

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

June 12, 2012
Inlet Town Office
160 Rt 28
Inlet, NY 13360

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: Board Chairman David W. Berkstresser; Second Vice Chair Mark M. Finkle; Board Members Albert J. Hayes, Thomas Stover and; 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; Black River Area Administrator Carol L. Wright; and other Regulating District staff.

Excused: Michael F. Astafan

MOTION TO ADOPT OR REVISE THE MEETING AGENDA

Chairman Berkstresser asked for a motion to adopt or offer revisions to the meeting agenda. Mr. Hayes made a Motion to adopt the proposed meeting agenda without revision. Mr. Stover seconded it and the motion was unanimously approved.

PUBLIC COMMENT PERIOD

Chairman Berkstresser solicited comments from the public. The Board heard extended comments from the Hudson River Professional Outfitter's Association regarding the Lake Abanakee Dam owned and operated by the Town of Indian Lake. Two speakers praised the Regulating District's management of releases at Indian Lake but cautioned that absent structural repairs by the Town at Abanakee, continued releases at historic levels could impact river rafting activities during dry summer months.

APPROVAL OF THE MAY 8, 2012 BOARD MEETING MINUTES

A motion was made by Mr. Stover to approve the Minutes of the Board's May 8, 2012 meeting. Mr. Finkle seconded it and the motion was unanimously approved.

MOTION FOR EXECUTIVE SESSION

Chairman Berkstresser called for a Motion to adjourn to Executive Session to consider two personnel matters and to discuss the Regulating District's position in light of the Appellate

Division Third Department decision in the Five Counties litigation. Chairman Berkstresser invited the Executive Director, the Chief Fiscal Officer and General Counsel to participate noting that the Board would conduct business upon its return from Executive Session. Mr. Finkle seconded and the Chairman's motion was adopted unanimously. The Board adjourned to Executive Session at 10:58 AM and returned at 12:11PM.

EXECUTIVE DIRECTOR'S REPORT

Mr. Clark reported that his focus, and the focus of the Chief Engineer, the Chief Fiscal Officer, General Counsel and the Hudson River Area Administrator, has been directed to the development of a Hudson River Area Apportionment as a result of the Appellate Division Third Department's May 10, 2012 decision in the Five Counties litigation.

RESOLUTION RESCINDING RESOLUTION 12-09-04 (SALARY ADJUSTMENTS FOR MANAGEMENT/EXEMPT EMPLOYEES)

Mr. Clark presented a resolution to rescind revised salaries for management exempt employees. Mr. Finkle commented that, in his estimation, the rescission was necessary only in light of the District's fiscal crisis and should in no way be construed to be a result of performance issues. He praised staff for their dedication and competence noting that all deserved the raise, and perhaps more. Mr. Finkle's comments were echoed by the remainder of the Board present.

Mr. Finkle made a motion that the Board adopt the resolution to rescind revised salaries for management exempt employees. Mr. Stover seconded and the resolution was unanimously adopted.

RESOLUTION TO RECALL STEPHANIE RUZYCKY AS A FIELD ASSISTANT IN THE HUDSON RIVER AREA OF THE HUDSON RIVER-BLACK RIVER REGULATING DISTRICT

Mr. Clark noted that he and the Hudson River Area Administrator have determined that in order to fulfill the tasks associated with the conduct of the Access Permit System it is in the best interests of the District to recall a Field Assistant in the Hudson River Area. Pursuant to the Recall Agreement executed shortly after the Board's May 2010 action reducing the Regulating District's Hudson River Area staff, Stephanie Ruzycky is the employee who was in the affected Job Title within the Bargaining Unit with the most seniority. Mr. Clark recommended that the Board authorize the recall of Stephanie Ruzycky as a full time Field Assistant effective June 21, 2012.

Mr. Hayes made a motion to adopt a resolution to recall Stephanie Ruzycky. Mr. Stover seconded and the resolution was adopted unanimously.

RESOLUTION APPROVING LEGAL SERVICES AMENDMENT #7 IN CONNECTION TO THE REPRESENTATION OF THE REGULATING DISTRICT BEFORE THE D.C. Circuit COURT TERM EXTENSION ONLY

Mr. Leslie noted that the legal services contract between the Regulating District and the law firm of Brickfield, Burchette, Ritts & Stone is nearing its expiration date. While there is no need at this time to amend the contract's 'not-to-exceed' amount, the litigation that is the subject of the contract continues. Mr. Leslie recommended that the contract term be extended by two years. The contract's approval by the Board is subject to approval by the Attorney General and the Office of the State Comptroller.

Mr. Stover moved the resolution to approve the 7th amendment to Contract C082006. Mr. Hayes seconded it and the resolution was unanimously adopted.

RESOLUTION TO APPROVE COOL INSURING AGENCY, INC. INSURANCE PROPOSAL FOR POLICY YEAR JULY 1, 2012 THROUGH JUNE 30, 2013

Mr. Ferrara reported that the District's current commercial insurance coverage is set to expire on June 30, 2012. He also reported that the final premiums for each watershed, totaling \$170,127.97, were provided to him by Cool Insuring Agency during the past week. He recommended that the Board extend an additional option year of coverage and approve the resolution.

Mr. Finkle moved to adopt the resolution to approve the Cool Insuring proposal for the July 1, 2012 – June 30, 2013 premium year. Mr. Hayes seconded it and the resolution was unanimously adopted.

RESOLUTION AUTHORIZING RENEWAL OF AN AGREEMENT WITH UNITED STATES GEOLOGICAL SURVEY

Mr. Foltan presented the Board with a Resolution authorizing the renewal of the Regulating District's agreement with the USGS. He explained that the Regulating District's enabling legislation requires river and reservoir gauge facilities. Mr. Foltan noted that the Regulating District has received a proposal to renew the cooperative joint funding agreement from the U.S. Department of the Interior – U.S. Geological Survey (USGS) pursuant to which the USGS will undertake with the Regulating District stream measurement, discharge record and reservoir record work beneficial to the Regulating District for the period July 1, 2012 to June 30, 2015 for the total sum of \$530,000 with the Regulating District's share being \$336,938. Mr. Foltan noted that the USGS will invoice the Regulating District on a quarterly basis and recommended the Board's adoption of the Resolution.

Mr. Stover moved to adopt the resolution approving the renewal of the USGS contract for the period July 1, 2012 through June 30, 2015. Mr. Finkle seconded and the resolution was adopted unanimously.

AUDIT COMMITTEE REPORT

Mr. Finkle reported that the Committee had considered and now recommends that the Board adopt a resolution to approve an amendment to the current audit services agreement that the Board maintains with the Public Accounting Firm; The Bonadio Group.

RESOLUTION TO AMEND AUDIT SERVICES AGREEMENT WITH THE BONADIO GROUP & TO EXERCISE OPTION TO PERFORM AUDIT SERVICES FOR FISCAL YEAR ENDING JUNE 30, 2012

Mr. Finkle moved to adopt a resolution to amend the audit services agreement with the Bonadio Group. Mr. Stover seconded and the resolution was adopted unanimously.

FINANCE COMMITTEE REPORT

RESOLUTION APPROVING A BUDGET FOR THE HUDSON RIVER-BLACK RIVER REGULATING DISTRICT FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2015 AND FOURTH YEAR PROPOSED FINANCIAL PLAN FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2016

Mr. Stover reported on the Finance Committee's consideration of the draft 2012-2015 Triennial budget. At Mr. Stover's request, Mr. Ferrara repeated for the Board a PowerPoint presentation he had prepared explaining the central tenants of the draft budget.

Mr. Hayes moved to adopt the resolution approving the Regulating District's July 2012 through June 30 2015 budget and the fourth year financial plan. Mr. Stover seconded and the resolution was adopted unanimously.

RESOLUTION TO APPROVE THE ANNUAL ASSESSMENT FOR THE OPERATION AND MAINTENANCE OF STORAGE RESERVOIRS IN THE BLACK RIVER AREA FOR THE FIRST YEAR OF THE THREE YEAR BUDGET PERIOD BEGINNING JULY 1, 2012 THROUGH JUNE 30, 2013

Mr. Hayes moved to adopt the resolution approving the Regulating District's annual assessment for the operation and maintenance of storage reservoirs in the Black River Area for the first year of the three year budget period beginning July 1 2012 through June 30 2013. Mr. Finkle seconded and the resolution was adopted unanimously.

Mr. Stover noted that the Committee was not yet prepared to deliver to the Board an Apportionment for the Hudson River Area establishing an amount to be chargeable to the State.

STAFF REPORTS

Mr. Leslie presented his report to the Board.

Mr. Leslie reported that the Appellate Division issued a decision on May 10, 2012 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 Appellate Division 3rd Dept ruled that the Regulating District failed to consider an amount chargeable to the state. However, the Appellate Division upheld the methodology utilized by the Regulating District in arriving at the apportionment of costs against the Counties. In short, the March 2010 Apportionment has been invalidated and must be redone.

Mr. Leslie reported that the Attorney General has agreed to represent the Regulating District in its appeal of the April 2, 2012, Albany County Supreme Court (Judge Teresi) grant of summary judgment to Albany Engineering Corp awarding \$516,655.62 plus interest dating back to January 1, 2003. The Department of Law has filed a Notice of Appeal. In addition, it has also moved to re-argue the issue of the imposition of interest from January 1, 2003.

Mr. Leslie reported that he has received an updated Workplace Violence Prevention analysis for the new office in Watertown.

Mr. Ferrara presented his report to the Board.

Mr. Ferrara presented to the Board a list of expenses incurred by Board Members for consideration this month.

Mr. Ferrara noted that current fund balances in the Hudson River Area and in the Black River Area remain as forecasted.

Mr. Foltan presented his report to the Board

Mr. Hodgson presented his report to the Board

Mr. Hodgson reported staff remains busy staking out permit areas for new property owners and arbitrating disputes among permit system area neighbors.

Mrs. Wright presented her report to the Board

Mrs. Wright noted that staff is settling in at the new Black River Area Office.

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

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

RESOLUTIONS

12-18-06 RESOLUTION RESCINDING RESOLUTION 12-09-04 (SALARY ADJUSTMENTS FOR MANAGEMENT/EXEMPT EMPLOYEES)

Mr. Finkle made a Motion that the Board adopt the Resolution to Rescind Revised Salaries for Management Exempt Employees. Mr. Stover seconded and the Motion was unanimously adopted.

12-19-06 RESOLUTION TO RECALL STEPHANIE RUZYCKY AS A FIELD ASSISTANT IN THE HUDSON RIVER AREA OF THE HUDSON RIVER-BLACK RIVER REGULATING DISTRICT

Mr. Hayes made a Motion to adopt a Resolution to recall Stephanie Ruzycky. Mr. Stover seconded and the Motion was adopted unanimously.

12-20-06 RESOLUTION APPROVING LEGAL SERVICES AMENDMENT #7 IN CONNECTION TO THE REPRESENTATION OF THE REGULATING DISTRICT BEFORE THE D.C. Circuit COURT TERM EXTENSION ONLY

Mr. Stover moved the Resolution to approve the 7th amendment to Contract C082006. Mr. Hayes seconded it and the Resolution was unanimously adopted.

12-21-06 RESOLUTION TO APPROVE COOL INSURING AGENCY, INC. INSURANCE PROPOSAL FOR POLICY YEAR JULY 1, 2012 THROUGH JUNE 30, 2013

Mr. Finkle moved to adopt the resolution to approve the Cool Insuring proposal for the July 1, 2012 – June 30, 2013 premium year. Mr. Hayes seconded it and the resolution was unanimously adopted.

12-22-06 RESOLUTION AUTHORIZING RENEWAL OF AN AGREEMENT WITH UNITED STATES GEOLOGICAL SURVEY

Mr. Stover moved to adopt the resolution approving the renewal of the USGS contract for the period July 1, 2012 through June 30, 2015. Mr. Finkle seconded and the resolution was adopted unanimously.

12-23-06 RESOLUTION TO AMEND AUDIT SERVICES AGREEMENT WITH THE BONADIO GROUP & TO EXERCISE OPTION TO PERFORM AUDIT SERVICES FOR FISCAL YEAR ENDING JUNE 30, 2012

Mr. Finkle moved to adopt a resolution to amend the audit services agreement with the Bonadio Group. Mr. Stover seconded and the resolution was adopted unanimously.

**12-24-06 RESOLUTION APPROVING A BUDGET FOR THE HUDSON RIVER-
BLACK RIVER REGULATING DISTRICT FOR THE PERIOD JULY 1,
2012 THROUGH JUNE 30, 2015 AND FOURTH YEAR PROPOSED
FINANCIAL PLAN FOR THE PERIOD JULY 1, 2015 THROUGH
JUNE 30, 2016**

Mr. Hayes moved to adopt the resolution approving the Regulating District's July 2012 through June 30 2015 budget and the fourth year financial plan. Mr. Stover seconded and the resolution was adopted unanimously.

**12-25-06 RESOLUTION TO APPROVE THE ANNUAL ASSESSMENT FOR THE
OPERATION AND MAINTENANCE OF STORAGE RESERVOIRS IN
THE BLACK RIVER AREA FOR THE FIRST YEAR OF THE THREE
YEAR BUDGET PERIOD BEGINNING JULY 1, 2012 THROUGH
JUNE 30, 2013**

Mr. Hayes moved to adopt the resolution approving the Regulating District's annual assessment for the operation and maintenance of storage reservoirs in the Black River Area for the first year of the three year budget period beginning July 1, 2012 through June 30, 2013. Mr. Finkle seconded and the resolution was adopted unanimously.

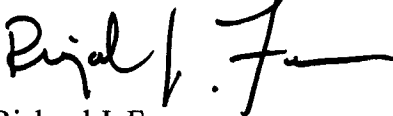
**12-26-06 RESOLUTION SCHEDULING DATE, TIME AND LOCATION OF THE
JULY 10, 2012 BOARD MEETING**

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

ADJOURNMENT

There being no further business to come before the Board, Mr. Hayes moved to adjourn the meeting. Mr. Finkle seconded it. The motion was unanimously approved. The meeting adjourned at 1:00 P.M.

Respectfully submitted,



Richard J. Ferrara
Secretary/Treasurer