

**HUDSON RIVER-BLACK RIVER REGULATING DISTRICT
GOVERNANCE COMMITTEE MEETING**

**Sacandaga Field Office
737 Bunker Hill Road
Mayfield, NY 12117**

June 13, 2023

Immediately following the Finance Committee Meeting Scheduled for 10 AM

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

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CALL TO ORDER

Committee Chair Alfred J. Candido Jr. called the meeting to order at 10:09 AM.

ROLL CALL

Present: Committee Chair Alfred J. Candido, Jr.; Committee Members Kenneth F. DeWitt, Albert J. Hayes and Nicole T. Allen; Board Chair Mark M. Finkle; Board Members Richard Bird and Timothy J. Reagan; Executive Director John C. Callaghan; General Counsel Robert P. Leslie; Chief Engineer Robert S. Foltan; Chief Fiscal Officer Timothy M. Maniccia; and Director of Administrative Services Stephanie V. Ruzycky.

Video Feed:

MOTION TO ADOPT COMMITTEE MEETING AGENDA

Committee Chair Candido asked for a motion to adopt or revise the Committee meeting agenda. Mr. Hayes moved to adopt the meeting agenda. Mr. DeWitt seconded and the Committee approved the motion by unanimous vote.

APPROVAL OF MARCH 29, 2023 GOVERNANCE COMMITTEE MEETING MINUTES

Committee Chair Candido called for a motion to adopt the March 29, 2023 Governance Committee meeting minutes. Ms. Allen so moved. Mr. DeWitt seconded and the Committee approved the motion by unanimous vote.

COMMITTEE BUSINESS

New Business

RESOLUTION TO AWARD THE REGULATING DISTRICT'S INSURANCE PROGRAM FOR POLICY YEAR JULY 1, 2023 THROUGH JUNE 30, 2024

Mr. Maniccia presented a resolution to award the Regulating District's insurance program for policy year July 1, 2023 through June 30, 2024. Mr. Maniccia noted that the New York State Office of General Services, Bureau of Risk and Insurance Management dedicates staff to provide professional services and guidance on risk coverage and insurance needs for government agencies, authorities and public benefit corporations. He explained that the Bureau has competed the competitive procurement process for a wide range of insurance coverage; including General Liability, Umbrella-Excess Liability Property, Employment Practices Liability, Cyber/Data Breach Coverage and other coverage previously utilized by the Regulating District. He recommended that the Committee advance to the full Board and recommend adoption of the resolution awarding the Regulating District's Insurance Program for the policy year of July 1, 2023 through June 30, 2024 to the New York State Office of General Services, Bureau of Risk and Insurance Management.

Governance Committee Chair Candido asked for a motion to advance to the full board and recommend adoption of the resolution to award the Regulating District's insurance program for policy year July 1, 2023 through June 30, 2024 to the New York State Office of General Services, Bureau of Risk and Insurance Management. Mr. Hayes so moved and Ms. Allen seconded. The Committee approved the motion advancing the resolution by unanimous vote.

RESOLUTION TO APPROVE INSURANCE PROPOSAL FOR POLICY YEAR JULY 1, 2023 THROUGH JUNE 30, 2024

Mr. Maniccia presented a resolution to approve the insurance proposal for policy year July 1, 2023 through June 30, 2024. Building upon the Resolution awarding the New York State Office of General Services Bureau of Risk and Insurance Management the Regulating District's insurance program for the policy year ending June 30, 2024, the Chief Fiscal Officer recommended that the Committee advance to the full Board and recommend adoption of the insurance proposal developed by the Bureau for the annual premium amount of \$236,518.25; which includes the cost of insurance coverage and the cost recovery fee charged by the Bureau (but excludes Stamping and other fees charged by insurance carriers and expected to be minimal. In response to Mr. Candido's question, Mr. Maniccia noted that the premium increased by 7.1% over last year.

Governance Committee Chair Candido asked for a motion to advance to the full board and recommend adoption of the resolution awarding the Regulating District's insurance coverage contract for the period July 1, 2023 through June 30, 2024 to the New York State Bureau of Risk and Insurance Management for the annual premium amount of \$236,518.25. Mr. DeWitt so moved and Ms. Allen seconded. The Board approved the motion adopting the resolution by unanimous vote.

RESOLUTION APPROVING A FIFTH AMENDMENT TO THE RESERVOIR OPERATING AGREEMENT AT CONKLINGVILLE

Mr. Leslie presented a resolution to authorize the Executive Director to enter into a fifth amendment extending 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 an agreement dated May 19, 2006, and further amended by agreements dated June 16, 2021, June 29, 2022 and December 21, 2022, expires on June 30, 2023. Mr. Leslie 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, 1980 and 2003. Mr. Leslie noted that the Regulating District secured from Walden Environmental Engineering, PLLC, an appraisal of 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. He acknowledged that the Federal Energy Regulatory Commission (“FERC”) has yet to rule upon competing Petitions filed by the Regulating District and Erie seeking assistance resolving a dispute which impacts negotiations toward a new agreement and recommended that the Committee advance to the full board and recommend adoption of 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, 2023 to afford FERC time to rule and Erie to complete its analysis of the Regulating District’s Walden appraisal and/or supply its own appraisal.

Mr. DeWitt made a motion to advance to the full board and recommend adoption of the resolution authorizing the Executive Director to enter into an agreement extending the current Reservoir Operating Agreement at Conklingville by six months to December 31, 2023. Ms. Allen seconded and the Board approved the motion advancing the resolution by unanimous vote.

RESOLUTION APPROVING AN EIGHTH AMENDMENT TO THE GROUND LEASE AND WATER USAGE AGREEMENT AT STILLWATER

Mr. Leslie presented a resolution to authorize the Executive Director to enter into an eighth amendment to extend by three months the Ground Lease and Water Usage Agreement with Stillwater Associates. He explained that the current agreement is set to expire on June 30th and that, barring entry into a new agreement, the original agreement requires the Regulating District to purchase the existing plant for fair market value. Mr. Leslie explained that the parties have secured review of their respective appraisals by a third appraiser and have also secured a final appraisal by that appraiser. He noted that the three month extension will afford the parties additional time to finalize negotiations based upon this final fair market appraisal.

Ms. Allen made a motion to advance to the full board and recommend adoption of the resolution which authorizes the Executive Director to execute an Eighth Amendment to the Ground Lease and Water Usage Agreement extending the extended term three months to September 30, 2023. Mr. DeWitt seconded and the Board advanced the resolution by unanimous vote.

ADJOURNMENT

There being no further business to come before the Governance Committee, Mr. Hayes moved to adjourn the meeting. Mr. DeWitt seconded the motion to adjourn. The Committee approved the motion by unanimous vote. The committee meeting adjourned at 10:31 A.M.

Respectfully submitted,

Robert P. Leslie
Secretary

Mark M. Finkle
Board Chair