

**HUDSON RIVER-BLACK RIVER REGULATING DISTRICT  
GOVERNANCE COMMITTEE MEETING  
737 Bunker Hill Road  
Mayfield, NY 12117  
June 14, 2022**

**Remote Conference-In Information**

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

<https://global.gotomeeting.com/join/384782925> or via phone.

United States: [+1 \(571\) 317-3112](tel:+15713173112) Access Code:384-782-925

**CALL TO ORDER**

Board Chair Mark Finkle asked the Board and assembled staff and visitors to honor Flag Day through a recitation of the pledge at the Flag outside before the Lake.

**PLEDGE OF ALLEGIANCE**

The Board observed Flag Day outside before the stars & stripes. Upon returning to the meeting room, Acting Governance Committee Chair Alfred J. Candido, Jr. called the Committee Meeting to Order at 10:05 A.M.

**ROLL CALL**

**Present:** Committee Members Kenneth DeWitt, Albert J. Hayes and Nicole Allen; Board Chair Mark M. Finkle; Board Member Timothy J. Reagan; Executive Director John C. Callaghan; General Counsel Robert P. Leslie; Chief Fiscal Officer Timothy Maniccia; Chief Engineer Robert S. Foltan; and Compliance Officer Stephanie Ruzycky.

**Video Feed:** Acting Committee Chair Alfred J. Candido, Jr., Board Member Richard Bird

**MOTION TO ADOPT COMMITTEE MEETING AGENDA**

Acting Committee Chair Candido asked for a motion to revise the agenda to reflect his tenure as Acting Chair, and consideration of resolutions extending the Ground Lease and Water Usage Agreement at Stillwater and the Reservoir Operating Agreement at Conklingville. Mr. Hayes moved to revise and adopt the meeting agenda. Mr. DeWitt seconded and the Committee approved the motion by unanimous vote.

**APPROVAL OF MARCH 8, 2022 GOVERNANCE COMMITTEE MEETING MINUTES**

Mr. Leslie noted that the March 8<sup>th</sup> Mr. DeWitt made a motion to adopt the March 8, 2022 Governance committee meeting minutes. Mr. Hayes seconded and the Committee approved the motion by unanimous vote.

## **COMMITTEE BUSINESS**

### **New Business –**

- A. Motion to advance to the Board a resolution to award the Regulating District's insurance program for policy year July 1, 2022 Through June 30, 2023 to Arthur J. Gallagher, Inc. – Mr. Maniccia

### **RESOLUTION TO AWARD THE REGULATING DISTRICT'S INSURANCE PROGRAM FOR POLICY YEAR JULY 1, 2022 THROUGH JUNE 30, 2023**

Mr. Maniccia presented a Resolution to award the Regulating District's insurance program for policy year July 1, 2022 through June 30, 2023. He noted that, pursuant to resolution 19-46-11, the Board authorized Marshall & Sterling Insurance to provide insurance and risk management services. Marshall & Sterling Insurance has crafted and overseen the launch of a formal competitive procurement process for Insurance Brokerage Services for the District's Insurance Program, but then advised the District to postpone the formal competitive procurement process for Insurance Brokerage Services because of the adverse effects the onset of the COVID-19 pandemic was likely to have on the competitive procurement process. Mr. Maniccia noted that on March 7, 2020 then Governor Cuomo declared a Disaster Emergency via Executive Order No. 202 and thereafter Governor Hochul declared a Disaster Emergency via Executive Order No. 11 on November 26, 2021 and most recently via Executive Order No. 11.6 on May 15, 2022. Both Executive Order No. 202 and Executive Order 11, allow state agencies, authorities and local governments to cope with the disaster emergency, and temporarily suspend a number of procurement statutes, including sections 112, 136-a and 163 of the State Finance Law, among others, to allow the purchase of necessary commodities, services, technology and materials. Mr. Maniccia recommended that the Board determine that the Insurance Program for policy year July 1, 2022 through June 30, 2023 is a necessary service. He noted that Cool Insuring Agency has satisfactorily provided the District's Insurance Program for many years and noting that Cool Insuring Agency, Inc. combined its operations with Arthur J. Gallagher, Inc., recommended the Board award the Regulating District's Insurance Program for the policy year of July 1, 2022 through June 30, 2023 to the Arthur J. Gallagher, Inc.

Acting Committee Chair Candido asked for a motion. Mr. DeWitt made a motion to advance to the full Board a resolution to award the Regulating District's insurance program for policy year July 1, 2022 through June 30, 2023 to Arthur J. Gallagher, Inc. Mr. Hayes seconded and the Committee approved the motion advancing the resolution to the full Board by unanimous vote.

- B. Motion to advance to the Board a resolution to approve insurance proposal for policy year July 1, 2022 through June 30, 2023 – Mr. Maniccia

### **RESOLUTION TO APPROVE INSURANCE PROPOSAL FOR POLICY YEAR JULY 1, 2022 THROUGH JUNE 30, 2023**

Mr. Maniccia presented a resolution to approve the insurance proposal for policy year July 1, 2022 through June 30, 2023. Building upon the Resolution awarding Arthur J. Gallagher, Inc. the Regulating District's insurance program for the policy year ending June 30, 2023, the Executive Director and Chief Fiscal Officer recommend that the Board accept the insurance proposal developed by Arthur J. Gallagher, Inc. for the annual premium amount of \$200,769.00.

Mr. Hayes made a motion to advance to the full Board a resolution awarding the Regulating District's insurance coverage contract for the period July 1, 2022 through June 30, 2023 to Arthur J. Gallagher, Inc. for the annual premium amount of \$200,769.00. Mr. DeWitt seconded and the Committee approved the motion advancing the resolution to the full Board by unanimous vote.

- C. Motion to advance to the full Board a resolution to approve a third amendment to the Reservoir Operating Agreement at Conklingville – Mr. Leslie

**RESOLUTION APPROVING A THIRD AMENDMENT TO THE RESERVOIR OPERATING AGREEMENT AT CONKLINGVILLE**

Mr. Leslie presented a resolution to the Committee for approval of a third amendment extending by six months the Reservoir Operating Agreement between the Hudson River – Black River Regulating District Board (“*Regulating District*”) and Erie Boulevard Hydropower, L.P., (“*Erie*”). He noted that the original agreement, dated July 1, 2003, later amended by agreement dated May 19, 2006, and further amended by agreement dated June 16, 2021, expires on June 30, 2022. He further explained that the said Reservoir Operating Agreement continues a long-term relationship with Erie and its predecessors in interest including previous Reservoir Operating Agreements with the Regulating District in 1927, 1939, 1949, 1971, and 1980. Mr. Leslie noted that the Regulating District hired Walden Environmental Engineering, PLLC, to appraise the fair market value of the Regulating District's 56 feet of head used by Erie at Conklingville and that the Regulating District intends to rely upon that appraisal in the negotiation of a new long-term replacement to the expiring Reservoir Operating Agreement. The parties acknowledge that additional time may be required for Erie to complete their analysis of the Walden appraisal, to complete their own appraisal and for the parties to negotiate a new long-term agreement. He and the Executive Director recommended that the Committee advance to the full Board the resolution to authorize the Executive Director to enter into an agreement extending the current Reservoir Operating Agreement's term by six months to December 31, 2022.

Mr. Hayes made a motion to advance to the full Board a Resolution authorizing the Executive Director to enter into an agreement extending the current Reservoir Operating Agreement at Conklingville by six months to December 31, 2022. Mr. DeWitt seconded and the Committee approved the motion advancing the resolution to the full Board by unanimous vote.

- D. Motion to Advance to the Board a Resolution Approving a Third Amendment to the Ground Lease and Water Usage Agreement at Stillwater– Mr. Leslie

**RESOLUTION APPROVING A FOURTH AMENDMENT TO THE GROUND LEASE AND WATER USAGE AGREEMENT AT STILLWATER**

Mr. Leslie presented a Resolution to the Committee to extend by three months the Ground Lease and Water Usage Agreement with Stillwater Associates, dated as of October 21, 1985 (the “*Original Ground Lease and Water Usage Agreement*”), as later amended by an Amendment to Ground Lease and Water Usage Agreement, dated as of February 17, 2006 (the “*Amendment to Ground Lease and Water Usage Agreement*”) and as later amended by a Second Amendment to Ground Lease and Water Usage Agreement, dated October 14, 2021 (the “*Second Amendment to Ground Lease and Water Usage Agreement*”) and that certain Third Amendment to Ground Lease and Water Usage Agreement, dated as of March 31, 2022 (the “*Third Amendment to Ground Lease and Water Usage Agreement*”). Mr. Leslie explained that the current agreement is set to expire on

June 30<sup>th</sup>, and that barring entry into a new agreement, the original agreement requires the Regulating District to purchase the existing plant for fair market value. The three month extension will afford the parties additional time for Stillwater Associates to complete their analysis of the Regulating District's appraisal, to complete their own appraisal and for the parties to negotiate a new long-term agreement or consummate the sale to finalize fair market appraisals.

Mr. Hayes made a motion to advance to the full Board and recommend adoption of the resolution which authorizes the Executive Director to execute a Fourth Amendment to the Ground Lease and Water Usage Agreement extending the extended term three months to September 30, 2022. Mr. DeWitt seconded and the Committee adopted the motion by unanimous vote.

## **ADJOURNMENT**

There being no further business to come before the Governance Committee, Mr. DeWitt moved to adjourn the meeting. Mr. Hayes seconded the motion to adjourn. The motion was unanimously approved. The committee meeting adjourned at 10:28 A.M.

Respectfully submitted,

Robert P. Leslie  
Secretary

Mark M. Finkle  
Board Chair