



MINUTES

NEW YORK STATE CANAL CORPORATION

BOARD MEETING NO. CC-149

September 19, 2007

Minutes of a meeting of the New York State Canal Corporation, held in the Board Room at Administrative Headquarters, 200 Southern Boulevard, Albany, New York, 12209.

The meeting began at 9:05 a.m.

There were present:

**John L. Buono, Chairman
E. Virgil Conway, Board Member
Erin M. Crotty, Board Member
Frederick M. Howard, Board Member
Jeffrey D. Williams, Board Member
Kevin J. Plunkett, Board Member**

Constituting a majority of the members of the Canal Corporation Board.

Vice Chair Carey Cassidy was not present at this meeting and did not vote on any of the Items.

In addition, there were present the following staff personnel:

Michael R. Fleischer, Executive Director

John Bryan, Chief Financial Officer
Sharon O’Conor, General Counsel
William Rinaldi, Director, Albany Division
Christopher Waite, Chief Engineer
Jill Warner, Secretary and Board Administrator
Daniel Gilbert, Chief of Staff
Wendy Allen, Deputy Chief of Staff
John Barr, Director, Administrative Services
Donald Bell, Director, Operations and Maintenance
Carmella Mantello, Director of Canal Corporation
Joanne Riddett, Director, Information Technology
Michael Flynn, Director, Audit & Management Services
Kevin Allen, Unit Supervisor, Audit & Management Services
Betsy Graham, Acting Director, Office of Public Affairs
Tracie Sandell, Assistant Counsel
Peter Casper, Assistant Counsel
Liz Yanus, Office Manager, Office of the Deputy Chief of Staff
Thomas Pericak, Acting Director, Buffalo Division
Dorraine Steele, Director, Office of Fiscal Audit and Budget
Carolyn Laney, Director of Long Range Planning, Policy and Analysis
Cathy Sheridan, Canal Capital Program Manager
John DiMura, Canal Trails, Canal Community Development and Land Management
John Callaghan, Special Assistant, Canal Community Development and Land Management
William McDonough, Assistant Investment Officer, Bureau of Debt Management
Michael Sikule, Director, Office of Investments and Asset Management
Major George Beach, Troop T
Also in Attendance:
Gerald Nielsten, Senior Principal, Stantec Consulting
Stanley Kramer, Bond Counsel, Hawkins Delafield & Wood, LLP
Michael Anderson, New York State Department of Transportation
Cathy Woodruff, Reporter, *Albany Times Union*
Karl Diehl, Production Coordinator, NYN

Chairman Buono noted that he, Mr. Howard, Mr. Plunkett, Mr. Conway, Mr. Williams and Ms. Crotty had received and reviewed the Agenda submitted for consideration at this meeting and were prepared to act on each of the items.

Ms. Warner recorded the minutes as contained herein.
Public notice of the meeting had been given, Ms. Warner said.



Chairman Buono reported that he, along with Authority staff and consultants, had recently met with and briefed representatives from Standard & Poors and Moody's Investors Service. He commended Authority staff for their professionalism and praised the consultants for highlighting significant national transportation issues and impacts.

Item 1 by Ms. Warner (Appendix A)
Minutes of Meeting No. CC-1478

On the motion of Mr. Plunkett, seconded by Mr. Williams, without any objections, the Board approved the minutes of Meeting No. CC-148 held on July 18, 2007 which were made available to the Board Members as part of the Agenda.

Item 2 by Mr. Fleischer (Appendix B)
Report to the Canal Corporation Board for Personal Service Contracts Up to \$150,000 for the Period April 1, 2007 through June 30, 2007

Mr. Fleischer submitted as Exhibit I a listing containing Personal Service Contracts up to \$150,000 for the period of April 1, 2007 through June 30, 2007.

After full discussion, on the motion of Mr. Howard, seconded by Mr. Conway, without any objections, the Board accepted Mr. Fleischer's report.

Item 3 by Ms. Mantello (Appendix C)
Authorizing the Executive Director to Stipulate to the United States Environmental Protection Agency's Offer for the Taking of Three Parcels in Fort Edward, New York in Connection with the Hudson River PCB Superfund Cleanup

Ms. Mantello advised that the USEPA has been proceeding with a "friendly" condemnation of three Corporation parcels to be used in conjunction with the Hudson River PCB dredging project. It is necessary for both the Corporation and the USEPA to stipulate to the value of the property in order to expedite the process and avoid a judicial determination of value. The USEPA has also been corresponding with the Corporation to address concerns relative to access to the properties to maintain the Canal System, public access to Lock 8, navigability issues, and the eventual transfer of the properties back to the State of New York once the project has been completed.

Mr. Plunkett asked what GE's appraised value of the property was. Ms. Mantello advised that it was \$301,000. She added that the amount of the counter-offer (\$355,660) was derived from an appraisal conducted during a previous lease negotiation. The appraised value of one of the parcels was 20 percent higher during the lease negotiation so the Authority applied a 20 percent increase to all three parcels. Staff affirmed for Mr. Plunkett that this value was consistent with the Authority's lease



Item 3 by Ms. Mantello (Appendix C)

Authorizing the Executive Director to Stipulate to the United States Environmental Protection Agency's Offer for the Taking of Three Parcels in Fort Edward, New York in Connection with the Hudson River PCB Superfund Cleanup (Continued)

appraisal analysis. Mr. Williams asked what the amount of frontage was. Staff did not know the exact amount, but estimated the total acreage of the property to be approximately two miles including the access road. Ms. O'Connor advised that the Authority has received \$130,000 from General Electric (GE) as reimbursement for legal and administrative expenses.

After full discussion, on the motion of Mr. Plunkett, seconded by Ms. Crotty, without any objections, the Board adopted the following resolution:

RESOLUTION NO. 434

AUTHORIZING THE EXECUTIVE DIRECTOR TO STIPULATE TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY'S OFFER FOR THE TAKING OF THREE PARCELS IN FORT EDWARD, NEW YORK IN CONNECTION WITH THE HUDSON RIVER PCB SUPERFUND CLEANUP

RESOLVED, that the Executive Director, or his designee, be, and hereby is, authorized to enter into a stipulation agreement with the USEPA for the condemnation of the following properties: (1) the 25 acres of Canal Corporation property the USEPA selected as the appropriate location for the transfer facility; (2) the property for the proposed location of the alternative access road just north of lock C-8; and (3) property just west of Roger's Island to be used as a Marina Support Facility, with a combined value of \$355,660; and be it further

RESOLVED, that this resolution be incorporated in the minutes of this meeting



Item 4 by Ms. Mantello (Appendix D)

Authorizing the Executive Director to Execute a Non-Engineering Personal Service Contract with Parks and Trails New York to Strengthen the Role of Volunteers and Local Communities in Helping Promote, Develop, Maintain and Enhance the Canalway Trail System

After full discussion, on the motion of Mr. Howard, seconded by Mr. Plunkett, without any objections, the Board adopted the following resolution:

RESOLUTION NO. 435

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A NON-ENGINEERING PERSONAL SERVICES CONTRACT WITH PARKS & TRAILS NEW YORK, INC. TO STRENGTHEN THE ROLE OF VOLUNTEERS AND LOCAL COMMUNITIES IN HELPING PROMOTE, DEVELOP, MAINTAIN AND ENHANCE THE CANALWAY TRAIL SYSTEM

RESOLVED, that the Executive Director be, and hereby is, authorized to approve and execute an agreement with Parks & Trails New York, Inc. to strengthen the role of volunteers and local communities in helping promote, develop, maintain and enhance the Canalway Trail System, for an initial term of two years commencing January 1, 2008, with an option to renew for one additional one-year term; and be it further

RESOLVED, that such agreement shall have an approximate annual cost of \$55,000 per year, with a maximum amount payable of \$110,000 for the initial 2-year term; and be it further

RESOLVED, that the Executive Director is also authorized to include such other terms and conditions as he deems necessary and in the best interest of the Canal Corporation; and be it further

RESOLVED, that the Chief Financial Officer be, and hereby is, authorized to charge expenditures to the 2008 Canal System Development Fund for such services at an



Item 4 by Ms. Mantello (Appendix D)

Authorizing the Executive Director to Execute a Non-Engineering Personal Service Contract with Parks and Trails New York to Strengthen the Role of Volunteers and Local Communities in Helping Promote, Develop, Maintain and Enhance the Canalway Trail System (Continued)

approximate annual cost of \$55,000 per year; and be it further

RESOLVED, that the Executive Director be, and hereby is, authorized to exercise the option to renew the Agreement for the additional one-year period, on the terms and conditions deemed to be in the best interest of the Corporation for an amount not to exceed \$55,000 for the one-year additional term and a maximum amount payable of \$165,000 over the entire three year period; and be it further

RESOLVED, that the Executive Director or his designee shall have the authority to exercise all powers reserved to the Canal Corporation under the provisions of the contract, manage and administer the contract, amend provisions of the contract consistent with the terms of this item and other Board authorizations and suspend or terminate the contract in the best interest of the Canal Corporation; and be it further

RESOLVED, that this resolution be incorporated in the minutes of the meeting

Item 5 by Mr. Waite (Appendix E)

Approving Supplemental Agreement No. 1 to D213495 with Collins Engineers, P.C. for Below Water Inspection of Canal Structures System-wide

After full discussion, on the motion of Mr. Williams, seconded by Mr. Conway, without any objections, the Board adopted the following resolution:

RESOLUTION NO. 436

**APPROVING SUPPLEMENTAL AGREEMENT NO. 1 TO
D213495 WITH COLLINS ENGINEERS, P.C. FOR
BELOW WATER INSPECTION OF CANAL**



Item 5 by Mr. Waite (Appendix E)

Approving Supplemental Agreement No. 1 to D213495 with Collins Engineers, P.C. for Below Water Inspection of Canal Structures System-wide (Continued)

STRUCTURES SYSTEM-WIDE AND ALLOCATING FUNDS THEREFOR

RESOLVED, that the proposed Supplemental Agreement No. 1 to D213495 with Collins Engineers, P.C., 1058 Broadway, Albany, New York 12204, for an additional sum of \$350,000, be, and the same hereby is, approved, and be it further

RESOLVED, that the Corporation declares that these Canal system inspections are deemed to be necessary due to the existence of an emergency involving danger to life, safety or property and in accordance with the provisions of Section 383(1)(c) of the Public Authorities Law and authorizes the use of \$28,750 in bond proceeds issued in accordance with the provisions of the Public Authorities Law towards D213495, and be it further

RESOLVED, that an additional \$235,000 be allocated to this agreement from bid savings and other adjustments made to the 2007 Contracts Program, and be it further

RESOLVED, that the revised Maximum Amount Payable for this Agreement (D213495) be \$1,150,000, and be it further

RESOLVED, that the Chief Engineer or his designees shall have the authority to exercise all powers reserved to the Corporation under the provisions of the Supplemental Agreement, manage and administer the Supplemental Agreement, amend the provisions of the Supplemental Agreement consistent with the terms of this item and in accordance with the 2007 Contracts Program Resolution and other Board authorizations, and suspend or terminate the Supplemental Agreement in the best interests of the Corporation, and be it further



Item 5 by Mr. Waite (Appendix E)

Approving Supplemental Agreement No. 1 to D213495 with Collins Engineers, P.C. for Below Water Inspection of Canal Structures System-wide (Continued)

RESOLVED, that this resolution be incorporated in the minutes of this meeting

Report to the Board by Ms. Mantello

Ms. Mantello reported that the water levels in the reservoirs and tributaries leading to the Canal are low and that the Canal Corporation is taking action to conserve water. A drought caused by low precipitation over the past three months resulted in water levels in the Mohawk River basin to be the lowest recorded since the Hinckley Reservoir was created in 1915. In an effort to preserve navigation levels in this area, the Corporation implemented scheduled lockings between Locks E-7 in Niskayuna and E-20 in Marcy. The Corporation is working with the State Emergency Management Office and local emergency managers to address the situation.

Mr. Howard inquired if the drought was caused by the lack of rainfall in the Adirondacks. Ms. Mantello advised that precipitation has been minimal in both the southern Adirondacks and the Tug Hill Plateau. If the drought continues, additional measures will need to be taken in the next two to three weeks.

Adjournment

There being no further business to come before the Board, on the motion of Mr. Plunkett, seconded by Ms. Crotty, without any objections, the meeting was adjourned.

Jill B. Warner
Secretary

