

The minutes of the regular meeting of the Board of Trustees of the Green Island Power Authority held on Monday, October 15, 2012 at 6:00 p.m. at the Green Island Municipal Center, 19 George Street, Green Island, New York.

Chairperson McNulty-Ryan called the meeting to order.

Chairperson McNulty-Ryan, Vice Chairman Cocca, Trustee DeMento, Trustee Perfetti, and Attorney Legnard.

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

Absent: Trustee Reinoehl.

On a motion by Vice Chairman Cocca seconded by Trustee DeMento and carried, to excuse the absentee. All ayes.

Chairperson McNulty-Ryan opened Public Forum No. 1 for any comments.

No comments.

Chairperson McNulty-Ryan closed Public Forum No. 1.

On a motion by Trustee Perfetti seconded by Vice Chairman Cocca and carried, to approve the minutes of the regular meeting held on September 17, 2012. All ayes.

No communications.

Chairperson McNulty-Ryan stated that the next item was the approval of claims. She then asked if anyone had any questions about the claims.

No questions.

On a motion by Trustee DeMento seconded by Vice Chairman Cocca and carried, to approve the claims in the amount of \$121,681.75, along with the monthly Addendum in the amount of \$28,936.01. All ayes.

On a motion by Vice Chairman Cocca seconded by Trustee DeMento and carried, to approve the monthly report of the Chief Financial Officer as submitted. All ayes.

On a motion by Trustee Perfetti seconded by Vice Chairman Cocca and carried, to approve the adjustments to the October 2012 electric billing and quarterly adjustments as presented. All ayes.

Chairperson McNulty-Ryan stated that the next item is consideration of a settlement agreement with Hudson River-Black River Regulating District for overpayment of

assessment. Everyone has a copy. The Chair asked for Kristin Swinton to give a brief overview.

Kristin proceeded to state that we have always paid an assessment to the Hudson River – Black River Regulating District and several of the hydro plants had a court case against them because we didn't feel we should have to pay it. It was ruled in our favor and FERC has sent GIPA an order saying that we have to present a settlement to Hudson River – Black River to get our money back. We paid in full for the periods that they are looking which amounts to \$515,323.40. FERC has decided that our annual charges should of only been \$6,500.00 and on average for the last few years that we did pay, we were paying over \$87,000.00. We calculate that our credit should be \$457,782.40. We would prefer that they just give us the money back but they have no money. So, we have to propose a settlement and what we plan on proposing upon the approval of the board is that they refund the full amount of \$457,782.40. If they cannot do that, then we are proposing that we have a running credit plus 9% interest which would mean that for the next 70 years or so, we would not make any payments on our assessment which is now calculated to be \$6,500.00 for our annual payment.

Discussion ensued amongst the board.

On a motion by Vice Chairman Cocca seconded by Trustee DeMento and carried, to agree to proposed settlement offer to the Hudson River – Black River Regulating District pertaining to assessment on hydro facility as presented by Kristin Swinton, GIPA CEO to the board. All ayes.

Chairperson McNulty-Ryan stated that the next item for consideration of a resolution pertaining to the Standard Work Day and Reporting Resolution for the Attorney position.

Chairperson McNulty-Ryan stated that this pertains to Joe reducing his hours and we are complying with the requirements of the New York State and Local Retirement System to amend the previous reporting resolution filed in 2010.

On a motion by Trustee DeMento seconded by Trustee Perfetti and carried, to adopt the Standard Work Day and Reporting Resolution for New York State and Local Retirement System amending the hours for the standard work day for the Attorney position. All ayes.

No further business.

Chairperson McNulty-Ryan opened Public Forum No.2

Tom Torrisi of 103 Hudson Avenue asked if the Chair to go back over item #9 as he did not understand it.

Kristin Swinton proceeded to state that the Hudson River – Black River Regulating District has charged all of the hydro facilities along the river every year forever.

Attorney Legnard stated they have done that under “color of state” law and approximately five (5) years ago someone sued them and said the only way you can impose a fee on hydro-generators is under the Federal rules because prior to five (5) years ago, they were not a Federally licensed hydro facility themselves up on the Conklingville Dam. So at that time, they did get a Federal license and the minute they got that Federal license they were subject to the Federal rules and the Federal rules require that they cannot impose any fee whatsoever, no matter what you call it, on down stream hydro generators unless FERC first does what is called a headwater benefit analysis and the theory behind that is because they operate a dam and allow water to periodically come down stream and it is suppose to be a flood protection device that this is going to allow the down stream generators to have a more consistent flow of water and that will increase their efficiency and they are going to reap a financial benefit because that exists. When the matter came before FERC, they said you have had absolutely no authority to impose any of these fees on the down stream hydro generators because no head water benefit study was ever done and when the study was done, FERC determined that what Green Island Hydro should have been paying was \$6,500.00 a year and they had been charging \$88,000 to \$90,000 a year. Therefore, we have a large credit and we do not have to pay them anything until that credit is eliminated and they are out of money.

Chairperson McNulty-Ryan stated that they are actually working right now to try to impose this fee on municipalities now and the County is in a big agreement with them now because they are trying to take every municipality along the river and try to make them pay for this and the County has been fighting it because it would mean millions of dollars to them.

Further discussion ensued.

No further comments.

Chairperson McNulty-Ryan closed Public Forum No. 2.

Chairperson McNulty-Ryan stated that the next monthly meeting would be held on Monday, November 19th, 2012 at 6:00 p.m.

On a motion by Trustee DeMento seconded by Vice Chairman Cocca and carried, to adjourn the meeting at 6:15 p.m. All ayes.