

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

Sacandaga Field Office Conference Room

737 Bunker Hill Road

Mayfield, NY 12117

May 12, 2020

Immediately following the Audit and Finance Committee Meetings

CALL TO ORDER

Chairman Mark M. Finkle called the meeting to order at 10:29 A.M.

ROLL CALL

Video Feed: Board Chairman Mark M. Finkle; First Vice-Chair Jeffrey Rosenthal; Second Vice-Chair Kenneth DeWitt; Board Members Albert J. Hayes and Richard Bird; Executive Director John C. Callaghan; General Counsel Robert P. Leslie; Chief Engineer Robert S. Foltan; Chief Fiscal Officer Timothy Maniccia; Area Administrator John Hodgson; and Compliance Officer Stephanie Ruzycky.

MOTION TO ADOPT OR REVISE THE MEETING AGENDA

Chairman Finkle asked for a motion to adopt the agenda. Mr. DeWitt made a motion to adopt the agenda. Mr. Rosenthal seconded. The Board approved the motion by unanimous vote.

PUBLIC COMMENT

Chairman Finkle opened the mic to public comment; hearing none.

APPROVAL OF THE APRIL 14, 2020 REGULAR BOARD MEETING MINUTES

Chairman Finkle asked for a motion to adopt the April 14, 2020 regular board meeting minutes. Mr. Rosenthal advanced the motion to approve the regular meeting minutes. Mr. Bird seconded and the Board approved the motion by unanimous vote.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Callaghan presented his report to the Board. He noted a continued heavy focus on the new operational realities necessitated by the COVID-19 health emergency; explaining the steps implemented to comply with State directives without disruption to the Regulating District's core mission of flood control and flow augmentation. Mr. Callaghan provided an update on an issue concerning former employees who'd had health insurance premiums deducted from their retirement checks as a result of these retirees being incorrectly categorized in the State's NYBEAS system. Mr. Callaghan thanked Anna Tracy and Tim Maniccia and the Department of Civil Service for their work to immediately address the matter. Mr. Callaghan recommended that the Board elect not to participate in the "New York Leaders – Student Intern Program" in 2020, citing ongoing

pressure on the Regulating District's finances, as well as uncertainty surrounding COVID-19 and a return to normal operating conditions. Mr. Callaghan noted the Regulating District's migration to the appropriate "ny.gov" domain name system (DNS) for New York State government entities. He noted that this migration was effective for both the Regulating District's website and its email. He noted that all management/exempt employee evaluations were completed during the month of April, pursuant to the Regulating District's Employment Rules and Benefit Guidelines for Management/ Exempt employees.

CONTRACTS/ACTIONS

Motion to Approve Regulating District Annual Report January 1, 2019-December 31, 2019

Mr. Callaghan presented the Regulating District's annual report. Chairman Finkle asked for a motion to adopt the report and deliver it to the Commissioner of the NYS Department of Environmental Conservation as required by ECL Article 15, Title 21. Mr. Rosenthal moved to approve the Regulating District's Annual Report for January 1, 2019 through December 31, 2019 and to deliver the report to DEC as required. Mr. DeWitt seconded the motion and the Board adopted the motion by unanimous vote.

Motion to Approve Annual Review of Mission Statement & Performance Measurements

Mr. Callaghan presented the Regulating District's authority mission statement and performance measurements for the Board's annual review. Mr. Callaghan read the mission statement and reviewed with the Board each of the performance goals and metrics as required by the Public Authorities Law.

Chairman Finkle asked for a motion to approve the annual review of the Regulating District's mission statement & performance measurements. Mr. Rosenthal so moved. Mr. Hayes seconded and the Board adopted the motion by unanimous vote.

RESOLUTION ADOPTING AMENDED BY-LAWS OF THE HUDSON RIVER-BLACK RIVER REGULATING DISTRICT

Mr. Leslie presented to the Board the resolution to adopt revisions to the Regulating District's Bylaws. Mr. Leslie noted that the update would make the Regulating District's Hudson River Area Office in Albany the sole principal office to ensure service of process is directed to the executive director and general counsel. The second revision conforms the Bylaws to NYS Open Meetings Law by allowing the Chair to call a special meeting on reasonable notice. The third revision memorializes existing practice whereby public notices are posted upon the Regulating District's website and social media accounts and are distributed to media and public stakeholders through other available means including email. The fourth change corrects a statutory cite. The final two changes address grammatical errors. Mr. Leslie noted that the Board has had an opportunity to review this matter at three successive meetings in accordance with the Regulating District's policy on policymaking (R-06-08-02).

Chairman Finkle asked for a motion to adopt the resolution amending the Bylaws. Mr. Bird so moved. Mr. DeWitt seconded and the Board adopted the resolution by unanimous vote.

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND ENTER INTO AN AGREEMENT WITH INTERACTIVE MEDIA CONSULTING, LLC

Mr. Callaghan presented a resolution for the Board's consideration. He noted that staff has been earnestly engaged in identifying and implementing an online solution for permit transactions through the Regulating District's website, offering new enhancements in customer service, greater organization efficiency, and building on this year's availability of a credit card payment option. Staff met to discuss the desired functionality of an online permit system and to ensure that any effort to develop the system would reflect the institutional knowledge and insight of the whole team. Interactive Media Consulting, LLC (IMC), a certified woman-owned business enterprise, has quoted the Regulating District \$7,625 to build out the system and have it in place for the 2021 season. Mr. Callaghan sought authorization to enter into a contract with IMC to undertake this work, in an amount not to exceed \$8,500. The additional \$875.00 in authorization will allow Mr. Callaghan to negotiate any necessary adjustment to scope.

Chairman Finkle asked for a motion. Mr. Rosenthal moved to adopt the resolution authorizing the executive director to negotiate and execute a contract with IMC to build out a system to bring permit transactions online for an amount not to exceed \$8,500. Mr. DeWitt seconded and the Board adopted the resolution by unanimous vote.

COMMITTEE/STAFF REPORTS

AUDIT COMMITTEE REPORT

RESOLUTION TO AWARD AUDIT SERVICES WORK TO GALLEROS ROBINSON CERTIFIED ACCOUNTANTS, LLP FOR FISCAL YEAR ENDING JUNE 30, 2020

Mr. Maniccia presented a resolution to the Board to authorize the extension of a contract with Galleros Robinson Certified Public Accountants, LLP. He noted that the Board approved resolution 19-25-05 awarding audit services to Galleros Robinson Certified Accountants, LLP (Galleros Robinson), an MBE/WBE firm, for fiscal year July 1, 2018 through June 30, 2019. Resolution 19-25-05 authorized the Regulating District to extend the audit services engagement for one additional year. Mr. Maniccia noted that Galleros Robinson has provided satisfactory audit services for fiscal year July 1, 2018 through June 30, 2019 and recommended that it is in the best interest of the District to continue to engage a MWBE qualified firm for these services. He noted that Nora Galleros, Partner in Charge at Galleros Robinson, has agreed to perform the District's audits going forward and has agreed to perform the District's audit services for fiscal year ending June 30, 2020 at the amount not to exceed \$24,885.00.

Chairman Finkle asked for a motion. Mr. Rosenthal moved to adopt the resolution awarding the audit services work to Galleros Robinson and to authorize the Executive Director to exercise the one year option contemplated in contract C012019 for a not to exceed amount of \$24,885.00, plus expenses up to \$4,000.00, for the audit of fiscal year ending June 30, 2020. Mr. DeWitt seconded and the Board adopted the resolution by unanimous vote.

DISCUSSION OF FISCAL YEAR 2016-2017 AUDITED FINANCIAL STATEMENTS

Mr. Maniccia noted that the Regulating District filed its 2016-2017 annual independent audit report in compliance with Public Authorities Law §2802, but that a recent review has revealed that the report contained a transcription error. Note 6 of that audit (found on page 27 of that report), describes the health care benefits that the District provides to its retirees. The Net OPEB obligation on June 30, 2016 (\$8,586,040) should be the same as the Net OPEB obligation at the beginning of the year that ends on June 30, 2017. Mr. Maniccia explained that the result of this transcription error is that the Net OPEB obligation on June 30, 2017 is understated by \$887,397; it should be \$9,866,657. Mr. Maniccia further explained that unfortunately this error runs through all the subsequent audited financial statements the District has issued since 2016-17. As a result, the District's total net position for 2018-19, previously reported as (\$3,020,471), is actually (\$3,907,868).

FINANCE COMMITTEE REPORT

A SECOND AMENDED AND RESTATED RESOLUTION AUTHORIZING THE ISSUANCE OF \$7,224,344.00 SERIAL OR STATUTORY INSTALLMENT BONDS OF THE HUDSON RIVER-BLACK RIVER REGULATING DISTRICT TO FINANCE A PORTION OF THE COST OF THE RECONSTRUCTION OF THE SPILLWAY AT THE CONKLINGVILLE DAM.

Mr. Maniccia presented a resolution to authorize the issuance of \$7,224,344 in serial or statutory installment bonds to finance the reconstruction of the spillway at Conklingville Dam. He explained that the Board previously adopted a Bond Resolution, dated January 7, 2015 (the "Original Bond Resolution"), which estimated a total maximum cost of \$3,246,867.00, and authorized the issuance of up to \$3,246,867.00 serial bonds of the District to finance the entire cost. On June 13, 2017, the Board adopted an amendment and restatement to the Original Bond Resolution which amended the maximum estimated cost to \$5,325,867.00 and authorized the issuance of up to \$3,246,867.00 serial bonds. Mr. Maniccia noted that staff has revised the estimated cost from \$5,325,867.00 to \$9,486,144.00, reflecting the results of engineering studies and bids received through January 24, 2020 (the "Revised Engineering Studies and Bids"). He recommended that the Board revise the project's maximum estimated cost to \$9,486,144.00. Further, he recommended that because there is no change to the project's scope the Board could again conclude, as it did previously, that the project will have no adverse impact on the environment.

Chairman Finkle called for a motion. Mr. Rosenthal made a motion to adopt the resolution authorizing issuance of \$7,224,344.00 serial or statutory installment bonds at the increased maximum estimated cost of the reconstruction of the spillway at Conklingville; \$9,486,144.00. Mr. Bird seconded and the Board adopted the resolution by unanimous 5-0 vote.

RESOLUTION, DATED MAY 12, 2020, APPROVING (I) AN AMENDMENT OF THE SHORT-TERM PROJECT FINANCE AGREEMENT AND (II) THE AMENDMENT AND RESTATEMENT OF THE E.F.C. CLEAN WATER FACILITY NOTE - 2017 A (BOND ANTICIPATION NOTE) WITH THE NEW YORK STATE ENVIRONMENTAL

FACILITIES CORPORATION IN CONNECTION WITH THE FINANCING OF THE RECONSTRUCTION OF THE SPILLWAY AT THE CONKLINGVILLE DAM

Mr. Maniccia introduced a resolution to amend the short term project finance agreement (PFA) with the Environmental Facilities Corporation (EFC). He explained that the Regulating District and EFC entered into the original PFA (State Revolving Fund Project No.: C5-5601-01-00) on November 2, 2017 pursuant to which the District issued that certain E.F.C. Clean Water Facility Note - 2017 A (Bond Anticipation Note). He recommended that the Board authorize the replacement of the PFA to extend its term to a final maturity date to November 2, 2022 and increase the maximum principal amount of the Note to up to \$7,224,344.00.

Mr. Rosenthal made a motion to adopt the resolution authorizing a short-term PFA and note with EFC in connection with financing of the spillway reconstruction at the Conklingville Dam. Mr. Hayes seconded and the Board adopted the resolution by a unanimous 5-0 vote.

RESOLUTION CONFIRMING ACCESS PERMIT FEE SCHEDULE FOR GREAT SACANDAGA LAKE

Mr. Leslie presented a draft resolution and chart matching the regulatory basis for each fee currently charged in connection with the permit system to the common description utilized by staff as such fees are imposed. Mr. Leslie explained that consolidating the authority underlying each fee charged will simplify staff's task administering the permit system, but does not alter the authority for such charges, nor change the amount of such fees. Mr. Leslie presented a chart depicting the regulatory provision underlying each such fee, staff's typical description, the fee amount, and the resolution through which the Board established the amount of each fee. The final (right most) column of the chart also includes the date upon which the Board most recently adopted the resolution establishing the amount of each fee.

The Chair asked for a motion to adopt the resolution confirming the access permit fee schedule for Great Sacandaga Lake. Mr. Rosenthal so moved. Mr. Hayes seconded and the Board adopted the resolution by unanimous vote.

STAFF REPORTS

Mr. Leslie presented his report. He reported that due to Coronavirus concerns, the Joint Commission on Public Ethics (JCOPE) has extended the filing deadline for Financial Disclosure Statements to Monday, August 17th. Mr. Leslie noted that he addressed issues pertaining to the conduct of the May meeting on-line and that the June meeting will also, likely, be conducted online. Counsel reported that the archived Board meeting videos have been downloaded from Granicus and that Gina Bulman and Megan Cole are working to convert and post these past board meeting videos to the Regulating District's website. Work on updating the policies associated with the administration of the access permit system continue as do negotiations with Mercer at Stillwater.

Ms. Ruzycky presented her report to the Board. Ms. Ruzycky noted that Economic Development issued an A+ report card to the Regulating District for MWBE/SDVOB program

compliance. She also noted that OSC has expanded its use of electronic contract review submissions.

Mr. Maniccia presented his report to the Board. He noted that at the close of fiscal April 30, 2020, the general fund balances for the HRA and BRA were approximately \$2,803,273 and \$2,104,674 respectively; a 16.3% decrease year over year. He noted that District's transactional processing and reporting are current. He also noted that staff has begun to prepare a project financing agreement application to EFC, pending Board approval, for a subsequent phase of work at the Conklingville Dam.

Mr. Foltan presented the Chief Engineer's report to the Board. Mr. Foltan noted that the April average daily release from the Sacandaga Reservoir (Great Sacandaga Lake) was approximately 2,130 cubic feet per second (cfs). Precipitation during the month of April was above normal across the Great Sacandaga Lake watershed and above normal in the Indian Lake watershed. The monthly inflow to Great Sacandaga Lake and Indian Lake reservoir was approximately 60% and 72% of historic average, respectively. Monthly release of water from Great Sacandaga Lake and Indian Lake measured 179% and 75% of historic average, respectively.

The April average daily release from Stillwater Reservoir was approximately 180 cfs. Monthly total precipitation measured 52%, 55, and 48% of historic average at Stillwater, Old Forge, and Sixth Lake, respectively, as of April 26th. Precipitation in the month of April was below average at Stillwater, Old Forge and Sixth Lake. The monthly inflow to Stillwater Reservoir was approximately 56% of historic average. The inflow to Sixth Lake and Old Forge Reservoir totaled 0.08 and 0.24 billion cubic feet, respectively, in April. Release of water from Stillwater Reservoir averaged 51% of historic discharge.

Mr. Hodgson presented the Administrator's report. Mr. Hodgson continues to man the Sacandaga Field Office answering the phone, doing daily weather reports, handling work permits and investigating encroachments. Mr. Hodgson reported on a videoconference he, the executive Director and the Chief Engineer hosted with members of the Great Sacandaga Lake Association and the Sacandaga Protection Committee on GSL lake levels and operations. He noted that the workboat is in the water for the season and that staff are working to clear debris from the October storm.

RESOLUTION SCHEDULING DATE AND TIME OF THE REGULAR MEETING FOR JUNE 09, 2020

Chairman Finkle asked for a motion to adopt a resolution setting the date, place and time for the next meeting of the Board of the Hudson River-Black River Regulating District for Tuesday, June 09, 2020 at the Regulating District's Sacandaga Field Office, 737 Bunker Hill Road, Mayfield, NY 12117. The meeting will be scheduled for 10:00 A.M.

Mr. Bird moved to adopt the resolution setting the date, time and place of the next meeting. Mr. Hayes seconded and the Board adopted the resolution by unanimous vote.

ADJOURNMENT

Chairman Finkle called for a motion to adjourn the meeting. Mr. Rosenthal advanced the motion. Mr. Bird seconded. The meeting adjourned at 11:07 A.M.

RESOLUTIONS

20-14-05 RESOLUTION ADOPTING AMENDED BY-LAWS OF THE HUDSON RIVER-BLACK RIVER REGULATING DISTRICT

Chairman Finkle asked for a motion to adopt the resolution amending the Bylaws. Mr. Bird so moved. Mr. DeWitt seconded and the Board adopted the resolution by unanimous vote.

20-15-05 RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND ENTER INTO AN AGREEMENT WITH INTERACTIVE MEDIA CONSULTING, LLC

Chairman Finkle asked for a motion. Mr. Rosenthal moved to adopt the resolution authorizing the executive director to negotiate and execute a contract with IMC to build out a system to bring permit transactions online for an amount not to exceed \$8,500. Mr. DeWitt seconded and the Board adopted the resolution by unanimous vote.

20-16-05 RESOLUTION TO AWARD AUDIT SERVICES WORK TO GALLEROS ROBINSON CERTIFIED ACCOUNTANTS, LLP FOR FISCAL YEAR ENDING JUNE 30, 2020

Chairman Finkle asked for a motion. Mr. Rosenthal moved to adopt the resolution awarding the audit services work to Galleros Robinson and to authorize the Executive Director to exercise the one year option contemplated in contract C012019 for a not to exceed amount of \$24,885.00, plus expenses up to \$4,000.00, for the audit of fiscal year ending June 30, 2020. Mr. DeWitt seconded and the Board adopted the resolution by unanimous vote.

20-17-05 A SECOND AMENDED AND RESTATED RESOLUTION AUTHORIZING THE ISSUANCE OF \$7,224,344.00 SERIAL OR STATUTORY INSTALLMENT BONDS OF THE HUDSON RIVER-BLACK RIVER REGULATING DISTRICT TO FINANCE A PORTION OF THE COST OF THE RECONSTRUCTION OF THE SPILLWAY AT THE CONKLINGVILLE DAM.

Chairman Finkle called for a motion. Mr. Rosenthal made a motion to adopt the resolution authorizing issuance of \$7,224,344.00 serial or statutory installment bonds at the increased maximum estimated cost of the reconstruction of the spillway at Conklingville; \$9,486,144.00. Mr. Bird seconded and the Board

adopted the resolution by unanimous vote.

20-18-05 RESOLUTION, DATED MAY 12, 2020, APPROVING (I) AN AMENDMENT OF THE SHORT-TERM PROJECT FINANCE AGREEMENT AND (II) THE AMENDMENT AND RESTATEMENT OF THE E.F.C. CLEAN WATER FACILITY NOTE - 2017 A (BOND ANTICIPATION NOTE) WITH THE NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION IN CONNECTION WITH THE FINANCING OF THE RECONSTRUCTION OF THE SPILLWAY AT THE CONKLINGVILLE DAM

Mr. Rosenthal made a motion to adopt the resolution authorizing a short-term PFA and note with EFC in connection with financing of the spillway reconstruction at the Conklingville Dam. Mr. Hayes seconded and the Board adopted the resolution by unanimous vote.

20-19-05 RESOLUTION CONFIRMING ACCESS PERMIT FEE SCHEDULE FOR GREAT SACANDAGA LAKE

The Chair asked for a motion to adopt the resolution confirming the access permit fee schedule for Great Sacandaga Lake. Mr. Rosenthal so moved. Mr. Hayes seconded and the Board adopted the resolution by unanimous vote.

20-20-05 RESOLUTION SCHEDULING DATE AND TIME OF THE REGULAR MEETING FOR JUNE 09, 2020

Mr. Bird moved to adopt the resolution setting the date, time and place of the next meeting. Mr. Hayes seconded and the Board adopted the resolution by unanimous vote.

Robert P. Leslie
Secretary

Mark M. Finkle
Board Chairman