

**HUDSON RIVER-BLACK RIVER REGULATING DISTRICT
FINANCE COMMITTEE MEETING**

June 13, 2017

Indian Lake Town Hall

117 Pelon Road

Indian Lake, NY 12842

10:00 A.M.

CALL TO ORDER

Committee Chairman Anthony Neddo called the meeting to order at 10:00 A.M.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: Committee Chairman Anthony M. Neddo; Board Chair and Committee Member Mark Finkle; Committee Member David W. Berkstresser; and Board Members Albert Hayes and Jeffrey Rosenthal; Executive Director Robert J. Smullen; General Counsel Robert P. Leslie; Chief Fiscal Officer Richard J. Ferrara; Chief Engineer Robert S. Foltan, Compliance Officer Stephanie Ruzycky.

Excused: John Hodgson

MOTION TO ADOPT COMMITTEE MEETING AGENDA

Chairman Neddo asked for a motion to revise the Committee's draft agenda to reflect the consideration of three Resolutions refining authorization to complete the Conklingville ice sluice/spillway foundation remediation and concrete repair project. Mr. Finkle moved to adopt the meeting agenda. Mr. Berkstresser seconded it and the motion was unanimously approved.

APPROVAL OF MARCH 28, 2017 FINANCE COMMITTEE MEETING MINUTES

A motion was made by Mr. Berkstresser to adopt the March 28, 2017 Finance Committee Meeting Minutes. Mr. Finkle seconded it and the motion was unanimously approved.

COMMITTEE BUSINESS

(A) Motion to advance to the full Board & recommend adoption of the July 1, 2017 through June 30, 2018 Hudson River Area Assessment - Mr. Ferrara

RESOLUTION TO APPROVE THE ANNUAL ASSESSMENT FOR THE OPERATION AND MAINTENANCE OF STORAGE RESERVOIRS IN THE HUDSON RIVER AREA FOR THE THIRD YEAR (JULY 1, 2017 - JUNE 30, 2018) OF THE THREE YEAR BUDGET PERIOD BEGINNING JULY 1, 2015

Mr. Ferrara explained that Environmental Conservation Law, Title 21, Article 15, Sections

15-2123 and 15-2125, empower the Board to annually prepare a statement showing the name of each public corporation and a description of each parcel of real estate benefited by such reservoir and the amount of operation and maintenance charges to be borne by each as determined in the apportionment. He noted that pursuant to the current Hudson River Area apportionment, the Annual Assessment for Storage Reservoirs for the Hudson River Area for the third year of the budget period beginning July 1, 2017 totals \$2,994,100.00. He requested that the Committee recommend that the Board approve a Resolution for the Annual Assessment for the Operation and Maintenance of Storage Reservoirs in the Hudson River Area and the amount chargeable to the state for the third year of the (July 1, 2017 - June 30, 2018) of the current three year budget (July 1, 2015 - June 30, 2018).

Mr. Finkle made a motion to advance to the full Board & recommend adoption of the July 1, 2017 through June 30, 2018 Hudson River Area Assessment. Mr. Berkstresser seconded and the Committee approved the motion by unanimous vote.

(B) Motion to advance to the full Board & recommend adoption of the July 1, 2017 through June 30, 2018 Hudson River Area New York State Share - Mr. Ferrara

RESOLUTION TO APPROVE THE STATE SHARE FOR THE OPERATION AND MAINTENANCE OF STORAGE RESERVOIRS IN THE HUDSON RIVER AREA FOR THE THIRD YEAR (JULY 1, 2017 - JUNE 30, 2018) OF THE THREE YEAR BUDGET PERIOD BEGINNING JULY 1, 2015

Mr. Ferrara submitted for Board approval the state share for the operation and maintenance of storage reservoirs in the Hudson River area for the third year (July 1, 2017 - June 30, 2018) of the Budget period beginning July 1, 2015. He explained that, pursuant to the current Hudson River Area apportionment, the Hudson River Area state share for the budget period beginning July 1, 2017 is \$852,906.00.

Mr. Berkstresser made a motion to advance to the full Board & recommend adoption of the July 1, 2017 through June 30, 2018 state share in the amount of \$852,906.00 and to authorize the secretary to take such action necessary for the collection of such assessment as allowed and required by law. Mr. Finkle seconded and the Committee approved the motion by unanimous vote.

(C) Motion to advance to the full Board & recommend adoption of the July 1, 2017 through June 30, 2018 Black River Area Assessment - Mr. Ferrara

RESOLUTION TO APPROVE THE ANNUAL ASSESSMENT FOR THE OPERATION AND MAINTENANCE OF STORAGE RESERVOIRS IN THE BLACK RIVER AREA FOR THE THIRD YEAR (JULY 1, 2017 - JUNE 30, 2018) OF THE THREE YEAR BUDGET PERIOD BEGINNING JULY 1, 2015

Mr. Ferrara explained that Environmental Conservation Law, Title 21, Article 15, Sections 15-2123 and 15-2125, empower the Board to annually prepare a statement showing the name of each public corporation and a description of each parcel of real estate benefited by such reservoir and the amount of operation and maintenance charges to be borne by each as determined in the

apportionment. He noted that pursuant to the current Black River Area apportionment, the Annual Assessment for Storage Reservoirs for the Black River Area for the third year of the budget period beginning July 1, 2017 totals \$921,207.00. He requested that the Committee recommend that the Board approve a Resolution for the Annual Assessment for the Operation and Maintenance of Storage Reservoirs in the Black River Area and the amount chargeable to the state for the third year (July 1, 2017 - June 30, 2018) of the current three year budget (July 1, 2015 - June 30, 2018).

Mr. Finkle made a motion to advance to the full Board & recommend adoption of the July 1, 2017 through June 30, 2018 Black River Area Assessment. Mr. Berkstresser seconded and the Committee approved the motion by unanimous vote.

(D) Motion to advance to the full Board & recommend adoption of the July 1, 2017 through June 30, 2018 Black River Area New York State Share - Mr. Ferrara

RESOLUTION TO APPROVE THE STATE SHARE FOR THE OPERATION AND MAINTENANCE OF STORAGE RESERVOIRS IN THE BLACK RIVER AREA FOR THE THIRD YEAR (JULY 1, 2017 - JUNE 30, 2018) OF THE THREE YEAR BUDGET PERIOD BEGINNING JULY 1, 2015

Mr. Ferrara submitted for Board approval the state share for the operation and maintenance of storage reservoirs in the Black River area for the third year (July 1, 2017 - June 30, 2018) of the Budget period beginning July 1, 2015. He explained that, pursuant to the current Black River Area apportionment, the Black River Area state share for the budget period beginning July 1, 2017 is \$250,000.00.

Mr. Berkstresser made a motion to advance to the full Board & recommend adoption of the July 1, 2017 through June 30, 2018 state share in the amount of \$250,000.00 and to authorize the secretary to take such action necessary for the collection of such assessment as allowed and required by law. Mr. Finkle seconded and the Committee approved the motion by unanimous vote.

(E) Motion to advance to the full Board and recommend adoption of an amended Resolution showing the increased maximum estimated cost to finance a portion of the cost of the reconstruction of the spillway at Conklingville. - Mr. Ferrara

AN AMENDED AND RESTATED RESOLUTION AUTHORIZING THE ISSUANCE OF \$3,246,867.00 SERIAL OR STATUTORY INSTALLMENT BONDS OF THE HUDSON RIVER-BLACK RIVER REGULATING DISTRICT TO FINANCE A PORTION OF THE COST OF THE RECONSTRUCTION OF THE SPILLWAY AT THE CONKLINGVILLE DAM.

Mr. Ferrara presented a revised bond Resolution to the Board. He reminded the Board that on January 7, 2015 the Board approved a bond Resolution authorizing the expenditure of \$3,246,867 to complete the Conklingville Dam ice sluice and spillway reconstruction project. Pursuant to Local Finance Law, the bond Resolution must reflect the total project cost even if the amount financed falls below that estimate. As staff finalized the project finance agreement with

the Environmental Facilities Corporation, EFC noted that the project's maximum estimated cost excluded the \$1,079,000 cost of the Schnabel Engineering investigation before the Board at today's meeting. EFC insisted that such costs be included in staff's estimate of project costs even though staff anticipated such costs would be paid through existing funds outside of the amount borrowed. During subsequent conversations with EFC, staff noted that the final design and construction observation costs, estimated at \$1,000,000, should then also be included within the project costs even though staff does not expect to finance those costs. Mr. Ferrara explained that the revised bond Resolution adds these additional costs (\$2,079,000). Approval of the revised bond Resolution will delay the closing of the note because the new resolution will require approval from the Department of Environmental Conservation and republication of notice. Mr. Ferrara noted that until closing, vendor payments associated with the note will be paid out of Regulating District funds and then reimbursed following the closing.

Mr. Finkle made a motion to advance to the full Board and recommend adoption of an amended Resolution showing the increased maximum estimated cost of the reconstruction of the spillway at Conklingville to \$5,325,867. Mr. Berkstresser seconded and the Committee approved the motion by unanimous vote.

(F) Motion to advance to the full Board and recommend adoption of a Resolution approving a short-term project financing agreement with New York State - Mr. Ferrara

RESOLUTION, DATED JUNE 13, 2017, APPROVING A SHORT-TERM PROJECT FINANCE AGREEMENT WITH THE NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION IN CONNECTION WITH THE FINANCING OF THE RECONSTRUCTION OF THE SPILLWAY AT THE CONKLINGVILLE DAM

Mr. Ferrara presented a Resolution authorizing the Chief Fiscal Officer to execute and deliver the project finance agreement with the Environmental Facilities Corporation. He noted that following the adoption of the initial bond Resolution on January 7, 2015, the Regulating District sought approval from DEC, but was directed by DEC to negotiate financing through the Environmental Facilities Corporation. EFC could offer the Regulating District short and long term financing at a more cost-effective rate than the Regulating District could achieve on its own. Mr. Ferrara noted that EFC's short-term rate will be 1.06% which will remain in effect until the project is substantially complete. Mr. Ferrara noted that the short-term note will convert to a long-term instrument at a rate of 2.00%. He noted that the Resolution would authorize him to execute and make changes to the PFA for the short-term portion of the note. Upon substantial completion of the project, staff will return to request Board authorization for the CFO to execute the long-term note.

Mr. Berkstresser made a motion to advance to the full Board and recommend adoption of a Resolution authorizing a short-term project finance agreement with NYS Environmental Facilities Corporation in connection with financing of the spillway reconstruction at the Conklingville Dam. Mr. Finkle seconded and the Committee approved the motion by unanimous vote.

(G) Motion to advance to the full Board and recommend adoption of a Resolution

approving the issuance of \$5,325,867.00 bond anticipation notes to finance a portion of the cost of the Conklingville Dam spillway reconstruction - Mr. Ferrara

A RESOLUTION AUTHORIZING THE ISSUANCE OF \$5,325,867.00 BOND ANTICIPATION NOTES OF THE HUDSON RIVER-BLACK RIVER REGULATING DISTRICT TO FINANCE A PORTION OF THE COST OF THE RECONSTRUCTION OF THE SPILLWAY AT THE CONKLINGVILLE DAM.

Mr. Ferrara presented a Resolution authorizing a bond anticipation note. He noted that this Resolution is necessary to facilitate funding of costs associated with the project if bond note disbursements are not available.

Mr. Berkstresser made a motion to advance to the full Board and recommend adoption of a Resolution authorizing the issuance of \$5,325,867.00 bond anticipation notes to finance a portion of the cost of the Conklingville Dam spillway reconstruction. Mr. Finkle seconded and the Committee approved the motion by unanimous vote.

ADJOURNMENT

There being no further business to come before the Finance Committee, Mr. Finkle moved to adjourn the meeting. Mr. Berkstresser seconded it. The motion was unanimously approved. The committee meeting adjourned at 10:25 A.M.

Respectfully submitted,

Richard J. Ferrara
Secretary/Treasurer

Mark M. Finkle
Board Chairman