

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

Sacandaga Field Office Conference Room
737 Bunker Hill Road
Mayfield, NY 12117

Hudson River Area Office
575 Broadway, Fl. 3
Albany, NY 12207

April 12, 2022

Immediately following the Audit and Finance committee meetings
scheduled to commence at 10 AM

Participants were invited to join the meeting via computer, tablet or smartphone.

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CALL TO ORDER

Board Chair Mark M. Finkle called the meeting to order at 10:17 A.M.

ROLL CALL

Present: Board Members Albert J. Hayes and Timothy J. Reagan; Executive Director John C. Callaghan, and Compliance Officer Stephanie Ruzycky.

Video Feed: Board Chair Mark M. Finkle; Second Vice-Board Chair Kenneth DeWitt; Board Members Alfred J. Candido, Jr., Richard Bird and Nicole T. Allen; General Counsel Robert Leslie, Chief Fiscal Officer Timothy Maniccia and Chief Engineer Robert Foltan.

MOTION TO ADOPT OR REVISE THE MEETING AGENDA

Board Chair Finkle asked for a motion to adopt or revise the agenda. Mr. Candido made a motion to adopt the agenda. Mr. DeWitt seconded. The Board approved the motion by unanimous vote.

PUBLIC COMMENT

Board Chair Finkle opened the meeting to public comment; hearing none.

APPROVAL OF THE MARCH 8, 2022 REGULAR BOARD MEETING MINUTES

Board Chair Finkle asked for a motion to adopt the March 8, 2022 regular board meeting minutes. Mr. Hayes advanced the motion to approve the regular meeting minutes. Mr. DeWitt 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 staff's continued success navigating the significant changes to the manner in which the Regulating District conducts business as wrought by the devastating COVID-19 pandemic. Mr. Callaghan also noted the Regulating District's success working with Executive Chamber colleagues, staff and the Division of Budget to secure the Regulating District's priorities in the FY2023 State budget. He expressed appreciation for the fine work undertaken by the CFO and General Counsel. With respect to annual access permit system renewals, Mr. Callaghan marked the end of the regular annual renewal period noting the process has entered the "renewal with late fee" period, and that staff continue to work on improvements to the new online permit system, now in its second year. He noted that as of the end of March 2,687 customers had used the online system to renew in 2022, representing 56.6% of all renewals to date in 2022. These online renewals have generated \$245,597 in revenue to date (out of \$486,920 in total renewal revenue), compared to \$185,877 in all of 2021.

CONTRACTS

RESOLUTION TO ACCEPT REVISED AGREEMENT WITH VARLEY APPRAISAL GROUP, INC. FOR APPRAISAL SERVICES WORK

Mr. Callaghan presented a resolution authorizing an amendment to the agreement with the Varley Appraisal Group, Inc. ("Varley") to increase in scope and cost to that firm's appraisal of the hydroelectric plant operated by Stillwater Associates. He noted that, following consultation with Varley, the Regulating District solicited a quote for additional analysis. Varley proposes to complete the additional work for \$1,700 bringing the total project cost to \$7,350.

Board Chair Finkle asked for a motion to adopt the resolution authorizing an amendment to the agreement with Varley Appraisal Group, Inc. to increase the appraisal's scope and cost by \$1,700 to a not-to-exceed amount to \$7,350. Mr. DeWitt so moved. Mr. Reagan seconded and the Board adopted the resolution by unanimous vote.

RESOLUTION TO HIRE TEMPORARY SEASONAL LABORERS TO SUPPLEMENT PERMANENT STAFF IN THE HUDSON RIVER AREA AND BLACK RIVER AREA

Mr. Callaghan presented a resolution to hire temporary seasonal laborers to supplement permanent staff in both the Hudson River Area and the Black River Area. He explained that the mission of Hudson River-Black River Regulating District requires a robust and capable workforce, but that financial constraints limit the Regulating District's ability to add additional permanent, full-time personnel at present. Noting the practice of augmenting permanent staff with seasonal-specific temporary staff is well established in other New York State agencies and

authorities, and that the existing CSEA contract establishes an hourly rate for the position of Laborer at \$14.82, Mr. Callaghan recommended the hiring of six (6) temporary seasonal laborers in the Hudson River and Black River Areas for a period to be determined based on operational needs, but not to exceed 26 weeks in 2022. He noted that the Regulating District will publicly advertise and fill these positions in accordance with applicable policy, law and pertinent provisions of the existing CSEA contract.

Chairman Finkle asked for a motion to adopt the resolution. Mr. Bird moved to adopt the resolution authorizing the employment of six (6) temporary seasonal laborers in the Hudson River Area and Black River Area at a rate of \$14.82/ hour for a period to be determined based on operational needs, but not to exceed 26 weeks in 2022. Mr. Candido seconded and the Board adopted the resolution by unanimous vote.

RESOLUTION TO APPROVE SECOND AMENDMENT TO CONTRACT D012019 WITH ATLANTIC TESTING LABORATORIES, LIMITED (ATL)

Mr. Foltan presented a resolution authorizing a second amendment to contract D012019. He explained that in July 2018 the Federal Energy Regulatory Commission (FERC), in response to recommendations made in the 7th Part 12D Independent Consultant Safety Inspection Report (February 2016), requested an update of, and completion of, additional Seismic Stability Analyses for gravity structures (earth embankment dams, concrete dam, and spillway) at the Stillwater Dam. The Regulating District's engineering consultant for this project, Paul C. Rizzo Engineering (Rizzo), developed a subsurface investigation program for subsurface exploration and drilling at the Stillwater embankment dams in support of the additional analyses. Pursuant to resolution 19-47-11, the Regulating District hired Atlantic Testing Services Laboratories Limited (ATL), in December 2019, to complete the subsurface investigation work. The initial subsurface program and the scope of work agreed to in Contract D012019 anticipated four borings. In August 2020 the Federal Energy Regulatory Commission (FERC) provided recommendations resulting in the need to increase the quantity of borings. ATL completed subsurface investigation work by June 2021 and soil testing by July 2021. ATL submitted its boring logs and subsurface investigation data and report by January 2022. Ultimately, a total of eight borings have been completed to satisfy the FERC recommendations. An amendment of the scope of work and fee of Contract D012019 is required to include the increased quantity of borings and additional subsurface investigation work. Mr. Foltan recommended the Board authorize an amendment to the scope of work and fee in the amount of \$16,492, increasing the total fee of Contract D012019 to a not-to-exceed price of \$132,174.

Mr. Maniccia recommended that in order to provide sufficient funding in the current fiscal year for this and other engineering projects underway at Stillwater, the Board authorize transfers in the Fiscal Year 2021-22 budget from repairs to structures line items representing principal and interest respectively to the Engineering Consultant – Stillwater line item. He also recommended that the Board extend the agreement to December 31, 2022.

Board Chair Finkle asked for a motion to adopt the resolution accepting the proposal submitted by ATL and authorizing the Executive Director to execute a second amendment to Contract D012019 to include completion of the additional work which increases the price of Contract D012019 by \$16,492 to a not-to-exceed amount of \$132,174, to extend the contract term

to December 31, 2022, and to authorize the transfer of \$20,595 from Account 5650-0700 “Repairs to Structures” to Account 5695-0700 “Engineering Consultant” in the Fiscal Year 2021-22 budget. Mr. Hayes so moved. Mr. Reagan seconded and the Board approved the motion by unanimous vote.

RESOLUTION TO AUTHORIZE A BUDGET TRANSFER TO PROVIDE FUNDS FOR CONKLINGVILLE DAM PIEZOMETER TRANSDUCERS

Mr. Foltan presented a resolution through which the Board would authorize the purchase of electrical pressure transducers, real-time data acquisition devices, and ancillary equipment necessary to automate two additional piezometers at Conklingville Dam in an amount not-to-exceed \$33,000.00. The resolution would also authorize a transfer of \$35,000 to Account 5230-0300 “Other Equipment” from other Accounts: \$10,000 from 5699-0300 “Surveying Services”, \$24,000 from 5750-0300 “Debt Service – Interest” and \$1,000 from 5770-0300 “Contingencies”. Mr. Foltan explained the remaining funds cover costs associated with a surveillance camera at the site.

Board Chair Finkle asked for a motion to adopt the resolution authorizing the purchase of electrical pressure transducers, real-time data acquisition devices, and ancillary equipment necessary to automate two additional piezometers at Conklingville Dam in an amount not-to-exceed \$33,000.00 and to authorize the transfer of \$10,000 from 5699-0300 “Surveying Services”, \$24,000 from 5750-0300 “Debt Service – Interest” and \$1,000 from 5770-0300 “Contingencies”. Mr. Reagan so moved. Mr. Bird seconded and the Board approved the motion by unanimous vote.

STAFF/COMMITTEE REPORTS

AUDIT COMMITTEE REPORT

RESOLUTION TO AWARD AUDIT SERVICES WORK TO GALLEROS ROBINSON CERTIFIED PUBLIC ACCOUNTANTS, LLP FOR FISCAL YEAR ENDING JUNE 30, 2022

Audit Committee Chair Hayes asked Mr. Maniccia to present the resolution. Mr. Maniccia reported that consistent with the District’s goal to consider MWBE firms for open discretionary contracts, the District engaged Galleros Robinson Certified Public Accountants, LLP (Galleros Robinson) in May 2019 via contract C012019 pursuant to resolution 19-25-05; later extending the contract a year in May 2020 pursuant to resolution 20-16-05 and extending the engagement a third year via contract C012021 pursuant to resolution 21-15-04. Mr. Maniccia noted that pursuant to Public Authorities Law §2802(4), the certified public accounting firm providing the independent annual audit will be prohibited from providing audit services to the authority if the lead or coordinating audit partner, having primary responsibility for the audit or reviewing the audit, has performed audit services for that issuer in each of the five previous fiscal years of such authority. Mr. Maniccia noted that, to date, Galleros Robinson has ably completed independent audits only for fiscal years ending June 30, 2019, June 30, 2020 and June 30, 2021. Mr. Maniccia recommended that the Board authorize the Executive Director to exercise the first of two one-year options included in contract C012021. This engagement will address Fiscal Year ended June 30, 2022 and will leave a single one-year option remaining for

one additional subsequent year. Galleros Robinson will perform these duties for \$25,925 plus \$1,200 for travel expenses (if needed).

Board Chair Mark Finkle asked for a motion to approve the resolution authorizing the Executive Director to exercise the first of two one-year options included in contract C012021 with Galleros Robinson for the not to exceed amount of \$25,925.00, plus expenses up to \$1,200.00 to perform audit services for fiscal year ending June 30, 2022. Mr. DeWitt so moved. Mr. Reagan seconded and the Board approved the motion by unanimous vote.

FINANCE COMMITTEE REPORT

RESOLUTION TO CONTRACT WITH PIPER SANDLER & CO. TO PROVIDE BOND UNDERWRITER SERVICES (C022022) IN CONNECTION WITH THE ANTICIPATED ISSUANCE OF SERIAL BONDS

Finance Committee Chair DeWitt presented the resolution. He noted that the Board previously appropriated funds for investment in vital infrastructure in the Fiscal Year 2021-22 and Fiscal Year 2022-23 budgets and that the Board also included funds from bond proceeds to pay for this investment in the Fiscal Year 2022-23 budget. Mr. DeWitt noted that staff published a Request for Proposals (RFP) for Bond Underwriter Services on January 7, 2022 to provide services related to the structuring, marketing, selling, and underwriting of bonds and that, in compliance with the aforementioned RFP, the Regulating District received and opened eight proposals. After careful evaluation of the eight responses against the technical and cost criteria set forth in the RFP, an evaluation team consisting of the Chief Engineer, and two Board Members found the Piper Sandler & Co., Minneapolis, MN., proposal to be in compliance with the RFP documents and to warrant the highest total score. Mr. DeWitt stated that the Finance Committee recommends the Board conditionally engage Piper Sandler & Co. as described in their proposal to serve as underwriter for two years. The Committee also recommended that the CFO be granted authority, if warranted, to extend the agreement's term by one additional year.

Mr. DeWitt made a motion to adopt the resolution authorizing the Chief Fiscal Officer to form an agreement with Piper Sandler & Co. to engage in underwriting services for a fee and expenses not to exceed \$4.3415/1,000 of bonds incurred in preparing to market and marketing the Regulating District's anticipated issuance of serial bonds and that the Chief Fiscal Officer may extend the initial two (2) year term of said agreement with Piper Sandler & Co. by one year, at the rate specified in the Piper Sandler & Co. proposal should the Regulating District engage in subsequent sale(s) of serial bonds. Mr. Hayes seconded and the Board approved the motion by unanimous vote.

STAFF REPORTS

Mr. Leslie presented his report. Mr. Leslie noted he, the Chief Fiscal Officer & the Executive Director continue to work with Stillwater Associates to address the expiring Reservoir Operating Agreement at Stillwater reservoir. Counsel has advanced the abstract of title to identify liens, UCC filings, etc. lying against the assets held by Stillwater Associates to counsel for Stillwater Associates. As noted earlier, the appraisal firm hired to value the Stillwater hydro

plant will engage in some additional analysis and is nearing completion of that project. Counsel is working with Counsel for Stillwater Associates to fashion an extension of the expiring Ground Lease and Water Usage Agreement or to work out the necessary transfer documents to consummate a sale of that facility. Mr. Leslie noted that as the records access officer, counsel/staff addressed zero (0) FOIL request(s) during the reporting period and that there were no appeals.

Ms. Ruzycky presented her report to the Board. Ms. Ruzycky noted that she completed the HRAO and BRFO quarterly audits. She noted that the Regulating District has received the MWBE report card for FY20/21, 3rd and 4th quarter and has received the final grade for FY 20/21.

Mr. Maniccia presented his report to the Board. Therein he noted that at the close of fiscal March 31, 2022, the general fund balances for the HRA and BRA were approximately \$4,365,782 and \$1,724,786 respectively. Mr. Maniccia noted that, when combined, the \$6,090,568 total is \$633,687 or 11.6% more than the same period last year. Mr. Maniccia noted that the Regulating District's transactional processing and reporting are current.

Mr. Foltan presented the Chief Engineer's report to the Board. Mr. Foltan noted that the March average daily release from the Sacandaga Reservoir (Great Sacandaga Lake) was approximately 2,200 cubic feet per second (cfs). Precipitation during the month of March was below normal across the Great Sacandaga Lake watershed and above average in the Indian Lake watershed. The monthly inflow to Great Sacandaga Lake and Indian Lake reservoir was approximately 136% and 148% of historic average, respectively. Monthly release of water from Great Sacandaga Lake and Indian Lake measured 106% and 90% of historic average, respectively.

The March average daily release from Stillwater Reservoir was approximately 250 cfs. Monthly total precipitation measured 133%, 120% and 94% of historic average at Stillwater, Old Forge, and Sixth Lake, respectively, as of March 27th. Precipitation in the month of March was above average at Stillwater and Old Forge and below average at Sixth Lake. The monthly inflow to Stillwater Reservoir was approximately 141% of historic average. The inflow to Sixth Lake and Old Forge Reservoir totaled 0.28 and 0.48 billion cubic feet, respectively, in March. Release of water from Stillwater Reservoir averaged 59% of historic discharge.

BOARD MEMBER COMMENTS

Mr. Reagan related that meetings held between Board members and staff at the Sacandaga Field Office have proved fruitful. Mr. Finkle commented that he is pleased with the engagement exhibited by staff; noting several useful ideas have resulted.

Mr. Candido emphasized the work and acumen necessary to achieve the successful outcomes staff secured in the state budget process. He noted that the shift in the Regulating District's real property tax burden will have a positive impact on assessments and Regulating District finances and thanked Mr. Leslie, Mr. Maniccia and Executive Director Callaghan for their efforts. He assured that their efforts will not be forgotten.

RESOLUTION SCHEDULING DATE AND TIME OF THE REGULAR MEETING FOR MAY 10, 2022

Board Chair Finkle asked for a motion to adopt a resolution setting the date and time for the next meeting of the Board of the Hudson River-Black River Regulating District for Tuesday, May 10, 2022 at a location to be determined. The meeting will be scheduled for 10:00 A.M.

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

ADJOURNMENT

Board Chair Finkle called for a motion to adjourn the meeting. Mr. Hayes advanced the motion. Mr. Reagan seconded. The meeting adjourned at 11:00 A.M.

RESOLUTIONS

22-14-04 RESOLUTION TO ACCEPT REVISED AGREEMENT WITH VARLEY APPRAISAL GROUP, INC. FOR APPRAISAL SERVICES WORK

Board Chair Finkle asked for a motion to adopt the resolution authorizing an amendment to the agreement with Varley Appraisal Group, Inc. to increase the appraisal’s scope and cost by \$1,700 to a not-to-exceed amount to \$7,350. Mr. DeWitt so moved. Mr. Reagan seconded and the Board adopted the resolution by unanimous vote.

22-15 -04 RESOLUTION TO HIRE TEMPORARY SEASONAL LABORERS TO SUPPLEMENT PERMANENT STAFF IN THE HUDSON RIVER AREA AND BLACK RIVER AREA

Chairman Finkle asked for a motion to adopt the resolution. Mr. Bird moved to adopt the resolution authorizing the employment of six (6) temporary seasonal laborers in the Hudson River Area and Black River Area at a rate of \$14.82/ hour for a period to be determined based on operational needs, but not to exceed 26 weeks in 2022. Mr. Candido seconded and the Board adopted the resolution by unanimous vote.

22-16-04 RESOLUTION TO APPROVE SECOND AMENDMENT TO CONTRACT D012019 WITH ATLANTIC TESTING LABORATORIES, LIMITED (ATL)

Board Chair Finkle asked for a motion to adopt the resolution accepting the proposal submitted by ATL and authorizing the Executive Director to execute a second amendment to Contract D012019 to include completion of the additional work which increases the price of Contract D012019 by \$16,492 to a not-to-exceed amount of \$132,174, to extend the contract term to December 31, 2022, and to authorize the transfer of \$20,595 from Account 5650-0700 “Repairs to Structures” to Account 5695-0700 “Engineering Consultant” in the Fiscal Year

2021-22 budget. Mr. Hayes so moved. Mr. Reagan seconded and the Board approved the motion by unanimous vote.

22-17-04 RESOLUTION TO AUTHORIZE A BUDGET TRANSFER TO PROVIDE FUNDS FOR CONKLINGVILLE DAM PIEZOMETER TRANSDUCERS

Board Chair Finkle asked for a motion to adopt the resolution authorizing the purchase of electrical pressure transducers, real-time data acquisition devices, and ancillary equipment necessary to automate two additional piezometers at Conklingville Dam in an amount not-to-exceed \$33,000.00 and to authorize the transfer of \$10,000 from 5699-0300 “Surveying Services”, \$24,000 from 5750-0300 “Debt Service – Interest” and \$1,000 from 5770-0300 “Contingencies”. Mr. Reagan so moved. Mr. Bird seconded and the Board approved the motion by unanimous vote.

22-18-04 RESOLUTION TO AWARD AUDIT SERVICES WORK TO GALLEROS ROBINSON CERTIFIED PUBLIC ACCOUNTANTS, LLP FOR FISCAL YEAR ENDING JUNE 30, 2022

Board Chair Mark Finkle asked for a motion to approve the resolution authorizing the Executive Director to exercise the first of two one-year options included in contract C012021 with Galleros Robinson for the not to exceed amount of \$25,925.00, plus expenses up to \$1,200.00 to perform audit services for fiscal year ending June 30, 2022. Mr. DeWitt so moved. Mr. Reagan seconded and the Board approved the motion by unanimous vote.

22-19-04 RESOLUTION TO CONTRACT WITH PIPER SANDLER & CO. TO PROVIDE BOND UNDERWRITER SERVICES (C022022) IN CONNECTION WITH THE ANTICIPATED ISSUANCE OF SERIAL BONDS

Mr. DeWitt made a motion to adopt the resolution authorizing the Chief Fiscal Officer to form an agreement with Piper Sandler & Co. to engage in underwriting services for a fee and expenses not to exceed \$4.3415/1,000 of bonds incurred in preparing to market and marketing the Regulating District’s anticipated issuance of serial bonds and that the Chief Fiscal Officer may extend the initial two (2) year term of said agreement with Piper Sandler & Co. by one year, at the rate specified in the Piper Sandler & Co. proposal should the Regulating District engage in subsequent sale(s) of serial bonds. Mr. Hayes seconded and the Board approved the motion by unanimous vote.

22-20-04 RESOLUTION SCHEDULING DATE AND TIME OF THE REGULAR MEETING FOR MAY 10, 2022

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

Robert P. Leslie
Secretary

Mark M. Finkle
Board Chair