

The minutes of the regular meeting of the Board of Trustees of the Green Island Power Authority held on Monday, July 18, 2011 at 6:00 p.m. at the Green Island Municipal Center, 19 George Street, Green Island, New York.

Vice Chairman Michael A. Cocca, Sr. called the meeting to order.

Vice Chairman Cocca, Trustees Reinoehl, Greaves, McNulty-Ryan and Attorney Legnard.

Also, in attendance: Kristin M. Swinton, CEO and David Paterniani, CFO.

Absent: Chairman John J. Brown.

On a motion by Trustee McNulty-Ryan seconded by Trustee Greaves and carried, to excuse the absentee. All ayes.

Vice Chairman Cocca opened Public Forum No. 1 for any comments.

No comments.

Vice Chairman Cocca closed Public Forum No. 1.

Vice Chairman Cocca stated that we have an item of business to be brought before the board tonight that is not noted on the agenda. Vice Chairman Cocca stated that it has to do with a proposal for a rate increase, we are talking a rate increase in the electric rate for the residents of Green Island and it will be first-rate increase in 23 years.

Vice Chairman Cocca asked David Paterniani to give a brief overview of the proposal.

Dave went on to state that this is a mini-rate case filing which allows the Power Authority to have an additional \$300,000.00 in revenue across the board. He wanted to add that it is not residents, it is an across the board rate increase. The recession dropped hydro revenues approximately \$1 million a year and we have not seen a turn around yet and really our customers have been subsidized by this for the past 10 years. As stated by Vice Chairman Cocca the last rate increase was approximately 23 years ago. The rate increase that we are proposing to the PSC is going to approximately 1 cent per kWh, which the effect on the average residence bill will be approximately \$5.00 per month. This leaves us with rates approximately 40% lower than National Grid rates.

Mr. Tom Torrisi of 103 Hudson Avenue stated that he would like to state that he is completely opposed to a raise in the rates. Green Island has been advertising for years that we have the lowest rates and we will still have the lowest rates but we are encouraging new people to come in to take advantage of these rates. Why don't you have some sort of a split system where you get new people to come in at a little higher rate but they are still lower and leave the residents and the present businesses alone.

Vice Chairman Cocca stated that he is not sure that we can actually do that and even if we could and he thinks that in certain respects it is unfair and at the same time it becomes an administrative problem in terms of having two rate structures applied to two different lists so to speak.

Vice Chairman Cocca stated to Mr. Torrissi if we were talking really large amounts to the average resident it would be something else again but you are talking about something in the order of 15 or 16 cents per day that the increase would be for the average residents and his/her usage, so we don't consider it an extreme considering that we have not had a rate increase in 23 years. Like saying that we have had something in the order of about .003 % cost of living inflation increase that we didn't even address for 23 years. He thinks it would be a lot harder and he believes the board agrees with this, it would be a lot harder to administer a two phase or two-prong system like you are proposing. It makes some sense in one sense but it is a little unfair in another if you are trying to encourage people to come in, the first thing you are going to tell them is our rates are low but Tom pays 5.5 cents but you will only pay 6.5 cents temporarily. It gets a little tricky.

Mr. Torrissi stated that there is an old saying if you don't take care of the pennies then pretty soon the dollars slip away. For the citizens it is the pennies, the businesses can deal with big bucks, citizens can't.

Vice Chairman Cocca stated that he is absolutely right.

Mr. Torrissi stated that we are getting hit with mandates all around us.

Trustee McNulty-Ryan stated that she would like to say that we have been spending a lot of money on distribution, upgrading our distribution system too and that is where a lot of expense comes into. Dave could probably give you better numbers as to what we have been doing as far as how much we spent on distribution. Our hydro plant has been subsidizing that for a very long time but because economic times are down and things are down, we are not getting the money we used to get so we don't have the subsidy there that we used to have.

Vice Chairman Cocca stated that tonight what we are considering tonight is sending the request on to the PSC for their determination before it would be implemented.

Attorney Legnard stated that the board needs to authorize the filing of the request.

On a motion by Trustee McNulty-Ryan seconded by Trustee Greaves and carried, to authorize the filing of the proposed rate increase to the Public Service Commission (PSC) as presented. All ayes.

On a motion by Trustee Reinoehl seconded Trustee Greaves and carried, to approve the minutes of the regular meeting held on July 18, 2011. All ayes.

No communications.

On a motion by Trustee McNulty-Ryan seconded by Trustee Greaves and carried, to approve the claims as submitted in the amount of \$206,330.92, along with the monthly Addendum amount of \$4,113.34. All ayes.

On a motion by Trustee Reinoehl seconded by Trustee Greaves and carried, to approve the Chief Financial Officer's report as submitted. All ayes.

On a motion by Trustee Reinoehl seconded by Trustee McNulty-Ryan and carried, to accept the adjustments for July 2011 as presented. All ayes.

On a motion by Trustee McNulty-Ryan seconded by Trustee Reinoehl and carried, to increase the mileage reimbursement to 55.5 cents per mile in accordance with the IRS Guideline dated June 23, 2011 effective date of July 1, 2011. All ayes.

On a motion by Trustee Greaves seconded by Trustee McNulty-Ryan and carried, to approve the Budget Adjustments for FYE May 31, 2011 as presented by the Chief Financial Officer. All ayes.

Attorney Legnard stated that the next item pertains to the new substation Phase II involved building a substation in Maplewood that would directly connect to the 115 kV grid line that runs into the grid at the Maplewood substation. The first part of that whole process is to have a system impact study and that has been in the process for the past several years and it was recently approved by the New York Independent System Operator (NYISO) last week. In order to move the project forward, now there has to be a Facilities Study which Niagara Mohawk Power Corporation d/b/a National Grid actually performs to make sure that the design of the system will be harmony with all of the grid system, so we have enter into that agreement and we need authorization to have the Chairman sign that document.

On a motion by Trustee Greaves seconded by Trustee Reinoehl and carried, to authorize the Chairman to execute a Facilities Study with Niagara Mohawk Power Corporation d/b/a National Grid. All ayes.

No Other Business.

Vice Chairman Cocca opened Public Forum No. 2 for any comments.

No comments.

Vice Chairman Cocca closed Public Forum No. 2.

On a motion by Trustee McNulty-Ryan seconded by Trustee Reinoehl and carried, to adjourn the meeting at 6:12 p.m. All ayes.