

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

**Northampton Town Hall
412 South Main Street
Northville, NY 12134**

July 28, 2015

Immediately following the Governance Committee Meeting

CALL TO ORDER

Chairman Mark M. Finkle called the meeting to order at 10:14 A.M.

ROLL CALL

Present: Board Chairman Mark M. Finkle; First Vice-Chair Albert J. Hayes; Second Vice-Chair David W. Berkstresser, and Board Members, Jeffrey Rosenthal and Robert A. Moore; Executive Director Michael A. Clark; General Counsel Robert P. Leslie; Chief Fiscal Officer Richard J. Ferrara; Chief Engineer Robert Foltan; Administrator John Hodgson; and Compliance Officer Stephanie Ruzycky.

Excused: Anthony M. Neddo

MOTION TO ADOPT OR REVISE THE MEETING AGENDA

Chairman Finkle asked for a motion to adopt or revise the meeting agenda. Mr. Rosenthal made a motion to adopt the meeting agenda without revision. Mr. Berkstresser seconded and the Board unanimously approved the motion.

PUBLIC COMMENT

Chairman Finkle solicited comments from the public. One speaker, representing the Great Sacandaga Lake Association and the Town of Day Property Owners Association thanked Mr. Clark and Mr. Hodgson for their attendance at Association picnic/meetings and the Regulating District for maintaining reservoir levels so adroitly this summer.

APPROVAL OF THE JUNE 9, 2015 REGULAR BOARD MEETING MINUTES

Chairman Finkle asked for a motion to adopt the June 9, 2015 Regular Board Meeting Minutes. Mr. Rosenthal advanced the motion to approve the Meeting Minutes. Mr. Hayes seconded and the motion was unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

Mr. Clark provided his report. He updated the Board on the Regulating District's submission of materials to EFC regarding funding for Conklingville. Mr. Clark noted that

prospects for funding through EFC for Conklingville look good as that project has been placed on USEPA's draft Intended Use Plan. Mr. Clark reported on trips to Stillwater and Watertown to meet with staff, attendance at meetings with the Town of Day property owners Association, and with EFC. He noted his attendance at the NYS Society of Professional Engineers Annual Convention and noted his plan to meet shortly with the Thompsons up on Stillwater reservoir regarding the allowed uses of the Regulating District's dock on that reservoir as well as work to be undertaken at the entries to Flow Road/Six Mile Road. Mr. Clark also alerted the Board to a proposal advanced by Inlet and Tupper Lake concerning a dock to be placed adjacent to the Sixth Lake dam to facilitate canoe portage along the 90 miler canoe route.

CONTRACTS/REPORTS

RESOLUTION TO AWARD THE WORK TO PERFORM STILLWATER DAM SEVENTH PART 12 INDEPENDENT CONSULTANT SAFETY INSPECTION TO GEI CONSULTANTS INC., PC

Mr. Foltan presented a Resolution for the Board's consideration. He explained that the Federal Energy Regulatory Commission (FERC) requires an Independent Consultant Safety Inspection of Stillwater Dam, and an Independent Consultant Inspection Report, be completed every five years and that as a result, a 7th Part 12D Independent Consultant Safety Inspection Report for Stillwater must be submitted to FERC by January 1, 2016. In April 2015 the Board authorized staff to procure engineering services to complete the Stillwater Dam Independent Consultant Safety Inspection. A three person evaluation team reviewed submissions from the four firms who submitted annual statements of qualification to identify the firm most highly qualified to provide the services required. The evaluation included a review of firm experience and personnel experience completing FERC Part 12D independent consultant safety inspections. The evaluation team determined that GEI Consultants, Inc. P.C. is the highest qualified firm for the project and recommended that the Board conditionally awarding the work to GEI Consultants, Inc. P.C. Mr. Foltan recommended that the Board accept the evaluation team recommendation, and authorize staff to request a scope of work and to negotiate a contract with GEI Consultants, Inc. P.C., subject to Board approval, at a fee which is fair and reasonable to the Regulating District.

Mr. Rosenthal moved to adopt the Resolution to award the work for the Stillwater Dam Seventh Part 12 Consultant Inspection to GEI Consultants Inc., P.C. conditional upon the successful negotiation of contract terms and conditions. Mr. Berkstresser seconded it and the Board adopted the motion by unanimous vote.

GOVERNANCE COMMITTEE REPORT

Governance Committee Chairman Rosenthal reported on the Committee's June 9th meeting.

PROCUREMENT POLICY REVISIONS

Mr. Rosenthal explained that at the end of May, 2015, the Regulating District responded to a survey of State Authority General Counsels. The survey assessed the procurement processes employed by public authorities when securing outside counsel. Completion of the survey revealed that Authorities are to craft procurement policies that specifically reference and require compliance with each of the several dozen relevant provisions of Public Authorities Law 2879. Mr. Rosenthal noted that while the Regulating District complies with PAL 2879 in the normal course of its procurement efforts, the Regulating District's procurement policy does not reference and/or require compliance with each such provision. As such, Counsel and the CFO have undertaken an effort to re-write the Regulating District's procurement policy to incorporate each necessary reference.

RESOLUTION APPROVING ADOPTION OF MANAGEMENT CONFIDENTIAL SALARY SCHEDULES AS SET FORTH BY DIVISION OF BUDGET BULLETIN D-1132

Committee Chairman Rosenthal presented a Resolution concerning M/C salary schedules. He noted that at the Board's May 12, 2015 meeting, the Board adopted Resolution 15-17-05 which placed each of the Regulating District's management confidential staff at a specific grade and step on salary schedules administered by the Governor's Office of Employee relations and that the Board had indicated at that time an intent to adhere to future schedules as adopted by the Governor's Office of Employee Relations. Mr. Rosenthal explained that in accordance with the State's 2015-2016 budget adopted at the end of March 2015, on July 8th, 2015, the NYS Division of Budget approved Budget Bulletin D-1132 entitled "*Management Confidential Salary Action: First 2% Parity Increase Effective July 1, 2015*". As a result of the Division of Budget Bulletin, the Governor's Office of Employee Relations has established a new 2015-2018 M/C salary schedule, effective July 1, 2015. Mr. Rosenthal recommended that the Board adopt the new salary schedule.

Mr. Rosenthal moved to adopt the Resolution to implement the 2015-2018 salary schedule consistent with the Division of Budget Bulletin adopted to implement the treatment of M/C salaries in the state's 2015-2016 Budget. Mr. Berkstresser seconded it and the Board adopted the motion by unanimous vote.

STAFF REPORTS

Mr. Leslie presented his report to the Board. Mr. Leslie noted that he has worked with Dan Rubin of Girvin Ferlazzo to complete the outside counsel report for the independent auditors. Counsel and the CFO will work on extending the legal services contract with Girvin Ferlazzo and will ensure that such contract covers the Offer of Settlement breach of contract claim commenced by Niagara Mohawk in Onondaga County. He noted that efforts with the CFO and Compliance Officer to revise the District's procurement policy remain underway.

Mrs. Ruzycky presented her report to the Board. She noted that the Regulating District's 1st quarter utilization report revealed 26.23% MWBE utilization in the first quarter. Current MWBE utilization for the first quarter was \$70,921. She also alerted the Board to her effort with the CFO to upgrade the access permit system to facilitate payment by credit card.

Mr. Ferrara presented his report to the Board. He noted that he spent the lion's share of his time preparing Public Authority reports due on September 30, 2015 and pre-closing activities in connection with the upcoming independent audit scheduled for the last week of August.

Mr. Ferrara presented affidavits evidencing necessary and reasonable Board expenses incurred by Anthony Neddo (\$99.69) and Jeffrey Rosenthal (\$119.03) in the course of their duties as Board members. Chairman Finkle asked for a Motion to approve payment of such expenses. Mr. Berkstresser so moved. Mr. Hayes seconded and the Board passed the motion by unanimous vote.

Mr. Foltan presented the Chief Engineer's report to the Board. Mr. Clark, at the end of the Chief Engineer's report, added that Mr. Foltan was understating the impact that operation of Stillwater Reservoir had upon the necessary flow rates of the releases from the very wet period beginning at the very end of May 2015 and continuing for roughly 30 days. More specifically, Mr. Clark stated that the Chief Engineer had drawn the Stillwater reservoir below the target elevation for that month in anticipation of heavy rain and inflow that was likely to come. The actual releases of water into the Beaver River, had adequate storage not been available in the reservoir, would have been several times higher than the 1,000 cfs actually released for about three weeks, and would have had downstream impacts. Mr. Clark concluded that Mr. Foltan's foresight in operation of the Stillwater Reservoir comes from many years of hands-on engineering experience with this watershed."

Mr. Hodgson presented his report to the Board.

BOARD MEMBER QUESTIONS AND COMMENTS

RESOLUTION SCHEDULING DATE, TIME AND LOCATION OF THE REGULAR BOARD MEETING FOR SEPTEMBER 9, 2015

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 Wednesday, September 9, 2015 at the at the Adirondack Hotel, 1245 Main Street, Route 30N, Long Lake, NY 12847 at 10:00 A.M. Chairman Finkle asked for a motion to set the meeting as indicated.

Mr. Rosenthal moved to adopt the Resolution setting the date, time and place of the next meeting. Mr. Berkstresser seconded it and the Resolution was unanimously adopted.

ADJOURNMENT

There being no further business to come before the Board, Mr. Rosenthal moved to adjourn the meeting. Mr. Berkstresser seconded it. The motion was unanimously approved. The meeting adjourned at 11:43 P.M.

RESOLUTIONS

15-29-07 RESOLUTION TO AWARD THE WORK TO PERFORM STILLWATER DAM SEVENTH PART 12 INDEPENDENT CONSULTANT SAFETY INSPECTION TO GEI CONSULTANTS INC., PC

Mr. Rosenthal moved to adopt the Resolution to award the work for the Stillwater Dam Seventh Part 12 Consultant Inspection to GEI Consultants Inc., PC conditional upon the successful negotiation of contract terms and conditions. Mr. Berkstresser seconded it and the Board adopted the motion by unanimous vote.

15-30-07 RESOLUTION APPROVING ADOPTION OF MANAGEMENT CONFIDENTIAL SALARY SCHEDULES AS SET FORTH BY DIVISION OF BUDGET BULLETIN D-1132

Mr. Rosenthal moved to adopt the Resolution to implement the 2015-2018 salary schedule consistent with the Division of Budget Bulletin adopted to implement the treatment of M/C salaries in the state's 2015-2016 Budget. Mr. Berkstresser seconded it and the Board adopted the motion by unanimous vote.

15-31-07 RESOLUTION SCHEDULING DATE, TIME AND LOCATION OF THE REGULAR BOARD MEETING FOR SEPTEMBER 9, 2015

Mr. Rosenthal moved to adopt the Resolution setting the date, time and place of the next meeting. Mr. Berkstresser seconded it and the Resolution was unanimously adopted.

Respectfully submitted,

Richard J. Ferrara
Secretary/Treasurer

Mark M. Finkle
Board Chairman