

**HUDSON RIVER-BLACK RIVER REGULATING DISTRICT
BOARD MEETING**

May 13, 2014

Mayfield Municipal Complex

28 North School Street

Mayfield, New York 12117

Immediately following Audit Committee Meeting

CALL TO ORDER

Chairman Mark M. Finkle called the meeting to order at 10:09 A.M.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: Board Chairman Mark M. Finkle; First Vice Chair Thomas Stover; Second Vice Chair Albert J. Hayes; Board Member David W. Berkstresser and; Executive Director Michael A. Clark; General Counsel Robert P. Leslie; Chief Fiscal Officer Richard J. Ferrara; Chief Engineer Robert Foltan; Hudson River Area Administrator John Hodgson.

MOTION TO ADOPT OR REVISE THE MEETING AGENDA

Chairman Finkle asked for a motion to adopt or revise the meeting agenda.

Mr. Hayes made a motion to revise the proposed meeting agenda to include a report from the Audit Committee Chair and a proposal to contract for audit services. Mr. Berkstresser seconded it and the motion was unanimously approved.

INTRODUCTION OF GUESTS

Chairman Finkle recognized State Senate candidate Madelyn Thorne.

PUBLIC COMMENT PERIOD

Chairman Finkle solicited comments from the public. One member of the public spoke regarding the good relationship fostered between the Regulating District and the Great Sacandaga Lake Association. The same speaker encouraged the Regulating District to project a more robust media presence.

APPROVAL OF THE APRIL 8, 2014 BOARD MEETING MINUTES

Chairman Finkle asked for a motion to adopt the April 8, 2014 Regular Meeting Minutes. Mr. Berkstresser advanced the motion to approve the Board's April 8, 2014 Regular Meeting Minutes. Mr. Hayes seconded it and the motion was unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

Mr. Clark provided his report. Mr. Clark applauded the Chief Engineer's management of this year's Spring run-off. He noted that the Regulating District posted a release to its website on April 18th detailing the Regulating District's preparations and reaction to seasonal flooding. Mr. Clark then noted that the auditors from the NYS Office of the State Comptroller have completed their field activities for the audit of HRBRRD's Financial Management Practices. A draft of OSC's final audit report is expected. Mr. Clark explained that the Regulating District will soon solicit professional Land Surveying firms for services on an as-needed basis. Finally, Mr. Clark explained that staff are working with a broker to deal with the work boat with the intention to surplus it and secure a smaller, quicker, more useful replacement.

CONTRACTS

MOTION TO APPROVE REGULATING DISTRICT ANNUAL REPORT FOR JANUARY 1, 2013 THROUGH DECEMBER 31, 2013

Mr. Clark offered the Regulating District's Annual Report to the Board. He noted that the report is available on the Regulating District's website.

Mr. Stover made a Motion to submit the Regulating District's Annual Report to the Commissioner of the Department of Environmental Conservation in accordance with Environmental Conservation Law section 15-2131. Mr. Berkstresser seconded and the Motion was adopted by unanimous vote.

MOITION TO APPROVE ANNUAL REVIEW OF MISSION STATEMENT & PERFORMANCE MEASUREMENTS

Mr. Clark noted that the Mission Statement, the Performance Goals and Metrics used to measure those goals, and the Annual Report were forwarded to Board members prior to the meeting. Mr. Clark read for the Regulating District's current Mission Statement into the record and asked the Board to review the series of questions found on page 30 of the Board packet to help them determine if the mission statement continued to accurately reflect the Board's mission as they saw it.

Mr. Hayes made a motion to adopt the Authority Mission Statement and Performance Measurements Annual Review – 5/13/14. Mr. Berkstresser seconded and the motion was unanimously approved.

STAFF/COMMITTEE REPORTS

AUDIT COMMITTEE REPORT

RESOLUTION TO AWARD AUDIT SERVICES WORK TO KBL, LLP

Chairman Finkle reported to the Board an action taken by the Audit Committee to recommend the engagement of KBL, LLP to perform audit services for fiscal year ending

June 30, 2014. Chairman Finkle noted that Regulating District staff had solicited MWBE firms identified by the Division of Economic Development. Of the dozens of firms solicited, two firms submitted bids. While both appear qualified, one bid was significantly lower than the other. Based on 'Best Value', Chairman Finkle reported that the Committee recommended that the Board accept the bid offered by KBL LLP. He recommended an award be made conditioned on negotiation of acceptable terms.

Mr. Finkle asked for a Motion to adopt the Resolution conditionally awarding the engagement of KBL to perform audit services for the Fiscal year ended June 30, 2014. Mr. Hayes made the Motion. Mr. Berkstresser seconded it and the Resolution was unanimously approved.

STAFF REPORTS

Mr. Leslie presented his report to the Board. Mr. Leslie noted that on April 29th counsel for Albany Engineering requested a meeting with the Regulating District to discuss AEC's intent to file a Citizen's Suit under the Clean Water Act. Mr. Leslie related that AEC Counsel indicated that AEC will allege that Erie Boulevard has violated state and federal law & regs and the Offer of Settlement by discharging a 'less than consistent' volume of water through the E.J. West hydro-electric plant. AEC claims it is injured by Erie's 'pulsing' of river flows causing inadequate flow to AEC's turbines during peak demand periods and excess water at non-peak demand periods...both causing AEC a loss of revenue.

Mr. Leslie noted that the NYS Attorney General's plans to oppose removal of the Regulating District's affirmative suit against Erie Boulevard Hydropower L.P. to U.S.D.C. for the N.D.N.Y.

Mr. Leslie reported that the Regulating District has received a Notice of Claim alleging a personal injury action based on a slip and fall near a restaurant on South Shore Road. We have contacted the Regulating District's insurance carrier who has assigned outside counsel to handle the matter.

Mr. Leslie reminded the Board and senior staff of JCOPE's May 15th deadline for submission of Financial Disclosure Statements.

Mr. Ferrara presented his report to the Board. Mr. Ferrara noted that District financials and cash flows are attached for the Board's review. Mr. Ferrara noted that final payments to Fulton and Hamilton County, in the amounts of \$830,064.95 and \$59,680.93 respectively, have been processed in full satisfaction of the 09-12 past due taxes as stipulated in the March 2013 Apportionment Consent Agreement.

Mr. Ferrara reported that the District's efforts to meet targets for MWBE participation achieved 45.06% for the State's fourth quarter reporting period.

Mr. Foltan presented the Chief Engineer's report to the Board.

- news release; 30000 cfs reduction in flooding; 6 ft reduction in stage

- Hawkinsville Project; draft report anticipated May 30; Kleinschmidt presentation of alternatives June 10; revised schedule

Mr. Hodgson presented his report to the Board.

BOARD MEMBER QUESTIONS AND COMMENTS

RESOLUTION SCHEDULING DATE, TIME AND LOCATION OF THE REGULAR MEETING FOR JUNE 10, 2014 BOARD MEETING

Chairman Finkle asked for a motion to adopt a Resolution setting the next meeting of the Board of the Hudson River-Black River Regulating District for Tuesday, June 10, 2014 at the Town of Inlet Town Hall, 160 Route 28, Inlet, New York 13360 at 10:00 A.M.

Mr. Stover moved to adopt the Resolution as revised. Mr. Hayes seconded it and the Resolution was unanimously adopted.

ADJOURNMENT

There being no further business to come before the Board, Mr. Berkstresser moved to adjourn the meeting. Mr. Hayes seconded it. The motion was unanimously approved. The meeting adjourned at 10:52 A.M.

RESOLUTIONS

14-12-5 RESOLUTION TO AWARD AUDIT SERVICES WORK TO KBL, LLP

Mr. Finkle asked for a Motion to adopt the Resolution conditionally awarding the engagement of KBL to perform audit services for the Fiscal year ended June 30, 2014. Mr. Finkle made the Motion. Mr. Hayes seconded it and the Resolution was unanimously approved.

14-13-5 RESOLUTION SCHEDULING DATE, TIME AND LOCATION OF THE REGULAR MEETING FOR JUNE 10, 2014 BOARD MEETING

Mr. Stover moved to adopt the Resolution as revised. Mr. Hayes seconded it and the Resolution was unanimously adopted.

Respectfully submitted,

Richard J. Ferrara
Secretary/Treasurer