

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

**June 20, 2024
10 AM**

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

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 10:00 AM.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: Committee Chair Alfred J. Candido, Jr.; Committee Members Albert J. Hayes and Nicole T. Allen; Board Chair Mark M. Finkle; Board Member 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.

Excused: Committee Member Kenneth F. DeWitt (traffic)

Video Feed: Board Member Richard Bird (travel)

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. Mrs. Allen seconded and the Committee approved the motion by unanimous vote.

APPROVAL OF APRIL 9, 2024 GOVERNANCE COMMITTEE MEETING MINUTES

Committee Chair Candido called for a motion to adopt the April 9, 2024 Governance Committee meeting minutes. Mrs. Allen so moved. Mr. Hayes seconded and the Committee approved the motion by unanimous vote.

COMMITTEE BUSINESS

New Business

- A. Motion to Advance to the Full Board and Recommend a Resolution to Award the Regulating District's Insurance Program for Policy Year July 1, 2024 Through June 30, 2025.

RESOLUTION TO AWARD THE REGULATING DISTRICT'S INSURANCE PROGRAM FOR POLICY YEAR JULY 1, 2024 THROUGH JUNE 30, 2025

Mr. Maniccia presented a resolution to award the Regulating District's insurance program for policy year July 1, 2024 through June 30, 2025. 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, 2024 through June 30, 2025 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, 2024 through June 30, 2025 to the New York State Office of General Services, Bureau of Risk and Insurance Management. Mr. Hayes so moved and Mrs. Allen seconded. The Committee approved the motion advancing the resolution by unanimous vote.

- B. Motion to Advance to the Full Board and Recommend a Resolution to Approve Insurance Proposal for Policy Year July 1, 2024 Through June 30, 2025.

RESOLUTION TO APPROVE INSURANCE PROPOSAL FOR POLICY YEAR JULY 1, 2024 THROUGH JUNE 30, 2025

Mr. Maniccia presented a resolution to approve the insurance proposal for policy year July 1, 2024 through June 30, 2025. 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, 2025, 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 \$293,118.53; 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.

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, 2024 through June 30, 2025 to the New York State Bureau of Risk and Insurance Management for the annual premium amount of \$293,118.53. Mrs. Allen so moved and Mr. Hayes seconded. The Board approved the motion adopting the resolution by unanimous vote.

- C. Motion to Advance to the Full Board a Resolution to Award the Regulating District's Marine Insurance Program and Approve Marine Insurance Proposal for Policy Year July 1, 2024 Through June 30, 2025.

RESOLUTION TO AWARD THE REGULATING DISTRICT'S MARINE INSURANCE PROGRAM AND APPROVE MARINE INSURANCE PROPOSAL FOR POLICY YEAR JULY 1, 2024 THROUGH JUNE 30, 2025

Mr. Maniccia presented a resolution to award the Regulating District's Marine Insurance Policy for the policy year July 1, 2024 through June 30, 2025 to Arthur J. Gallagher and to approve the firm's proposal to supply such insurance during that period. Mr. Maniccia explained that Marine Insurance coverage has historically existed separate and apart from the other insurance coverages obtained by the Regulating District, in part because the term of the coverage differs from that of the other insurance coverages the Regulating District obtains and covers marine liability coverage, which protects ship owners and operators against liabilities and expenses arising from the operation of their vessels, including third-party liabilities, collision liabilities, wreck removal costs, and crew liabilities. He noted that Marine Insurance coverage also consists of hull coverage, which covers damage to the hull, deck, and other structural components of the boat caused by accidents, such as collisions, grounding, or storms as well as coverage for theft, vandalism, and fire damage. Mr. Maniccia pointed out that Arthur J. Gallagher has satisfactorily served as the Regulating District's insurance broker for many years, including in the provision of Marine Insurance coverage, and recommended the Board continue that relationship. Mr. Maniccia also noted that Arthur J. Gallagher proposed a Marine Insurance policy for the fiscal period of July 1, 2024 through June 30, 2025 for an amount estimated at \$6,002.00. In response to Mr. Candido's question, Mr. Maniccia noted that the premium increased by about 10% over last year.

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 Marine Insurance Program for policy year July 1, 2024 through June 30, 2025 to Arthur J. Gallagher and to approve the firm's proposal to furnish marine insurance coverage for that period for an amount not to exceed \$6,002.00. Mr. Hayes so moved and Mrs. Allen seconded. The Committee approved the motion advancing the resolution by unanimous vote.

- D. Motion to Advance to the Full Board a Resolution to Award Lease to Operate Stillwater Hydroelectric Plant to Northern Power & Light, Inc. (Contract L012024R).

RESOLUTION TO AWARD LEASE TO OPERATE STILLWATER HYDROELECTRIC PLANT TO NORTHERN POWER & LIGHT, INC. (CONTRACT L012024R)

Mr. Leslie presented the resolution to award the Lease to operate the Stillwater Hydroelectric Plant to Northern Power & Light, Inc. He noted that Stillwater Associates, LP has continued to pay rent pursuant to the terms outlined in the original Ground Lease and Water Usage Agreement, but that through mutual agreement between the parties to said lease, such tenancy will terminate on June 30, 2024. The parties are working to close upon the sale of the hydroelectric plant Stillwater Associates, LP constructed on the leased parcel to the Regulating District by that same date. In anticipation of the expiration of the lease to Stillwater Associates LP, and the Regulating District's purchase of the hydroelectric plant, the Regulating District published a request for proposals in the NYS Contract Reporter, and solicited proposals via print and online advertisements seeking entities interested in leasing and operating the Plant; said solicitation garnering nearly three dozen interested bidders. Mr. Leslie explained that six (6) potential bidders participated in either an in-person site visit or a virtual site visit and that the Regulating District received two proposals in response to the solicitation.

Northern Power & Light proposes a lease payment of Fifty Thousand Dollars (\$50,000) annually, subject to a 3% annual escalator, to be paid in monthly installments. The other bidder, Clifton Science and Engineering, LLC proposed a range of three alternate lease payment options. The Chief Fiscal Officer determined Clifton Science and Engineering, LLC's proposal to be non-responsive to the solicitation due to the failure of the firm to provide a firm rent proposal in the format specified, then reviewed the remaining proposal for compliance with the RFP Documents and made a determination of apparent high bidder according to the RFP. A team of three evaluators, consisting of the Chief Engineer, General Counsel and the Director of Administrative Services, assessed each proposal against a set of criteria to establish a technical score; reviewing evidence of each proposer's experience reliability and responsibly operating similar hydroelectric facilities. All four members of the evaluation team recommend that the Board conditionally award to Northern Power & Light, Inc. a lease for a period of six (6) years, with an option available for an additional twenty (20) year term commencing July 1, 2024 for a portion of the SITE and the PLANT; and seek Board authorization for the Executive Director to form and execute a lease with Northern Power & Light, Inc.

Mr. DeWitt joined the Committee at 10:19AM.

Mr. Leslie noted that the Plant operates pursuant to perpetual exemption (P-6743) from licensure issued by the Federal Energy Regulatory Commission ("FERC") on March 14, 1984 and that on June 14, 1985, as later amended February 28, 1993, Stillwater Associates, LP entered into a transferable Power Purchase Agreement ("PPA") with National Grid governing the price National Grid pays for energy generated at the Plant.

The evaluation team seeks authority to facilitate a transfer of the Power Purchase Agreement between National Grid and Stillwater Associates, LP to Northern Power & Light, Inc. and authority to alert the Commission to the new operator of the exempt facility. Mr. Leslie noted that the agreement with NP&L will be subject to review and approval by the NYS Attorney General.

Committee Chair Candido called for a motion advancing to the full board and recommending approval of a resolution conditionally awarding the lease and operation of the State-owned Hydroelectric Plant at Stillwater Reservoir to Northern Power & Light, Inc. and authorizing the Executive Director to form a lease for a portion of the SITE and the Plant for a period of six (6) years, with an option available for an additional twenty (20) year term commencing July 1, 2024 for a lease payment of Fifty Thousand Dollars (\$50,000) annually, subject to a 3% annual escalator, to be paid in monthly installments. Mrs. Allen so moved and Mr. Hayes seconded. The Committee approved the motion advancing the resolution by unanimous vote.

- E. Motion to Advance to the Full Board a Resolution to Authorize the Expenditure of Additional Funds to Complete the Sacandaga Field Office Boathouse Roof Replacement.

RESOLUTION TO AUTHORIZE THE EXPENDITURE OF ADDITIONAL FUNDS TO COMPLETE THE SACANDAGA FIELD OFFICE BOATHOUSE ROOF REPLACEMENT

Ms. Ruzycky presented a resolution to authorize an expenditure to complete the SFO Boathouse roof. She noted that, pursuant to Resolution 23-37-08, the Board authorized \$8,750.00 to Correll Contracting Corp. for the replacement of the Sacandaga Field Office boathouse roof. During construction, the contractor discovered deteriorated sheathing warranting additional labor and material expenditures to complete the scope of services outlined in its May 2, 2023 proposal. Ms. Ruzycky explained the cost to acquire and install the replacement materials represent a change to the proposed scope of work and required the expenditure of an additional \$120.00.

Committee Chair Candido called for a motion advancing to the full board and recommending approval of a resolution authorizing the expenditure of and additional \$120.00 increasing the contract with Correll Contracting Corp. to a total contract price not to exceed \$8,870.00. Mr. Hayes so moved and Mrs. Allen seconded. The Committee approved the motion advancing the resolution by unanimous vote.

- F. Motion to Advance to the Full Board a Resolution Authorizing the Expenditure of \$6,607.80 for Purchase of Six Replacement Sections of Log Boom for Stillwater Dam.

RESOLUTION AUTHORIZING THE EXPENDITURE OF \$6,607.80 FOR PURCHASE OF SIX REPLACEMENT SECTIONS OF LOG BOOM FOR STILLWATER DAM

Mr. Foltan presented a resolution to authorize the expenditure of \$6,607.80 for the

purchase of six replacement sections of log boom for the Stillwater Dam. He noted that six sections of the TuffBoom booms in use at Stillwater Dam are showing wear and tear and are in need of repair and/or replacement. Staff solicited a quote from Worthington Waterway Barriers for new polyethylene “TuffBoom” log boom sections with interconnection hardware, anchor connections and chains and concluded the quote provided of \$6,607.80 to be reasonable. Mr. Foltan noted the TuffBoom system comes with a 50-year warranty, and is in use by the Regulating District at the Conklingville Dam, the Stillwater Dam, and will be deployed at the Indian Lake Dam in conjunction with the ongoing rehabilitation project.

Committee Chair Candido called for a motion advancing to the full board and recommending adoption of the resolution authorizing the expenditure of \$6,607.80 for the purchase of six replacement log boom sections from Worthington Waterway Barriers. Mrs. Allen so moved and Mr. Hayes seconded. The Committee approved the motion advancing the resolution by unanimous vote.

- G. Motion to Advance to the Full Board a Resolution Authorizing the Executive Director to Negotiate and Enter into an Agreement with Interactive Media Consulting, LLC.

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

Ms. Ruzycky presented a resolution authorizing an agreement with Interactive Media Consulting, LLC. She noted that the Regulating District implemented a new online payment system in 2021 to allow customers the ability to renew access permits online. The permit transaction system has resulted in greater speed for renewals, and improved record keeping such as a definitive email confirmation of a successful transaction. She suggested that the Regulating District seeks to build on these improvements by further enhancing the functionality of the online system and providing the necessary technical support to customers, and that Interactive Media Consulting, LLC (“IMC”), a certified WBE, has provided necessary technical support services pursuant to Board authorizations enacted in May 2020, November of 2021, May 2022, and August 2023. She noted that IMC also manages the Regulating District’s Constant Contact account and provides website hosting services. Ms. Ruzycky recommended the Board approve IMC’s June 5, 2024, proposal to perform the services described above, for an amount not-to-exceed \$8,624.00, for the period July 1, 2024 through June 30, 2025.

Committee Chair Candido called for a motion advancing to the full Board and recommending adoption of a resolution authorizing the Executive Director to enter into an agreement with Interactive Media Consulting, LLC for the period of July 1, 2024 through June 30, 2025 at an amount not to exceed \$8,624.00. Mr. Hayes so moved and Mrs. Allen seconded. The Committee approved the motion advancing the resolution by unanimous vote.

- H. Motion to Advance to the Full Board a Resolution Authorizing the Executive Director to Enter into an Amendment to the April 2023 Agreement with LogicalNet for Information Technology Services

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN AMENDMENT TO THE APRIL 2023 AGREEMENT WITH LOGICALNET FOR INFORMATION TECHNOLOGY SERVICES

Mr. Maniccia presented a resolution authorizing an amendment to the Regulating District's April 2023 Agreement through which LogicalNet Corporation (LogicalNet) provides information technology services. He noted pursuant to resolution 23-07-03, adopted on March 29, 2023, the Board authorized staff to enter into an agreement with LogicalNet, continuing the provision of managed network services commenced in December 2019. He explained that the Regulating District has implemented several LogicalNet recommendations responsive to the then ongoing Office of the State Comptroller's audit regarding security over critical systems, and that LogicalNet has supplied a proposal to continue to provide recommendations to increase the Regulating District's cybersecurity awareness and defenses; as well server upgrades to enhance the functionality of the Regulating District's information technology infrastructure. Recommendations include replacement of the main servers in Albany and Mayfield, as well as new firewall licenses and email protection to continue and enhance current levels of cyber security. Mr. Maniccia recommended that the Board authorize the Executive Director to amend the April 2023 agreement, make a \$41,800 one-time payment for the infrastructure upgrades and extend the agreement for an additional three years at \$1,674 per year.

Committee Chair Candido called for a motion to advance to the full board and recommend adoption of a resolution authorizing the Executive Director to enter into an amendment extending the April 2023 agreement with LogicalNet for a one-time payment not-to-exceed \$41,800.00 and a recurring annual payment of \$1,674.00 for additional cost over three years not to exceed \$46,822.00. Mrs. Allen so moved. Mr. Hayes seconded and the Committee adopted the motion by unanimous vote.

ADJOURNMENT

There being no further business to come before the Governance Committee, Mr. Hayes moved to adjourn the meeting. Mrs. Allen seconded the motion to adjourn. The Committee approved the motion by unanimous vote. The committee meeting adjourned at 10:32 A.M.

Respectfully submitted,

Robert P. Leslie
Secretary

Mark M. Finkle
Board Chair