

The minutes of the Budget Hearing for the Green Island Power Authority held on Wednesday, April 2, 2014 at 5:45 p.m., at the Green Island Municipal Center, 19 George Street, Green Island on the proposed budget for 2014-2015.

Chairperson Ellen M. McNulty-Ryan called the public hearing to order.

Board Members and GIPA Officials in attendance are as follows: Chairperson McNulty-Ryan, Trustees DeMento and Perfetti. Also, Kristin M. Swinton, CEO, Madeline Paterniani, CFO and Anne M. Strizzi, GIPA Recording Secretary.

There were several residents in attendance.

Chairperson McNulty-Ryan asked Madeline Paterniani, CFO to give budget presentation.

Madeline Paterniani proceeded with slide presentation and welcomed everyone to the budget presentation for fiscal year end 2015. There weren't any major changes this year, so this will be brief and to the point. She will talk about our rates and also, the projected revenues and expenses for 2015.

Madeline stated that the **Rates** under the **Distribution System** consist of the Base Rate and the Purchased Power Adjustment Clause (PPAC). The base rate is set by the PSC and is currently at \$.065. The PPAC will remain stable for 2015 fluctuating between \$.03 and \$.05 and we don't anticipate any major changes for 2015. Prior month the PPAC did rise to about \$.07 and this was a direct result of the extreme weather conditions. The total GIPA bill had a rate of approximately \$.13/KWH vs. National Grid of approximately \$.22/KWH, while the bill for Green Island was higher for that month than normal there was still a savings to the ratepayer of approximately 41% when compared to surrounding area. The last increase was in December 2011 to our base rate and we do not see any increases in the near future.

Madeline went to state that all of our **Hydro Generation** is sold to National Grid at the market day ahead pricing also known as the LBMP rate. There has been an uptick in the current market vs. prior years which were at an all-time low. Again, no significant changes anticipated for 2015.

Madeline continued with the **Revenue Projection** – the **Distribution Revenue** which is the power that we sell to our ratepayers is calculated using a five-year average against our rates. Distribution revenue for the year is projected to be approximately \$2.9 million. The wholesale market is projected to be approximately \$1.7 million using an average rate of \$.04. Currently there is still a 15% reduction in generation due to the damage of the inflatable flashboards from Hurricane Irene and that brings our total revenue projection for May 31st, 2015 to approximately \$4.6 million.

Madeline went on to the next slide and stated that GIPA has undergone significant expense reductions in the past few years. In 2014 we operated under a bare bones budget which will be mimicked in 2015. There will be a 3% cost of living increase to all employees and we are reinstating board member compensations. Proposed salaries for 2015 are \$414,198 compared to

\$706,906 in 2010, which was the last time GIPA was fully staffed and this is still a savings of approximately 41% or \$292,708.

Madeline went on to the **Debt and Debt Service Summary**. Our Debt Service for 2015 consists of principal payments of \$755,000.00 and interest payments of \$890,488.00 for a total Debt Service of \$1,645,488.00. Our beginning fiscal year debt is \$16.4 million less the principal payment of \$755,000.00 to arrive at an ending fiscal year debt of \$15,645,000.00.

Madeline stated that the last slide is our **Budget Summary** which as you can see we have a balanced budget for 2015. Our revenues equal our total expenses of approximately \$4.6 million.

Madeline asked if there were any questions or comments from the public.

No comments.

Chairperson McNulty-Ryan stated that it was an excellent presentation!

Chairperson McNulty-Ryan closed the budget presentation of the Green Island Power Authority at 5:52 p.m.