

The minutes of the special meeting of the Board of Trustees of the Green Island Power Authority held on Thursday, July 25, 2013 at 9:25 a.m. at the Green Island Municipal Center, 19 George Street, Green Island.

Chairperson Ellen M. McNulty-Ryan called the meeting to order.

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

Absentee: Trustees Reinoehl and DeMento.

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

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

Chairperson McNulty-Ryan stated that the purpose of the meeting is for consideration of ordering a Coil Replacement for Generator #2. It has been down, we know we have this problem with the generators they are able to jump the coils sometimes and this one has been jumped many times and is not capable of being jumped anymore.

Dave Paterniani stated that is correct, it has been jumped 8 times in the past year, so it has broke down 8 times.

Chairperson McNulty-Ryan stated that every time it goes down, we lose approximately \$1,000 to \$1,500 per day, so that is why we need to do the emergency permission to order this coil. It is a sole source; there is only person that can do these unique turbines.

Dave Paterniani stated that the coils are copper and he believes they are manufactured as needed so Jim Besha will pull the entire unit apart and send the item to a company in Pennsylvania to have them remanufactured and then installed.

Chairperson McNulty-Ryan questioned Dave Paterniani whether we receive the damaged materials back so that we can sell the copper.

Dave stated that we do own it.

Chairperson McNulty-Ryan stated that she realizes it is very unique and you have to actually give them the part so that it can be manufactured. It can't be off even a fraction of inch from what Jim Besha has explained to them before. It is very, very precise. There has to be a lot of money in the copper, so we should make sure that we get it back.

Chairperson McNulty-Ryan stated that Jim Besha estimates that this could cost \$250,000 but we won't know what is going to happen until they receive the part. She is proposing to ask the Board if they decide to approve this that we let them go and we do it with an

amount not to exceed \$300,000 in case something minor comes in. If it goes beyond that, we will have to have another meeting to approve it.

Trustee Perfetti asked if it was down now?

Chairperson McNulty-Ryan stated that it is down now.

Dave stated that it has been down for approximately two (2) weeks.

Kristin M. Swinton, CEO stated that it went down that same Saturday morning that we had that glitch.

Trustee Perfetti asked how long do they think it will take to repair the item?

Dave stated that he believed it will be at least six (6) weeks.

Kristin stated that it could be at least a couple of months for the project.

Vice Chairman Cocca stated the company will have to tailor the coil system to the particular generator. It isn't something you can buy off the shelf.

Dave stated that the life expectancy is usually 20 years and this unit was rebuilt in 2005 and problems started in 2010 and in the past year it has broken down 8 times.

Chairperson McNulty-Ryan stated that one of them was just redone wasn't it?

Dave stated that Unit #3 is the most recent in 2009 and it hasn't had any problems since it was rebuilt.

Chairperson McNulty-Ryan stated then that we can probably expect this with the other two.

Vice Chairman Cocca stated that eventually everyone suffers the same kind of problem but some of them have been reworked, this problem is not going to be unique to just two, it can happen down the line on the others that haven't been done in a while.

Chairperson McNulty-Ryan stated that from what Jim has explained before that it is so precise that even though the four (4) of them appear identical they aren't.

Dave stated that none of them have the original coils in them, they are almost 100 years old now, they were all rebuilt in the 70's and most have been rebuilt either in the 1990's or after 2000.

Vice Chairman Cocca stated that it is pretty much standard problems over the years on any generator and the precision comes from the fact that these coils are a part of the system that brings electricity into the rotating parts and if you don't put a field in there of

energy you don't get – you can't generate out. So the coils, they transmit that but over a very small spaced distance, they have to be very close up to the rotating field, the commentator they call it, and still not hit it but still be close enough so that you don't lose efficiency. It is gets very tight and precise and it is almost a Taylor made kind of thing for each generator even though they are almost identical, they are not precisely accurate.

Chairperson McNulty-Ryan stated that you can't order the part for it.

Vice Chairman Cocca stated that it is correct, it is not something off the shelf directly. They take parts off the shelf but they have to Taylor them in that sense.

Chairperson McNulty-Ryan stated that is why it is a sole source item.

Vice Chairman Cocca stated that he sees no way around what we are faced with here.

Chairperson McNulty-Ryan asked if there were no other questions, could she have a motion to approve the emergency repair of Generator #2 with a cost not to exceed \$300,000 without further Board approval.

On a motion by Vice Chairman Cocca seconded by Trustee Perfetti and carried, to approve the emergency repair of Generator #2 to the sole source provider of Pennsylvania Electric Coil in an amount not to exceed \$300,000 without further Board approval. All ayes.

On a motion by Trustee Perfetti seconded by Vice Chairman Cocca and carried, to adjourn the meeting at 9:33 a.m. All ayes.