

**HUDSON RIVER-BLACK RIVER REGULATING DISTRICT
BOARD MEETING
December 13, 2011
Watertown City Hall,
245 Washington St
Watertown, NY 13601**

CALL TO ORDER

Chairman Berkstresser called the meeting to order at 10:30 A.M.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: Chairman David W. Berkstresser; First Vice Chairperson Michael F. Astafan; Second Vice Chairperson Albert J. Hayes and Board members: Thomas Stover, Philip W. Klein, and Mark M. Finkle; Executive Director Michael A. Clark; General Counsel Robert P. Leslie; Chief Engineer Robert S. Foltan; Chief Fiscal Officer Richard J. Ferrara; Hudson River Area Administrator John Hodgson; and Black River Area Administrator Carol L. Wright.

Excused:

MOTION TO ADOPT MEETING AGENDA

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

PUBLIC COMMENT PERIOD

Chairman Berkstresser asked if any member of the public wanted to speak; hearing none.

APPROVAL OF THE November 2, 2011 MEETING MINUTES

Mr. Hayes moved to approve the Regular Board Meeting minutes of November 2, 2011. Mr. Stover seconded. Mr. Astafan abstained and the motion was unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

Mr. Clark presented his report to the Board.

Mr. Clark indicated that he and the Chief Fiscal Officer met with Finance Committee Chair Thomas Stover to review the "Draft Budget Development Schedule" for the upcoming July 1, 2012 through June 30, 2015 budget cycle. The discussion centered on strategic areas such as staffing, budget structure, general board allocation and capital plans.

Mr. Clark also reported on his site visit to the Black River Area Field Office with the Black River Area Administrator and the Chief Engineer. Mr. Clark complimented the Black River Area Maintenance staff for their efforts concerning the installation of the stem in gate three at the Stillwater Dam.

GOVERNANCE COMMITTEE CHAIR REPORT

Mr. Astafan reported that the Governance Committee met on this same date at 10:00am, that all Committee members were present and that the Committee agreed unanimously to present two matters to the full Board. First, the Committee Chair presented a revised Whistleblower Policy to the Board for its consideration. Next, Mr. Astafan presented a revised Ethics Policy to the Board for its consideration. Mr. Astafan then noted that the Governance Committee continues its review of the Board's Committee structure and proposed changes to the By-Laws occasioned by changes to the Committee structure. Mr. Astafan indicated that the Committee hoped to be prepared to present recommendations on committee structure and the By-Laws at the January 2012 meeting.

RESOLUTION TO ADOPT WHISTLEBLOWER POLICY AND PROCEDURES

Mr. Astafan explained that the Authorities Budget Office had issued a Model Whistleblower Access and Assistance Program including a Governance Practice Bulletin delineating best practices. He reported that the Governance Committee recommended passage of the model Whistleblower Policy to replace existing whistleblower language in the Board's current ethics policy.

Mr. Finkle moved to adopt the Resolution. Mr. Klein seconded it and the Resolution was unanimously adopted.

RESOLUTION TO ADOPT CODE OF ETHICS

Mr. Astafan noted that the removal of whistleblower language from the Board's current ethics policy necessitated a review of that policy. The Governance Committee determined through that review that a model code of ethics developed by the Authorities Budget Office would better address the Board's need. Mr. Astafan reported that the Governance Committee recommended passage of the model code of ethics.

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

COUNSEL'S REPORT

Mr. Leslie presented his report to the Board.

He highlighted the following issues:

In the matter of *Albany, Rensselaer, Saratoga, Warren and Washington Counties vs. The Hudson River-Black River Regulating District and The New York State Department of Environmental Conservation*, the Attorney General's Appeals and Opinion's Bureau (AAGs Denise Hartman and Victor Palladino) have filed the Brief for Respondents (HRBRRD & DEC). The Appellate Division Third Department has denied the HRBRRD Motion to Compel Payment and to Expedite the Appeal. Oral argument has been scheduled for the Court's February term.

Argument before the Second Circuit Court of Appeals in the Niagara Mohawk challenge took place on December 2nd. The parties await the Court's ruling.

CHIEF FISCAL OFFICER'S REPORT

Mr. Ferrara presented his report to the Board.

He highlighted the following issues:

Mr. Ferrara highlighted certain portions of his written report, noting that fund balances continue to decline. The fund balance for the BRA was approximately \$764,000. The HRA general fund balance was approximately \$217,000. District transactional processing and reporting for the fiscal month November was performed in an accurate and timely fashion. District bank reconciliations are complete through October 31, 2011.

Within the next one year period, the possibility exists that the Regulating District's cash flow could go into the negative. Reliance upon access permit system fees and revenue from the E.J. West agreement, in the absence, of payment by the Five Counties of the assessments due, make cost reductions critical.

Mr. Ferrara presented the HRBRRD's draft "Annual MWBE Master Goal Plan" for state fiscal year 2011-2012 noting that the current draft ensures that the District's goals are consistent with those mandated by the Division of Minority and Women's Business Development. Mr. Ferrara indicated that that draft will be finalized and filed by Friday, December 16th.

Mr. Ferrara and Mr. Clark responded to Mr. Astafan's query regarding strategies to bridge projected gaps in funding noting that senior staff has been briefed with respect to anticipated shortfalls and the need to time expense payments.

CHIEF ENGINEER'S REPORT

Mr. Foltan presented his report to the Board.

AREA ADMINISTRATOR REPORTS

(A) Hudson River Area Administrator's Report - Mr. Hodgson

Mr. Hodgson presented the Hudson River Area Administrator's report to the Board noting that the staff has prepared most of the GSL Access Permit renewal forms. The renewals will be mailed shortly.

(B) Black River Area Administrator's Report - Mrs. Wright

Mrs. Wright presented the Black River Area Administrator's report to the Board. Mrs. Wright applauded staff's work on the stem replacement project at the Stillwater Dam gates 3 & 5. Mrs. Wright further noted that gate 4 has been dewatered for inspection.

e. Board Business – Chairman Berkstresser

(1) Old Business - (None)

(2) New Business – Mr. Berkstresser related that, with regret, he received a letter this morning from Mr. Klein through which Mr. Klein indicated his intention to resign the Board on December 31, 2011. Mr. Berkstresser, speaking for the Board and for staff, thanked Mr. Klein for his many years of exemplary service to the Board; as a Member and as the Chair of the Board. Mr. Klein accepted the many adulations offered, recounted some of the challenges presented during his tenure, and wished the Board well as it moves forward.

RESOLUTION SCHEDULING DATE, TIME AND LOCATION OF THE JANUARY 10, 2012 BOARD MEETING

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

RESOLUTIONS

11-36-12 RESOLUTION TO ADOPT WHISTLEBLOWER POLICY AND PROCEDURES

Mr. Finkle moved to adopt the Resolution. Mr. Klein seconded it and the Resolution was unanimously adopted.

11-37-12 RESOLUTION TO ADOPT CODE OF ETHICS

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

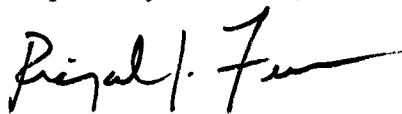
11-38-12 RESOLUTION SCHEDULING DATE, TIME AND LOCATION OF THE January 10, 2012 BOARD MEETING

Mr. Astafan 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. Klein seconded it. The motion was unanimously approved. The meeting adjourned at 11:06 A.M.

Respectfully submitted,



Richard J. Ferrara
Secretary/Treasurer