

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

Black River Field Office
116 Necessary Dam Road
Stillwater Reservoir
Lowville, New York 13360

October 13, 2015

Immediately following Governance Committee Meeting

CALL TO ORDER

Chairman Mark M. Finkle called the meeting to order at 10:07 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, Robert A. Moore, and Anthony M. Neddo; 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.

MOTION TO ADOPT OR REVISE THE MEETING AGENDA

Chairman Finkle asked for a motion to adopt or revise the meeting agenda. Mr. Berkstresser made a motion to revise the meeting agenda to reflect an Executive Session to discuss the Niagara Mohawk litigation. Mr. Neddo seconded and the Board unanimously approved the motion.

PUBLIC COMMENT

Chairman Finkle solicited comments from the public. One speaker reported on meeting with the Executive Director, the Chief Engineer and the Administrator regarding flooding at Beaver Lake and the lake resident's plan to install a web-based gauge to provide real-time data regarding lake levels.

APPROVAL OF THE SEPTEMBER 9, 2015 REGULAR BOARD MEETING MINUTES

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

EXECUTIVE DIRECTOR'S REPORT

Mr. Clark provided his report. Mr. Clark noted that he attended in Albany, via conference call, the monthly MWBE agency and authority meeting held in NYC. Mr. Clark reported that staff met with the Saratoga County Administrator, the County Treasurer and County Attorney

regarding real property taxes owed by the Regulating District as well as assessments owned by the County. He also reported that with the Chief Engineer, he met with Members of the Castorland Volunteer Fire Department and Assemblyman Ken Blankenbush regarding flooding on the Beaver River. Further, he met with Beaver River residents regarding flooding on the Beaver River and then coordinated releases with Brookfield Power to avoid such flooding. Finally, he reported on another meeting with the Indian Lake Association regarding their request for a later draw-down in the Fall coupled with their desire for lower lake levels earlier in the Spring.

CONTRACTS/REPORTS

RESOLUTION TO AMEND HDR CONTRACT C022012 TO PERFORM STILLWATER DAM BREACH ANALYSIS

Mr. Foltan presented a Resolution for the Board's consideration. He explained that in June 2014, the Board accepted a scope and fee proposal from Henningson, Durham & Richardson Architecture and Engineering P.C. (HDR) to complete a Stillwater Dam Breach Analysis. HDR proposed to complete the engineering services for a 'not-to-exceed' price of \$28,000. HDR completed its engineering analysis and report consistent with the requirements of contract C022012 in April 2105. HRBRRD submitted the HDR report to FERC who then provided comments requesting that additional hydraulic analysis be completed. HDR has developed a scope and fee proposal to complete this additional work for \$8,750. Mr. Foltan recommended the Board accept HDR's proposal to respond to FERC's requests for additional engineering analysis for the Stillwater Dam and recommended the Board authorize the Executive Director to amend the scope of work and fee for the contract to \$36,750. Mr. Rosenthal commented that he will be vigilant against additional studies pushed-upon the District by FERC.

Mr. Neddo moved to adopt the Resolution to accept the HDR scope and fee proposal to complete work for the Stillwater Dam Breach Analysis. Mr. Moore seconded it and the Board adopted the motion by unanimous vote.

RESOLUTION TO REVISE CONTRACT D022014 FOR THE REPLACEMENT OF THE GARAGE ROOF AT THE SACANDAGA FIELD OFFICE IN MAYFIELD

Mr. Foltan noted that during completion of the Mayfield Roof Replacement project several out-of-scope work items needed to be completed which would allow the project to be finished as close to the scheduled date as possible assuming an appropriate level of workmanship and the quality of the work desired. Mr. Foltan approved four change orders during the completion of the work for an additional cost of \$2,796.39. The change orders approved by Mr. Foltan included: re-nailing existing plywood sheathing; removal of old cedar siding and installation of new cedar siding; installation of vent gas pipe flashing; and fascia and roof truss tail replacement. Mr. Foltan noted that the original project cost was \$33,735. However, based on the actual quantities of materials used, the actual project cost would be reduced to \$32,452.20. He proposed adding the cost of the change orders (\$2,796.39) to the actual project cost (\$32,452.20) to arrive at \$35,248.59 from which the original contracted price would be subtracted (\$33,735.00) to arrive at \$1,513.59. An increase in the contract price by this amount

would cover the cost of the change orders, but also account for savings resulting from the contractor's use of fewer materials than planned. Mr. Foltan recommended that the Board authorize an amendment to contract D022014 to increase the total contract price to \$35,248.59.

Mr. Berkstresser moved to adopt the Resolution to authorize the amendment of contract D022014 for the replacement of the garage roof at the Sacandaga Field Office in Mayfield by increasing the contract amount by \$1,513.59. Mr. Rosenthal seconded and the Board approved the motion by unanimous vote.

GOVERNANCE COMMITTEE REPORT

Governance Committee Chairman Rosenthal reported on the Committee's October 13, 2015 meeting.

RESOLUTION TO AMEND THE REGULATING DISTRICT'S PROCUREMENT POLICY

Governance Committee Chair Rosenthal reported that the Committee proposes revisions to the Procurement Policy.

Mr. Rosenthal moved for the Board to adopt a Resolution revising the Regulating District's Procurement Policy. Mr. Hayes seconded and the Board adopted the Resolution by unanimous vote.

STAFF REPORTS

Mr. Leslie presented his report to the Board. Mr. Leslie reported that Erie and Boralex filed requests for re-hearing of FERC's August 21, 2015 *Order "Calculating Dates for the Commencement of Headwater Benefits Assessments"*. Erie also filed a motion seeking a stay of its obligation to pay the headwater benefits assessment until resolution of its request for re-hearing. FERC should determine whether either entity is entitled to re-hearing within 30 days. Mr. Leslie noted that while FERC rules prohibit a response to the request for re-hearing, the Regulating District does plan to respond to the motion for a stay. Mr. Leslie noted Girvin Ferlazzo will work with NiMo counsel to commence mediation regarding NiMo's Federal and State court challenges to 2015-2016 Hudson River and Black River area assessments. Mr. Leslie noted that the Federal court matter remains on the trial calendar for January 16, 2016. Mr. Leslie reported that he participated with the Executive Director and the Chief Fiscal Officer in the meeting with Saratoga County officials regarding assessments and taxes owed.

Ms. Ruzycky presented her report to the Board. She noted that the Regulating District's 2nd quarter utilization report to ESD is due October 15th. She noted that the current quarter MWBE utilization was \$10,035.62 of \$162,906.30 achieving 6.16% utilization. Current year-to-date utilization equals 18.69%. Ms. Ruzycky reported the EO4 and EO18 reports for Fiscal year 14-15 have been submitted. In addition, she and the CFO met with an IT consultant to discuss website updates and the development of an on-line payment program.

Mr. Ferrara presented his report to the Board. He noted that the Independent Auditor's (KBL, LLC) report, showing an unqualified audit, will be presented to the Board at the November 10, 2015 meeting. Mr. Ferrara noted that the general fund balances for the HRA and BRA closed at \$595,458 and \$276,227 respectively and that Regulating District transactional processing and reporting for the fiscal month of September was completed with District bank reconciliations complete through August 31, 2015. He noted that significant disbursements for the period include: The Regulating District's monthly health insurance \$57,749.45, and by-weekly payroll through 9/9/15 (\$56,116.37) and through 9/23/15 (\$56,116.37). Finally, Mr. Ferrara reported that he has been working with an IT consultant to update the platform utilized to run the District website. That upgrade will permit the addition of new pages and include the capability to accept on-line payments. Mr. Moore confirmed that on-line payment would be optional.

Mr. Ferrara presented affidavits evidencing necessary and reasonable Board expenses incurred by David W. Berkstresser (\$505.75), Jeffrey Rosenthal (\$109.50), and Mark Finkle (\$1,919.49) in the course of their duties as Board members. Chairman Finkle asked for a motion to approve payment of such expenses. Mr. Hayes so moved. Mr. Neddo seconded and the Board passed the motion by unanimous vote.

Mr. Foltan presented the Chief Engineer's report to the Board. Precipitation in the Hudson River area was above normal for the month of September. The monthly inflow to GSL and Indian Lake was approximately 43% and 64% of historic average respectively. Monthly releases from GSL and Indian Lake measured 79% and 78% of historic average. Precipitation in the month of September was above average at Stillwater, Old Forge and Sixth Lake. The monthly inflow to Stillwater reservoir was approximately 48% of historic average. The inflow to Sixth Lake and Old Forge reservoir totaled 0.03 and 0.12 billion cubic feet respectively. Releases from Stillwater reservoir averaged 64% of historic average.

Mr. Hodgson presented his report to the Board. Mr. Hodgson reported that staff attended NYSIF Driver safety training and mandatory security awareness training. He noted that work has commenced on the new Black River Field Office garage. He noted also that he attended the meeting with Assemblyman Blankenbush and the residents along the Black River in Castorland regarding flows and releases from Stillwater reservoir. Finally, Mr. Hodgson reported on a recent FERC inspection at Stillwater noting there were no deficiencies noted.

BOARD MEMBER QUESTIONS AND COMMENTS

Chairman Finkle noted that with increasing frequency he and other Board Members are approached with inquiries about reservoir operations. He asked that staff prepare a fact sheet articulating the purposes served through the Regulating District's facilities and operations to better educate the public about the theory behind various actions undertaken by the Regulating District.

RESOLUTION SCHEDULING DATE, TIME AND LOCATION OF THE REGULAR BOARD MEETING FOR NOVEMBER 10, 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 Tuesday, November 10, 2015 at the at the Saratoga County offices, Cornell Cooperative Extension, 50 West High Street, Ballston Spa, NY 12020 at 10:00 A.M. Chairman Finkle asked for a motion to set the meeting as indicated.

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

EXECUTIVE SESSION

Chairman Finkle called for a motion to adjourn to Executive Session to discuss the Niagara Mohawk litigation. The Chairman invited the Executive Director, and General Counsel to join the Board for the entire Executive Session. Mr. Berkstresser advanced the motion, Mr. Neddo seconded. The Board adjourned to Executive Session at 11:16 A.M. and returned at 12:21 P.M. Chairman Finkle reported that the Board took no action in Executive Session.

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 12:22 P.M.

RESOLUTIONS

15-36-10 RESOLUTION TO AMEND HDR CONTRACT C022012 TO PERFORM STILLWATER DAM BREACH ANALYSIS

Mr. Neddo moved to adopt the Resolution to accept the HDR scope and fee proposal to complete work for the Stillwater Dam Breach Analysis. Mr. Moore seconded it and the Board adopted the motion by unanimous vote.

15-37-10 RESOLUTION TO REVISE CONTRACT D022014 FOR THE REPLACEMENT OF THE GARAGE ROOF AT THE SACANDAGA FIELD OFFICE IN MAYFIELD

Mr. Berkstresser moved to adopt the Resolution to authorize the amendment of contract D022014 for the replacement of the garage roof at the Sacandaga Field Office in Mayfield by increasing the contract amount by \$1,513.59. Mr. Rosenthal seconded and the Board approved the motion by unanimous vote.

**15-38-10 RESOLUTION TO AMEND THE REGULATING DISTRICT'S
PROCUREMENT POLICY**

Mr. Rosenthal moved for the Board to adopt a Resolution revising the Regulating District's Procurement Policy. Mr. Hayes seconded and the Board adopted the Resolution by unanimous vote.

**15-39-10 RESOLUTION SCHEDULING DATE, TIME AND LOCATION OF THE
REGULAR BOARD MEETING FOR NOVEMBER 10, 2015**

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

Respectfully submitted,

Richard J. Ferrara
Secretary/Treasurer

Mark M. Finkle
Board Chairman