

**HUDSON RIVER-BLACK RIVER REGULATING DISTRICT
BOARD MEETING –NOVEMBER 9, 2010
INDIAN LAKE, NY– 10:00 A.M.**

CALL TO ORDER

Chairman Klein called the regularly scheduled meeting to order at 10:00 A.M.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: Chairman Philip W. Klein; Second Vice Chair Paul J. Cornell and Board members; Michael F. Astafan and Albert J. Hayes; Acting Executive Director and Hudson River Area Administrator Michael A. Clark; General Counsel Robert P. Leslie; Chief Engineer Robert S. Foltan; Chief Fiscal Officer Richard J. Ferrara; Black River Area Administrator Carol L. Wright; and other Regulating District staff.

Excused: David Berkstresser and Thomas Stover

MOTION TO ADOPT MEETING AGENDA

A motion was made by Mr. Astafan to revise the meeting agenda. Mr. Cornell seconded it and the motion was unanimously approved.

MOTION FOR EXECUTIVE SESSION

There was no motion for Executive Session.

PUBLIC COMMENT PERIOD

There were two speakers who made comments on exclusive use on Great Sacandaga Lake access permit areas, financial issues and jobs at the Regulating District and erosion control around Great Sacandaga Lake.

APPROVAL OF MEETING MINUTES

Mr. Astafan moved to approve Regular Board Meeting minutes of October 13, 2010. Mr. Cornell seconded it and the motion was unanimously approved.

ACTING EXECUTIVE DIRECTOR REPORT

Mr. Clark presented his report to the Board. Mr. Clark provided Board members with a listing of proposed dates and locations for 2011 Board meetings to be discussed at the December 14, 2010 Board meeting.

COMMITTEE BUSINESS

(a) Audit Committee – Mr. Cornell

(1) Old Business – None

(2) New Business

(A) Presentation of Regulating District’s Independent Audit - Independent Auditor – Mr. Ferrara

Mr. Randy Shepard of Bonadio & Co., LLP presented his report to the Board. Mr. Shepard stated that the District’s independent audit was once again unqualified.

(b) Permit System –Mr. Hayes

(1) Old Business – None

(2) New Business -None

(c) Governance – Mr. Astafan

Old Business - None

(1) New Business

(A) Second Reading of Revised Management /Exempt Employees Guidelines- Mr. Clark

At Mr. Astafan’s request Mr. Clark outlined and reviewed the proposed changes to the Management/Exempt Employees Guidelines. Mrs. Wright expressed concerns with Management/Exempt Employees losing all of the bereavement leave. She said since Management/Exempt staff has not had a raise in the last couple of years and have lost a holiday as a result of the CSEA contract and the fact that the bereavement leave is not an overused benefit, she asked that the Board reconsider the proposed elimination of bereavement leave for Management Exempt employees.

The third reading of the Revised Management/Exempt Employees Guidelines will take place at the December 14, 2010 Board meeting. This is in compliance with the Hudson River-Black River Regulating District’s Resolution Adopting the District’s Prospective Policy-Making Policy #06-08-02, wherein the Board shall review and discuss proposed policies at a series of at least three (3) open public Board Meetings before adoption by Resolution.

(B) Third Reading of Workplace Violence Prevention Policy – Mr. Leslie

Mr. Leslie reported that this is the third reading of the Workplace Violence Prevention Policy.

A motion was made by Mr. Hayes to approve the resolution to adopt the Workplace Violence Prevention Policy. Mr. Cornell seconded it and the motion was unanimously approved.

(C) Board Adoption of Vehicle Use Policy – Mr. Clark

Mr. Clark stated that at the January 2010 meeting, the Board held a third reading of the revised Vehicle Use Policy and then passed a Motion conditionally approving the new Vehicle Use Policy pending final approval of the Division of Budget and the Deputy Secretary for the Environment. Mr. Clark said, as the Regulating District awaits a formal approval from the Division of Budget and the now Secretary for the Environment, staff has further refined the policy to ensure compliance. He said staff made revisions that eliminate the terms ‘Extraordinary Circumstances’ and ‘Regulating District Fleet’ from the policy. Mr. Clark said staff recommends the Board formally adopt and implement the policy as amended and forward the amended policy to the Division of Budget and the Secretary for the Environment.

A motion was made by Mr. Cornell to approve the resolution to amend the Hudson River-Black River Regulating District Vehicle Use Policy with the proposed changes. Mr. Hayes seconded it and the motion was unanimously approved.

(D) Resolution to Extend Contract C082009 for Bond Services Work – Mr. Leslie

Mr. Ferrara stated the resolution is to extend the contract with bond counsel, Lemery Greisler in the event the Regulating District were to go forward with the issuance of the Tax Anticipation Note to address a funding shortfall in the Hudson River Area. He said there are no additional fees associated with the resolution and reaffirmed the fact that if the Regulating District were to go ahead with a Tax Anticipation Note, that would again come before the Board for Board action.

After Board discussion, a motion was made by Mr. Cornell to approve the resolution to Extend Contract C082009 for Bond Services Work. Mr. Hayes seconded it and the motion was unanimously approved.

(E) General Counsel Report – Mr. Leslie

Mr. Leslie presented his report to the Board and stated he had the following to report since the writing of this report.

Niagara Mohawk has filed an appeal with the United States Court of Appeal for the Second Circuit in the matter Niagara Mohawk Power Corporation, d/b/a National Grid v. Hudson River-Black River Regulating District, Department of Environmental Conservation, (United States District Court, Northern District of New York, Civil Action No. 5:09-cv-471) with regard to permitting issues and the assessment challenge.

- (e) (c) Finance Committee – Mr. Stover (In the absence of Chairman Stover, Mr. Astafan served as Acting Chair.)**

(1) Old Business – None

(2) New Business

Resolution Authorizing the Amortization of a Portion of the District's Annual Pension Cost Pursuant to Part TT of Chapter 57, Laws of 2010 – Mr. Ferrara

Mr. Ferrara stated the Regulating District is a participating employer of the New York State and Local Retirement System and the Employer Contribution Stabilization Program (Part TT of Chapter 57, Laws of 2010). He said participation in this program provides the option to amortize a portion of the Regulating District's annual pension cost over 10 years and may be prepaid at any time. Mr. Ferrara stated the difference between \$188,503 versus \$228,014 reduces the amount due for 2011 by \$32,311. Mr. Ferrara recommended the Board authorize participation in the amortization program.

A motion was made by Mr. Astafan to approve the resolution to Authorize the Amortization of a Portion of the District's Annual Pension Cost Pursuant to Part TT of Chapter 57, Laws of 2010. Mr. Hayes seconded it and the motion was unanimously approved

(A) CFO's Report – Mr. Ferrara

Mr. Ferrara presented his report to the Board.

(e) (d) Operations Committee – Mr. Berkstresser (In the absence of Chairman Berkstresser, Mr. Hayes served as Acting Chair.)

(1) Old Business -None

(2) New Business

(A) Chief Engineer's Report – Mr. Foltan

Mr. Foltan presented his report to the Board.

(B) Hudson River Area Administrator Report – Mr. Clark

Mr. Clark presented his report to the Board.

(C) Black River Area Administrator's Report – Mrs. Wright

Mrs. Wright presented her report to the Board.

Chairman Klein asked for an update on the Croghan Island Mill Lumber Company. Mrs. Wright said that Department of Environmental Conservation (DEC) officials removed a couple of stop logs and are expected to have them completely out by spring. Mrs. Wright indicated that the lumber company is not operating as usual, however there are ongoing discussions on more cost-effective ways to convert the business to electricity.

BOARD BUSINESS

(1) Old Business -None

(2) New Business

(A) Resolution to Request Assistance in Paying School and County Tax Obligations – Mr. Leslie

Chairman Klein asked General Counsel to review the resolution.

Mr. Leslie stated that under the State statute, the Regulating District is obligated to pay several County and school taxing obligations in connection with the acquisition of the State land for reservoir operations. Mr. Leslie said the Regulating District is facing a fiscal crisis, and is actively pursuing every available avenue to replace the revenues lost and to limit costs. One of the most significant elements of that effort was the reduction in staff that occurred last May, which has certainly impacted the abilities in the Regulating District. He noted the Regulating District has advanced proposals; both at the State and Federal level, and despite best efforts, still have limited ability to pay the bills of the Regulating District. Mr. Leslie said Chairman Klein asked him to put together a resolution to request assistance, whether through loans, grants, legislative changes or otherwise to get those taxes paid.

Chairman Klein said he asked General Counsel to forward a copy of the resolution to the Governor, the State Senators and Assemblymen that are involved in the areas that the Hudson River-Black River Regulating District encompasses, and also the Acting Commissioner at the Department of Environmental Conservation.

A motion was made by Mr. Astafan to approve the Resolution to Request Assistance in Paying School and County Tax Obligations. Mr. Cornell seconded it and the motion was unanimously approved

BOARD MEMBER QUESTIONS AND COMMENTS

Mr. Leslie noted that the Board received a survey from the Authorities Budget Office (ABO) which asks each Board member to do an annual evaluation of the Board's performance. Mr. Leslie said the survey is to be returned to ABO by September 30, 2011.

Chairman Klein said that there will be a tour of the Indian Lake Dam immediately following the meeting. He noted there will be no business conducted at the tour and a report of the tour will take place at the next scheduled Board meeting.

MOTION FOR NEXT BOARD MEETING

(1) Regular Board Meeting

A motion was made by Mr. Hayes for approval of the Resolution for the Regular Board Meeting to be held on Tuesday, December 14, 2010 at the Watertown City Hall, 245 Washington Street, Watertown, New York at 10:00 A.M. Mr. Cornell seconded it. The motion was unanimously approved.

RESOLUTIONS

10-53-11 RESOLUTION ADOPTING WORKPLACE VIOLENCE PREVENTION POLICY

Mr. Hayes moved to adopt the resolution. Mr. Cornell seconded it and the resolution was adopted.

10-54-11 RESOLUTION TO AMEND THE HUDSON RIVER-BLACK RIVER REGULATING DISTRICT VEHICLE USE POLICY

Mr. Cornell moved to adopt the resolution. Mr. Hayes seconded it and the resolution was adopted

10-55-11 RESOLUTION TO EXTEND CONTRACT C082009 FOR BOND SERVICES WORK

Mr. Cornell moved to adopt the resolution. Mr. Hayes seconded it and the resolution was adopted.

10-56-11 RESOLUTION AUTHORIZING THE AMORTIZATION OF A PORTION OF THE DISTRICT'S ANNUAL PENSION COST PURSUANT TO PART TT OF CHAPTER 57, LAWS OF 2010

Mr. Astafan moved to adopt the resolution. Mr. Hayes seconded it and the resolution was adopted.

10-57-11 RESOLUTION TO REQUEST ASSISTANCE IN PAYING SCHOOL AND COUNTY TAX OBLIGATIONS


Mr. Astafan moved to adopt the resolution. Mr. Cornell seconded it and the resolution was adopted.

10-58-11 RESOLUTION SCHEDULING DATE, TIME AND LOCATION OF THE DECEMBER 14, 2010 BOARD MEETING

Mr. Hayes moved to adopt the resolution. Mr. Cornell seconded it and the resolution was adopted.

There being no further business to come before the Board, Mr. Astafan moved to adjourn the meeting. Mr. Hayes seconded it. The motion was unanimously approved. The meeting adjourned at 11:51 P.M.

Respectfully submitted,



Richard J. Ferrara
Secretary/Treasurer