1,055,412.63
TOTALS		\$36,505.29	\$64,703.91	\$101,209.20	
3/31/2036	\$1,055,412.63	\$9,471.11	\$15,831.19	\$25,302.30	\$1,045,941.52
6/30/2036	\$1,045,941.52	\$9,613.18	\$15,689.12	\$25,302.30	\$1,036,328.34
9/30/2036	\$1,036,328.34	\$9,757.37	\$15,544.93	\$25,302.30	\$1,026,570.97
12/31/2036	\$1,026,570.97	\$9,903.74	\$15,398.56	\$25,302.30	\$1,016,667.23
TOTALS		\$38,745.40	\$62,463.80	\$101,209.20	
3/31/2037	\$1,016,667.23	\$10,052.29	\$15,250.01	\$25,302.30	\$1,006,614.94
6/30/2037	\$1,006,614.94	\$10,203.08	\$15,099.22	\$25,302.30	\$996,411.86
9/30/2037	\$996,411.86	\$10,356.12	\$14,946.18	\$25,302.30	\$986,055.74
12/31/2037	\$986,055.74	\$10,511.46	\$14,790.84	\$25,302.30	\$975,544.28
TOTALS		\$41,122.95	\$60,086.25	\$101,209.20	
3/31/2038	\$975,544.28	\$10,669.14	\$14,633.16	\$25,302.30	\$964,875.14
6/30/2038	\$964,875.14	\$10,829.17	\$14,473.13	\$25,302.30	\$954,045.97
9/30/2038	\$954,045.97	\$10,991.61	\$14,310.69	\$25,302.30	\$943,054.36
12/31/2038	\$943,054.36	\$11,156.48	\$14,145.82	\$25,302.30	\$931,897.88
TOTALS		\$43,646.40	\$57,562.80	\$101,209.20	
3/31/2039	\$931,897.88	\$11,323.83	\$13,978.47	\$25,302.30	\$920,574.05
6/30/2039	\$920,574.05	\$11,493.69	\$13,808.61	\$25,302.30	\$909,080.36
9/30/2039	\$909,080.36	\$11,666.09	\$13,636.21	\$25,302.30	\$897,414.27
12/31/2039	\$897,414.27	\$11,841.09	\$13,461.21	\$25,302.30	\$885,573.18
TOTALS		\$46,324.70	\$54,884.50	\$101,209.20	
3/31/2040	\$885,573.18	\$12,018.70	\$13,283.60	\$25,302.30	\$873,554.48
6/30/2040	\$873,554.48	\$12,198.98	\$13,103.32	\$25,302.30	\$861,355.50
9/30/2040	\$861,355.50	\$12,381.97	\$12,920.33	\$25,302.30	\$848,973.53
12/31/2040	\$848,973.53	\$12,567.70	\$12,734.60	\$25,302.30	\$836,405.83
TOTALS		\$49,167.35	\$52,041.85	\$101,209.20	
3/31/2041	\$836,405.83	\$12,756.21	\$12,546.09	\$25,302.30	\$823,649.62
6/30/2041	\$823,649.62	\$12,947.56	\$12,354.74	\$25,302.30	\$810,702.06
9/30/2041	\$810,702.06	\$13,141.77	\$12,160.53	\$25,302.30	\$797,560.29
12/31/2041	\$797,560.29	\$13,338.90	\$11,963.40	\$25,302.30	\$784,221.39
TOTALS		\$52,184.44	\$49,024.76	\$101,209.20	
3/31/2042	\$784,221.39	\$13,538.98	\$11,763.32	\$25,302.30	\$770,682.41
6/30/2042	\$770,682.41	\$13,742.06	\$11,560.24	\$25,302.30	\$756,940.35
9/30/2042	\$756,940.35	\$13,948.19	\$11,354.11	\$25,302.30	\$742,992.16
12/31/2042	\$742,992.16	\$14,157.42	\$11,144.88	\$25,302.30	\$728,834.74
TOTALS		\$55,386.65	\$45,822.55	\$101,209.20	

3/31/2043	\$728,834.74	\$14,369.78	\$10,932.52	\$25,302.30	\$714,464.96
6/30/2043	\$714,464.96	\$14,585.33	\$10,716.97	\$25,302.30	\$699,879.63
9/30/2043	\$699,879.63	\$14,804.11	\$10,498.19	\$25,302.30	\$685,075.52
12/31/2043	\$685,075.52	\$15,026.17	\$10,276.13	\$25,302.30	\$670,049.35
TOTALS		\$58,785.39	\$42,423.81	\$101,209.20	
3/31/2044	\$670,049.35	\$15,251.56	\$10,050.74	\$25,302.30	\$654,797.79
6/30/2044	\$654,797.79	\$15,480.33	\$9,821.97	\$25,302.30	\$639,317.46
9/30/2044	\$639,317.46	\$15,712.54	\$9,589.76	\$25,302.30	\$623,604.92
12/31/2044	\$623,604.92	\$15,948.23	\$9,354.07	\$25,302.30	\$607,656.69
TOTALS		\$62,392.66	\$38,816.54	\$101,209.20	
3/31/2045	\$607,656.69	\$16,187.45	\$9,114.85	\$25,302.30	\$591,469.24
6/30/2045	\$591,469.24	\$16,430.26	\$8,872.04	\$25,302.30	\$575,038.98
9/30/2045	\$575,038.98	\$16,676.72	\$8,625.58	\$25,302.30	\$558,362.26
12/31/2045	\$558,362.26	\$16,926.87	\$8,375.43	\$25,302.30	\$541,435.39
TOTALS		\$66,221.30	\$34,987.90	\$101,209.20	
3/31/2046	\$541,435.39	\$17,180.77	\$8,121.53	\$25,302.30	\$524,254.62
6/30/2046	\$524,254.62	\$17,438.48	\$7,863.82	\$25,302.30	\$506,816.14
9/30/2046	\$506,816.14	\$17,700.06	\$7,602.24	\$25,302.30	\$489,116.08
12/31/2046	\$489,116.08	\$17,965.56	\$7,336.74	\$25,302.30	\$471,150.52
TOTALS		\$70,284.87	\$30,924.33	\$101,209.20	
3/31/2047	\$471,150.52	\$18,235.04	\$7,067.26	\$25,302.30	\$452,915.48
6/30/2047	\$452,915.48	\$18,508.57	\$6,793.73	\$25,302.30	\$434,406.91
9/30/2047	\$434,406.91	\$18,786.20	\$6,516.10	\$25,302.30	\$415,620.71
12/31/2047	\$415,620.71	\$19,067.99	\$6,234.31	\$25,302.30	\$396,552.72
TOTALS		\$74,597.80	\$26,611.40	\$101,209.20	
3/31/2048	\$396,552.72	\$19,354.01	\$5,948.29	\$25,302.30	\$377,198.71
6/30/2048	\$377,198.71	\$19,644.32	\$5,657.98	\$25,302.30	\$357,554.39
9/30/2048	\$357,554.39	\$19,938.98	\$5,363.32	\$25,302.30	\$337,615.41
12/31/2048	\$337,615.41	\$20,238.07	\$5,064.23	\$25,302.30	\$317,377.34
TOTALS		\$79,175.38	\$22,033.82	\$101,209.20	
3/31/2049	\$317,377.34	\$20,541.64	\$4,760.66	\$25,302.30	\$296,835.70
6/30/2049	\$296,835.70	\$20,849.76	\$4,452.54	\$25,302.30	\$275,985.94
9/30/2049	\$275,985.94	\$21,162.51	\$4,139.79	\$25,302.30	\$254,823.43
12/31/2049	\$254,823.43	\$21,479.95	\$3,822.35	\$25,302.30	\$233,343.48
TOTALS		\$84,033.86	\$17,175.34	\$101,209.20	
3/31/2050	\$233,343.48	\$21,802.15	\$3,500.15	\$25,302.30	\$211,541.33
6/30/2050	\$211,541.33	\$22,129.18	\$3,173.12	\$25,302.30	\$189,412.15
9/30/2050	\$189,412.15	\$22,461.12	\$2,841.18	\$25,302.30	\$166,951.03
12/31/2050	\$166,951.03	\$22,798.03	\$2,504.27	\$25,302.30	\$144,153.00
TOTALS		\$89,190.48	\$12,018.72	\$101,209.20	
3/31/2051	\$144,153.00	\$23,140.00	\$2,162.30	\$25,302.30	\$121,013.00
6/30/2051	\$121,013.00	\$23,487.11	\$1,815.19	\$25,302.30	\$97,525.89
9/30/2051	\$97,525.89	\$23,839.41	\$1,462.89	\$25,302.30	\$73,686.48
12/31/2051	\$73,686.48	\$24,197.00	\$1,105.30	\$25,302.30	\$49,489.48
TOTALS		\$94,663.52	\$6,545.68	\$101,209.20	
3/31/2052	\$49,489.48	\$24,559.96	\$742.34	\$25,302.30	\$24,929.52
6/30/2052	\$24,929.52	\$24,929.52	\$373.94	\$25,303.46	\$0.00
TOTALS		\$49,489.48	\$1,116.28	\$50,605.76	

Status of Capital Fund after utilization for Additional Debt Service
Block Island Utility District

	Docket #D-22-01				Ending Balances	
	Debt & Capital Funds per Docket 4975 Order 23873	1.5 M Voltage Conversion Loan	300,000 Contingent Liability	1.4 M Employee Housing Loan		
Interest on CFC Loan	209,908	68,638	13,198	83,345	375,089	
Principal Paid on CFC Loan	105,128	24,811	6,146	17,862	153,947	
Funding						
Additional rental income				(12,000)		
					-	
Voltage Conversion Capital Fund	96,184	(96,184)			-	
Capital Fund-Inventory Purchased & Used	93,000				93,000	
Capital Fund-Capitalized Expenditures	307,000	2,735	(19,343)	(89,207)	201,185	294,185
		(0)	(0)	0		

Capitalization
Block Island Utility District
12/31/2021

Attachment DGB - 3

	Actual Outstanding (1)	Pro-Forma Amount
Long Term Debt		
All existing Loans as of Dec 31, 2021	\$ 5,560,155	\$ 5,560,155
Docket #D-22-01 issue	1,800,000	1,800,000
Employee Housing Debt	-	1,400,000
Total Loans	\$ 7,360,155.00	\$ 8,760,155
Total Captilization	\$ 7,360,155.00	\$ 8,760,155
Total Assets	\$ 10,859,681	\$ 12,259,681
Debt/Total Assets	67.78%	71.45%
Net Utility Plant	\$ 9,512,354	\$ 10,912,354
Debt/Total Assets	77.37%	80.28%

(1) From Audited Balance Sheet as of 12/31/21 plus activity from Docket #D-22-01