

**Griffiss Utility Services Corporation
Board of Directors
Meeting Notes**

Meeting Date and Location: February 7, 2013, 410 Phoenix Drive, Rome NY

Members Present: Doug Bartell, Mike Sheridan, Bill Stevens, Sandra Corney, Bob Skibitski, Tim Woods, Fred Tillman (via phone)

Members Absent: none

Others Present: Dan Maneen, John Nash, Mike Davis

Doug Bartell brought the meeting to order at 3:32pm.

Acceptance of Minutes:

The first order of business was the acceptance of minutes from Board meeting dated January 10, 2013.

Motion to accept Minutes by Sandra Corney, seconded by Mike Sheridan, approved unanimously.

Financial Report:

The second order of business was the Financial Report, which was presented by John Nash. In Summary,

Balance Sheet

- Assets of \$50,038,000 were \$1,361,000 more than December 2011
 - Current assets increased \$1,145,000
- Current Liabilities increased \$266,000 from December 2011
- Management set up 3 Reserve accounts for Capital Projects, Storm Restoration and an Energy Savings Program totaling \$1 million

Statement of Revenue and Expenses

- December revenue of \$844,000 was \$167,000 less than last December. Steam revenue decreased \$46,000. Electric revenue was down \$158,000. There was an additional charge of \$7,827 due to the recouping of Steam Economic development credits. On the electric side management is still issuing economic development credits. The amount for December is \$454.
- Total expenses decreased \$1,322,000 from the prior December due to the reversal of NYPA accruals in the amount of \$1 million that were transferred to the Capital Reserve account.

Accounts Receivable

Steam

- Past due steam accounts totaled \$30,356 as of December 31. As of February 7th, all have been paid.

Electric

- Past due electric accounts totaled \$201,602 as of December 31. As of February 7th, all have been paid.

Motion to accept financial report by Bill Stevens, seconded by Mike Sheridan, and approved unanimously.

Next on the agenda was: election of officers:

- Chair person: Doug Bartell

Motion to approve by Bob Skibitski, seconded by Sandra Corney, and approved unanimously.

- Vice Chair person: Fred Tillman

Motion to approve by Doug Bartell, seconded by Sandra Corney, and approved unanimously.

- Treasurer: Sandra Corney

Motion to approve by Doug Bartell, seconded by Bill Stevens, and approved unanimously.

- Assistant Treasurer: John Nash

Motion to approve by Sandra Corney, seconded by Mike Sheridan, and approved unanimously.

- Secretary: John Nash

Motion to approve by Sandra Corney, seconded by Mike Sheridan, and approved unanimously.

Next on the agenda was the Operations Report, which was presented by Dan Maneen.

Operations Report:

SAFETY:

There were no OSHA recordable accidents for the month of January 2013.

The safety topics covered throughout the period were as follows:

The topics covered included:

- Cold Exposure
- Slips, Trips, and Falls
- Proper use of Safety Harnesses
- Confined Spaces
- Personal Hygiene
- Housekeeping
- Fire Extinguishers

ENVIRONMENTAL

-Submitted Finalize Annual Emissions Report from C&S and submitted to NYSDEC

OPERATIONS

Rearranged operations personnel work schedule and shifts to further accommodate cross training of various critical staff functions.

RO water filtration unit appears to be operating more reliably after Siemens technical representatives worked out minor fault problems.

Encountered computer problem on January 12th related to PLC on Boiler #3. Operator switched to Boiler #2 as back up so steam system never saw interruption. Traced fault back to burnt circuit board on PLC module, replaced with spare and test ran Boiler #2 successfully. Both Boilers are functioning within normal ranges.

Contractor representatives from Cummings Diesel performed annual inspection & test ran back-up generator-System checked out OK

Plant Operator experienced DCS system crash on January 26th with no assignable cause indicated. Reboot of computer was successful but further investigation into reason for fault is ongoing.

POWER DELIVERY

December 2012

Allocated: 6,815,907 kWh

Purchased: 6,809,724 kWh

POWER OUTAGES

1/31-Loss of entire Feeder #66. Total of 17 customers (27 meters) affected. Reported at 4:35am, low-voltage condition contributed to a loss-of-phase, source of outage determined to be a blown fuse on the Ratio 210 load-side riser, cause by fallen tree limb across overhead lines because of high winds, service restored at 4:49am. (24 min.)

1/31-Loss of entire Feeder #66. Total of 1 customer (2 meters) affected (UCP Housing Units). Reported at 12:58pm, low-voltage condition contributed to a loss-of –phase, source of outage determined to be disconnected secondary service lateral conductor on pole-mounted service transformer, caused by high wind conditions, service restored at 2:13 pm. (1 hr. 25min.)

MISC.

- FERC Electronic Quarterly Report (EQRs): Finalized and submitted on 1/23/13.
- PSC Compliance Filing for Electronic Lightened Regulation: Mailed on 1/24/13.
- FERC Form 566 (Annual Filing-Detailing 20 Largest Retail Electronic Customers): Finalized and submitted on 1/25/13. Customer notification letter mailed 1/30/13.

ADMINISTRATIVE REPORT

Co-Gen Project Update...CHP PROJECT

ENGINEERING- Proceeding on schedule with update meeting every Monday in Albany for contractors and every other Wednesday for entire project team in Rome.

CONSTRUCTION-

Wellons installation crew is currently working on boiler, breeching and remaining conveyors.

Construction of steel building for STG completed and Boiler House is ongoing.

Wellons equipment installation continues on schedule and as of 1/16/13 the mechanical installation effort was estimated at 62% complete.

As of 1/25/13, 47 truck shipments have left Wellons in Oregon and have either arrived on site or are in transit. Additional loads will be shipped as required.

Steam Turbine generator arrived and was placed onsite on January 30th

ReCharge NY-Met with Tom Congon, Deputy Secretary for Energy to Government Cuomo in Albany on January 23, 2013 to discuss pending energy issues in New York State.

Moreland Commission

Gov. Cuomo has formed a special commission to investigate utility companies' handling of Hurricane Sandy and other major storms that have blasted New York during the past two years.

Cuomo created the 10-member commission under the authority of the state's Moreland Act, which gave the governor sweeping powers to create investigative committees with subpoena power.

It will be led by former state Attorney General Robert Abrams and Benjamin Lawskey, Cuomo's superintendent of finance services. Other members include former Public Advocate Mark Green (who ran against Cuomo for AG in 2006), Nassau County District Attorney Kathleen Rice (who ran for AG in 2010) and the Rev. Floyd Flake of Queens.

Cuomo has criticized LIPA and other utilities, including Con Ed, for being unprepared for Sandy and taking too long to restore power. He's vowed to hold them "accountable" for their failures and suggested the state might move to revoke their franchises.

The commission's creation comes amid reports that a lawsuit was filed in state Supreme Court in Nassau County Tuesday charging LIPA and National Grid with negligence in dealing with Sandy and the recent nor'easter.

- Doug Proposed having a strategic planning session in the spring. Proposed dates will be circulated to get consensus date.

At 4:21, upon a motion by Sandra Corney, seconded by Mike Sheridan, the board voted to enter Executive Session to discuss Litigation.

At 4:29, upon a motion by Mike Sheridan, seconded by Bob Skibitski, the board voted to exit Executive Session.

At 4:30, upon a motion by Mike Sheridan, seconded by Bill Stevens, approved unanimously, the board voted to adjourn.