

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

JUNE 11, 2013

10:00 A.M.

Inlet Town Office

160 Rt 28

Inlet, NY 13360

CALL TO ORDER

Chairman David W. Berkstresser called the meeting to order at 10:20 A.M.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: Board Chairman David W. Berkstresser; First Vice Chair Mark M. Finkle; Second Vice Chair Albert J. Hayes; Board Member Thomas Stover 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; Black River Area Administrator Carol L. Wright.

MOTION TO ADOPT OR REVISE THE MEETING AGENDA

Chairman Berkstresser asked for a Motion to revise the meeting agenda to reflect an Executive Session to discuss personnel matters. Mr. Stover made a Motion to adopt the proposed meeting agenda as revised. Mr. Hayes seconded it and the motion was unanimously approved.

PUBLIC COMMENT PERIOD

Chairman Berkstresser solicited comments from the public. Two speakers commented favorably upon the Regulating District's operations at Indian Lake; specifically with respect to the HRBRD's releases and preparations for the Governor's Whitewater challenge coming on July 21st.

APPROVAL OF THE MAY 14, 2013 BOARD MEETING MINUTES

A motion was made by Mr. Hayes to approve the Minutes of the Board's May 14, 2013 regular board meeting. Mr. Stover seconded it and the motion was unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

Mr. Clark provided his report. He noted that the final payment of \$1,034,698 due from Albany County pursuant to the 2013 Apportionment remains outstanding. Mr. Clark reported a meeting with Assemblyman John McDonald regarding the recent Apportionment and a meeting with the Black River Area Administrator regarding operations in Watertown. Mr. Clark, with the

assistance of staff and in possession of appropriate permits from the DEC, encouraged several beaver, which had begun to build a new residence near the Indian Lake Dam, to ply their tradecraft elsewhere. Mr. Clark noted his participation in the FERC inspection at Conklingville, continuing education courses, and mandatory Ethics training presented by NY's Joint Commission on Public Ethics; as well as 'Code of Conduct' training presented by the NYS Inspector General.

EXECUTIVE SESSION

Chairman Berkstresser called for a motion to adjourn to Executive Session to discuss personnel matters. The Chairman invited the Executive Director, Chief Fiscal Officer, and General Counsel to join the Board in Executive Session. Mr. Hayes advanced the motion, Mr. Stover seconded. The Board adjourned to Executive Session at 10:35 A.M. and returned at 11:05 A.M.

Executive Session Minutes: Chairman Berkstresser noted that his review of the proposed June 11, 2013 Minutes revealed that those Minutes omitted a recitation of the Board's instruction to staff in Executive Session to recall up to three employees with the intention that at least two be employed as of July 11th, 2013. Chairman Berkstresser explained that, based on a unanimous vote taken in the June 11, 2013 meeting's executive session, the Board as a whole deemed it necessary, in light of recent events including the pending retirement of the Black River Area Administrator and recent precipitation totals, to fill those positions to avoid public safety concerns that might arise due to inadequate staffing levels. The Chairman asked that the June 11, 2013 Meeting Minutes be revised to reflect this vote taken in Executive Session. Following a unanimous affirmative vote by the Board, the inclusion of this paragraph within the June 11th Minutes satisfies that request.

CONTRACTS

RESOLUTION TO APPROVE COOL INSURANCE PROPOSAL FOR JULY 1, 2013 – JUNE 30, 2014 PREMIUM YEAR

Mr. Ferrara explained that each year since 2008, the Regulating District Board approved a Resolution accepting Cool Insurance's insurance proposal for that premium year. The District's current commercial insurance coverage is set to expire on June 30, 2013. As in past instances, Mr. Ferrara has solicited bids for said insurance and recommended that the Board extend an additional option year of coverage to Cool. Quotes by area and final premiums for each watershed were provided between June 3 -7. Although the premium (not to exceed \$191,533) could represent up to an 11% increase over the previous year, Mr. Ferrara noted significant concern that any underwriter elect to underwrite the Regulating District's unique risks.

Mr. Stover made a Motion to adopt the Resolution to approve the Cool Insurance proposal for the July 1, 2013 through June 30, 2014 premium year. Mr. Hayes seconded and the Resolution was adopted by unanimous vote.

RESOLUTION TO AUTHORIZE THE ENGAGEMENT OF FISCAL ADVISORS & MARKETING, INC. IN CONNECTION TO THE ISSUANCE OF SERIAL BONDS FOR CAPITAL PROJECTS.

Mr. Ferrara recommended that the Board authorize the Executive Director to engage Fiscal Advisors and Marketing, Inc. in connection with the issuance of serial bonds for capital projects. Mr. Ferrara noted that there exists a fairly significant back-log of capital projects; particularly in the Regulating District's Hudson River Area. He noted that the Board recently established a priority list for such projects and that at the top of that list sits the installation of warning sirens and the construction repair/maintenance of the Conklingville Dam's ice sluice. This work, with associated engineering, will cost approximately \$1.28 Million. In order to finance these projects, the Regulating District will need to engage bond counsel and a fiscal advisor. As the cost for the fiscal advisor is expected to be below the Regulating District's procurement threshold, Mr. Ferrara, found that Fiscal Advisors & Marketing Inc. (FAM) is a qualified and cost effective firm able to assist the Regulating District in the issuance of the serial bonds necessary to fund the aforementioned projects. He noted that this same firm provided excellent service during the Regulating District's attempts to issue tax anticipation notes in 2009.

Chairman Berkstresser asked for a Motion to adopt the Resolution to authorize the engagement of Fiscal Advisors & Marketing. Mr. Finkle made the Motion. Mr. Hayes seconded and the Resolution was adopted by unanimous vote.

COMMITTEE REPORTS

Audit Committee

RESOLUTION TO AMEND AUDIT SERVICES AGREEMENT WITH THE BONADIO GROUP & TO EXERCISE OPTION TO PERFORM AUDIT SERVICES FOR FISCAL YEAR ENDING JUNE 30, 2013.

Audit Committee Chairman Finkle reported that the Audit Committee had voted to advance a Motion to the Full Board & Recommend Approval of an Amendment to the Audit Services Agreement.

Mr. Finkle noted that pursuant to Public Authorities Law §2802, the District must submit annually to the Governor, chairman and ranking minority member of the Senate Finance committee, chairman and ranking minority member of the Assembly Ways and Means committee and the State Comptroller, the District's annual independent audit report. The report must be prepared by a certified public accounting firm. The Regulating District's current contract with the Bonadio Group has expired and requires renewal. Pursuant to Public Authorities Law §2802(4), the leader of the last five audits for Bonadio, Randy Sheppard, will be replaced by Mr. Alan Walther, CPA.

Chairman Berkstresser thanked Mr. Finkle for his report and asked for a Motion to adopt the Resolution to amend the Audit Services Agreement. Mr. Stover made the Motion. Mr. Finkle seconded it and the motion was unanimously approved.

Finance Committee

Finance Committee Chairman Stover reported that the Finance Committee had voted to advance three assessment matters to the full board.

RESOLUTION TO APPROVE THE ANNUAL ASSESSMENT FOR THE OPERATION AND MAINTENANCE OF STORAGE RESERVOIRS IN THE BLACK RIVER AREA FOR THE SECOND YEAR OF THE THREE YEAR BUDGET PERIOD BEGINNING JULY 1, 2013 THROUGH JUNE 30, 2014.

Finance Committee Chairman Stover presented the Black River Area Assessment with an attached Resolution.

Chairman Berkstresser thanked Mr. Stover for his report and asked for a Motion to adopt the Resolution to approve the Black River Area Annual Assessment. Mr. Finkle made the Motion. Mr. Stover seconded it and the motion was unanimously approved.

RESOLUTION TO APPROVE THE ANNUAL ASSESSMENT FOR THE OPERATION AND MAINTENANCE OF STORAGE RESERVOIRS IN THE HUDSON RIVER AREA FOR THE SECOND YEAR OF THE THREE YEAR BUDGET PERIOD BEGINNING JULY 1, 2013 THROUGH JUNE 30, 2014.

Finance Committee Chairman Stover presented the Hudson River Area Assessment with an attached Resolution.

Chairman Berkstresser thanked Mr. Stover for his report and asked for a Motion to adopt Resolution to approve the Hudson River Area Assessment. Mr. Stover made the Motion. Mr. Finkle seconded it and the motion was unanimously approved.

RESOLUTION TO APPROVE THE STATE SHARE FOR THE OPERATION AND MAINTENANCE OF STORAGE RESERVOIRS IN THE HUDSON RIVER AREA FOR THE SECOND YEAR OF THE THREE YEAR BUDGET PERIOD BEGINNING JULY 1, 2013 THROUGH JUNE 30, 2014.

Finance Committee Chairman Stover presented the Amount Chargeable to the State for the Hudson River Area Assessment with an attached Resolution.

Chairman Berkstresser thanked Mr. Stover for his report and asked for a Motion to adopt the Resolution establishing the State Share for the Hudson River Area. Mr. Hayes made the Motion. Mr. Finkle seconded it and the motion was unanimously approved.

STAFF REPORTS

Mr. Leslie presented his report to the Board.

Mr. Leslie confirmed that Albany County has failed to pay the \$1,034,698 2012-2013 Assessment it agreed to pay pursuant to the Consent Agreement which formed the basis for the Board's adoption of the March 2013 Apportionment. Counsel has reached out to the County Attorney and to Members of the Albany County Legislature to inquire regarding payment.

Mr. Leslie noted no significant movement on litigation facing the Regulating District. He noted his attendance at the JCOPE Train-the-Trainer program for JCOPE's Comprehensive

Ethics Training Course and the Office of the Inspector General training on Uniform Guidelines for Codes of Conduct.

Mr. Ferrara presented his report to the Board.

At the close of fiscal February 2013, general fund balances for the HRA and BRA were approximately \$1,266,360 and \$351,505 respectively. Regulating District transactional processing and reporting for the fiscal month of May was completed in an accurate and timely fashion.

Finally, Mr. Ferrara noted that checks to Fulton and Hamilton County representing payments in accordance with the Stipulation of Settlement and Discontinuance issued by the Fulton County Supreme Court have been issued. In addition, the checks to FERC to cover the Headwater Benefits Study Fee (\$154,790) and payment to the NYS Retirement System (\$289,439) have been issued.

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

Mr. Hodgson presented his report to the Board. Mr. Hodgson reported that staff participated in training regarding personal protective equipment led by the State Insurance Fund. He also presented to the Board a proposal to add rolling docks as an alternative to floating dock configurations. Chairman Berkstresser asked that the matter be considered at the July Board meeting in Mayfield.

Mrs. Wright presented her report to the Board.

RESOLUTION SCHEDULING DATE, TIME AND LOCATION OF THE JULY 9, 2013 BOARD MEETING

Chairman Berkstresser asked for a Motion to adopt a Resolution setting the July 9, 2013 Board Meeting at the Mayfield Municipal Complex, 28 North School Street, Mayfield, New York 12117 at 10:00 A.M.

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

ADJOURNMENT

There being no further business to come before the Board, Mr. Stover moved to adjourn the meeting. Mr. Finkle seconded it. The motion was unanimously approved. The meeting adjourned at 11:30 A.M.

RESOLUTIONS

13-15-06 RESOLUTION TO APPROVE COOL INSURANCE PROPOSAL FOR JULY 1, 2013 – JUNE 30, 2014 PREMIUM YEAR

Mr. Stover made a Motion to adopt the Resolution to approve the Cool Insurance proposal for the July 1, 2013 through June 30, 2014 premium year. Mr. Hayes seconded and the Resolution was adopted by unanimous vote.

13-16-06 RESOLUTION TO AUTHORIZE THE ENGAGEMENT OF FISCAL ADVISORS & MARKETING, INC. IN CONNECTION TO THE ISSUANCE OF SERIAL BONDS FOR CAPITAL PROJECTS

Mr. Finkle made a Motion to adopt a Resolution to authorize the engagement of Fiscal Advisors & Marketing Inc. in connection with the issuance of serial bonds for capital projects. Mr. Hayes seconded and the Resolution was adopted by unanimous vote.

13-17-06 RESOLUTION TO AMEND AUDIT SERVICES AGREEMENT WITH THE BONADIO GROUP & TO EXERCISE OPTION TO PERFORM AUDIT SERVICES FOR FISCAL YEAR ENDING JUNE 30, 2013.

Mr. Stover made a Motion to adopt a Resolution to amend the Audit Services Agreement with the Bonadio Group and to exercise the option to perform audit services for the fiscal year ending June 30, 2013. Mr. Finkle seconded it and the Resolution was adopted by unanimous vote.

13-18-06 RESOLUTION TO APPROVE THE ANNUAL ASSESSMENT FOR THE OPERATION AND MAINTENANCE OF STORAGE RESERVOIRS IN THE BLACK RIVER AREA FOR THE SECOND YEAR OF THE THREE YEAR BUDGET PERIOD BEGINNING JULY 1, 2013 THROUGH JUNE 30, 2014.

Mr. Finkle made a Motion to adopt a Resolution to approve the annual assessment for the Black River Area for fiscal year 2013-2014. Mr. Stover seconded it and the Resolution was adopted by unanimous vote.

13-19-06 RESOLUTION TO APPROVE THE ANNUAL ASSESSMENT FOR THE OPERATION AND MAINTENANCE OF STORAGE RESERVOIRS IN THE HUDSON RIVER AREA FOR THE SECOND YEAR OF THE THREE YEAR BUDGET PERIOD BEGINNING JULY 1, 2013 THROUGH JUNE 30, 2014.

Mr. Stover made a Motion to adopt a Resolution to approve the annual assessment for the Hudson River Area for fiscal year 2013-2014. Mr. Finkle seconded it and the Resolution was adopted by unanimous vote.

13-20-06 RESOLUTION TO APPROVE THE STATE SHARE FOR THE OPERATION AND MAINTENANCE OF STORAGE RESERVOIRS IN THE HUDSON RIVER AREA FOR THE SECOND YEAR OF THE THREE YEAR BUDGET PERIOD BEGINNING JULY 1, 2013 THROUGH JUNE 30, 2014.

Mr. Hayes made a Motion to adopt a Resolution to approve the State Share for the Hudson River Area for fiscal year 2013-2014. Mr. Finkle seconded it and the Resolution was adopted by unanimous vote.

**13-21-06 RESOLUTION SCHEDULING DATE, TIME AND LOCATION OF THE
JULY 11, 2013 BOARD MEETING**

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

Respectfully submitted,

Richard J. Ferrara, Secretary/Treasurer