

**HUDSON RIVER-BLACK RIVER REGULATING DISTRICT
BOARD MEETING –July 12, 2011
Mayfield, NY– 10:00 A.M.**

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: Chairman David W. Berkstresser; Second Vice Chairperson Albert J. Hayes and Board members; Philip W. Klein, Thomas Stover and Mark M. Finkle; 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: First Vice Chairperson Michael F. Astafan

MOTION TO ADOPT MEETING AGENDA

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

MOTION FOR EXECUTIVE SESSION

Chairman Berkstresser called for an Executive Session to discuss the Five Counties Litigation and the potential to fill the vacancy at the Executive Director position. The Chairman asked that the Board be joined in Executive Session by the Acting Executive Director, General Counsel, Chief Fiscal Officer, Chief Engineer and the Black River Area Administrator. A motion was made by Mr. Klein to later adjourn to Executive Session. Mr. Stover seconded it and the motion was unanimously approved. Chairman Berkstresser indicated that the Board may conduct business after the Executive Session.

PUBLIC COMMENT PERIOD

There was one speaker. Peter Byron commented on efforts undertaken by the GSLA on the Regulating District's behalf.

APPROVAL OF THE JUNE 14, 2011 MEETING MINUTES

Mr. Finkle moved to approve the Regular Board Meeting minutes of June 14, 2011. Mr. Hayes seconded and the motion was unanimously approved.

ACTING EXECUTIVE DIRECTOR REPORT

Mr. Clark presented his report to the Board. Mr. Clark noted that the bulk of his time during the reporting period involved litigation impacting the Regulating District's ability to meet expenses; including the School and Property taxes owed. Mr. Clark explained to the Board his efforts, and those of senior staff, to meet those obligations.

COMMITTEE BUSINESS

(a) Permit System –Mr. Hayes

(1) Old Business – None

(2) New Business – None

(b) Governance – Mr. Hayes

(1) Old Business - None

(2) New Business

(A) General Counsel Report – Mr. Leslie

Mr. Leslie highlighted the following issues raised in his report to the Board:

The Fulton County Supreme Court, Hon. Richard T. Aulisi has ruled in the matter of the application of County of Fulton, New York, Broadalbin-Perth Central School District, Mayfield Central School District, and Northville Central School District vs. The State of New York and Hudson River-Black River Regulating District. The Court dismissed the claims brought by the three school district, dismissed the County's claim against the State and has ordered the Regulating District to pay back taxes.

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 Honorable Stephen A. Ferradino, Justice Supreme Court, County of Saratoga by decision dated April 1, 2011 granted the respondents/defendants (Regulating District) motion for summary judgment dismissing the counties' complaint in its entirety. The counties have appealed the Ferradino ruling and have nine months to perfect that appeal.

Mr. Leslie reported that as requested at the June 2011 Board meeting, he participated in additional calls to request that the Department of Environmental Conservation memorialize its interpretation of language within the Offer of Settlement providing flexibility to enhance the Regulating District's fulfillment of the flood protection aspects of its mission.

(c) Finance Committee – Mr. Stover

(1) Approval of Expenses - None

(2) Old Business – None

(3) New Business

(A) CFO's Report – Mr. Ferrara

Mr. Ferrara presented his report to the Board. He highlighted that portion of his written report detailing the financials for the close of the 2nd quarter of the District's fiscal year. Mr. Ferrara noted that the Regulating District's independent auditor has already been in contact to present their needs regarding documentation and staff availability. The auditors have scheduled their office visit and anticipate completion of the draft and final audit reports in time for submission by the September 30th deadline. Mr. Ferrara noted that the OSC Budget report 203 was submitted to PARIS on schedule. He also reflected upon the Regulating District's cash flow noting no material expenditures during the month and showing that projections continue to illustrate a downward trend on the Hudson River Area side of the ledger. To further illustrate the point, Mr. Ferrara noted that the \$420,000 in available funds will not last through the Regulating District's current fiscal year given the District's current structural deficit. Mr. Ferrara noted that the webcasting contract and the audit services contracts have been approved by the Office of the State Comptroller as expected. Finally, Mr. Ferrara and Mr. Leslie addressed a question regarding the timetable for the progress of litigation in the Five Counties suit.

(d) Operations Committee –Mr. Hayes

(1) Old Business -None

(2) New Business

(A) Resolution to Conditionally Award Old Forge/Sixth Lake Engineering Assessment – Mr. Foltan

Mr. Foltan presented a summary memorandum detailing the evaluation of qualifications submitted by engineering firms in response to the Regulating District's request for qualifications for the Sixth Lake and Old Forge Dam Engineering Assessment Project. Sixteen firms responded to the Regulating District's request. Following a thorough review of respondent qualifications and experience, the evaluation team determined Camp Dresser & McKee of Latham to be responsive to all administrative and technical requirements of the RFQ and that this firm had received the highest average score. Mr. Foltan recommended that the Board conditionally award the contract to Camp Dresser & McKee pending receipt and negotiation of a fee and technical proposal.

In response to questions from the Board, Mr. Ferrara and Mr. Foltan addressed a minor deviation in the RFQ review by explaining that both were confident that while the Notice indicated that RFQ would be reviewed by a team of three, and that one member of that team was unable to complete his review in time for the Board's consideration, the review conducted by the two engineers involved was sufficiently detailed and comprehensive to pass muster. Mr. Ferrara indicated that he would check with the Office of the State Comptroller to ensure that OSC concurred. Mr. Hayes proposed a revision to the Resolution to reflect therein a minor deviation from the typical three person review approach to a review by the Chief Engineer and the Operations Engineer.

Mr. Hayes opened the question to the entire Board. A motion was made by Mr. Klein for adoption of the Resolution as revised to conditionally award the Six Lake and Old Forge Engineering Assessment to Camp Dresser & McKee. The motion was seconded by Mr. Hayes and unanimously approved.

(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.

BOARD BUSINESS

(1) Old Business -None

(2) New Business

MOTION FOR NEXT BOARD MEETING

(1) Regular Board Meeting

A motion was made by Mr. Finkle for adoption of the Resolution for the Regular Board Meeting to be held on Tuesday, September 13, 2011 at the Lowville Town Offices, Lowville, New York at 10:00 A.M. Mr. Hayes seconded it. The motion was unanimously approved.

The Board adjourned to Executive Session at 10:56 A.M. and returned to conduct business at 12:05 P.M.

Chairman Berkstresser asked counsel to recite language upon which to base a motion through which the Board could take action with respect to each of two pending litigation matters. Mr. Leslie presented a summary of the Five Counties litigation to date noting the Notice of Appeal filed by Albany, Rensselaer, Warren, Washington and Saratoga Counties and indicating that, based on that appeal, the Counties are claiming the advantage of an automatic stay of the enforcement of the Regulating District’s Apportionment and subsequent the Assessments based upon the Apportionment. Mr. Leslie recommended that the Board request that the Attorney General bring an affirmative case to vacate such automatic stay and/or compel the Counties to satisfy the demands for payments advanced by the District to said Counties. Mr. Leslie then presented a summary of the Fulton County litigation concerning back taxes owned and recommended that the Board request the Attorney General bring an appeal of Judge Aulisi’s June 23, 2011 decision. Mr. Stover made a motion to request that the Attorney General commence an affirmative case to vacate the stay in the Five Counties litigation and/or to compel payment by the Five Counties of the full amount due. Mr. Stover also moved that the District request of the Attorney General that a Notice of Appeal be filed on the Regulating District’s

behalf challenging Judge Aulisi's June 23, 2011 decision in the Fulton County litigation. Both motions were seconded by Mr. Finkle and unanimously approved.

Mr. Berkstresser called for a Resolution to hire Michael A. Clark as the Regulating District's Executive Director at a salary of \$97,500 plus benefits, subject to the provisions of the Management/Exempt Employees Employment Rules and Benefit Guidelines with such hire to be effective with the commencement of the first payroll period following adoption of the Resolution. Mr. Ferrara recited a Resolution to that effect. A motion to adopt the Resolution was made by Mr. Klein, seconded by Mr. Stover and unanimously approved.

Mr. Berkstresser called for a motion to hire John M. Hodgson as the Regulating District's Acting Hudson River Area Administrator at a salary of \$68,000 plus benefits, subject to the provisions of the Management/Exempt Employees Employment Rules and Benefit Guidelines with such hire to be effective with the commencement of the first payroll period following adoption of the Resolution. A motion to adopt the Resolution was made by Mr. Klein, seconded by Mr. Hayes and unanimously approved.

RESOLUTIONS

**11-20-07 RESOLUTION TO CONDITIONALLY AWARD THE WORK
ASSOCIATED WITH OLD FORGE/SIXTH LAKE ENGINEERING
ASSESSMENT**

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

**11-21-07 RESOLUTION SCHEDULING DATE, TIME AND LOCATION OF THE
September 13, 2011 BOARD MEETING**

Mr. Finkle moved to adopt the resolution. Mr. Stover seconded and the resolution was adopted.

**11-22-07 RESOLUTION AUTHORIZING THE EMPLOYMENT OF AN
EXECUTIVE DIRECTOR FOR THE HUDSON RIVER-BLACK RIVER
REGULATING DISTRICT**

Mr. Klein moved to adopt the resolution. Mr. Stover seconded and the resolution was adopted.

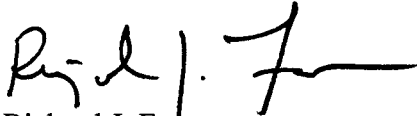
**11-23-07 RESOLUTION AUTHORIZING THE EMPLOYMENT OF AN ACTING
HUDSON RIVER AREA ADMINISTRATOR FOR THE HUDSON RIVER-
BLACK RIVER REGULATING DISTRICT**

Mr. Klein moved to adopt the resolution. Mr. Finkle seconded and the resolution was adopted.

ADJOURNMENT

There being no further business to come before the Board, Mr. Klein moved to adjourn the meeting. Mr. Hayes seconded it. The motion was unanimously approved. The meeting adjourned at 12:17 P.M.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard J. Ferrara". The signature is fluid and cursive, with a long horizontal stroke at the end.

Richard J. Ferrara
Secretary/Treasurer