



MINUTES

NEW YORK STATE CANAL CORPORATION

BOARD MEETING NO. CC-146

April 18, 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 10:30 a.m..

There were present:

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

Constituting all of the members of the Thruway Authority Board.

In addition, there were present the following staff personnel:

**Michael R. Fleischer, Executive Director
John Bryan, Chief Financial Officer
Sharon O'Connor, General Counsel**

William Rinaldi, Director, Albany Division
Christopher Waite, Chief Engineer
Joanne Riddett, Director, Information Technology
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
Michael Flynn, Director, Audit & Management Services
Kevin Allen, Unit Supervisor, Audit & Management Services
Cathy Sheridan, Canal Capital Program Manager
Betsy Graham, Acting Director, Office of Public Affairs
John Brizzell, Transportation Federation Liaison
Tracie Sandell, Assistant Counsel
Peter Casper, Assistant Counsel
Carolyn Laney, Director of Long Range Planning, Policy and Analysis
Liz Yanus, Office Manager, Office of the Deputy Chief of Staff
Kathy Taylor, Cash Management Analyst, Bureau of Debt Management
Michael Sikule, Director, Office of Investments and Asset Management
William Leslie, Director, Buffalo Division
Lawrence Frame, Deputy Director, Canal Corporation
Jennifer Meicht, Deputy Director, Canal Office of Communications and Marketing
Mark Andersen, Director, Travelers' Services
Steve Sweeney, Canal Engineer, Albany Division
John Callaghan, Special Assistant, Canal Community Development and Land Management
Karen Wilson, Network Services Team, Information Technology
Captain John McCarthy, Troop T
Also in Attendance:
Stanley Kramer, Bond Counsel, Hawkins Delafield & Wood, LLP
Steven Kantor, Managing Director, First Southwest Company
Robert Christie, Executive Director, Morgan Stanley & Company
Steven Turner, Partner, Hawkins Delafield & Wood LLP
Doron Bar-Levav, Member, Harris Beach PLLC
Cathy Woodruff, Reporter, *Albany Times Union*
Geraldine Gauthier, General Public

Chairman Buono noted that he, Mr. Howard, Mr. Plunkett, Mr. Conway, Ms. Crotty, Ms. Carey Cassidy and Mr. Williams 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.

Item 1 by Ms. Warner (Appendix A)
Minutes of Meeting No. CC-145

On the motion of Mr. Plunkett, seconded by Mr. Williams, without any objections, the Board approved the minutes of Meeting No. CC-145 held on March 21, 2007 which were made available to the Board Members as part of the Agenda.

Item 2 by Ms. Mantello (Appendix B)
2007 Recreational Boating Toll Waiver Pilot Program

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

RESOLUTION NO. 418
2007 RECREATIONAL BOATING TOLL WAIVER PILOT PROGRAM

RESOLVED, that the Board adopted Resolution No. 375 at Meeting CC-138 on March 23, 2006, as amended by Resolution No. 408 adopted at Meeting CC-144 on January 17, 2007, authorizing the creation of the 2006 Recreational Boating Improvement and Enhancement Program and a one-year pilot program waiving recreational boating tolls for the 2006 navigation season; and be it further

RESOLVED, that the Board authorizes a one-year extension of this pilot program for 2007 to waive recreational boating tolls along the New York State Canal System and that the collection of tolls for recreational use of the Canals is hereby waived for the 2007 navigation season to increase recreational use of the Canal; and be it further



Item 2 by Ms. Mantello (Appendix B)

2007 Recreational Boating Toll Waiver Pilot Program (Continued)

RESOLVED, to offset the loss of recreational Canal toll revenues for the 2007 navigation season 15 seasonal staff associated with toll collection at Canal locks will not be hired, reducing budgeted costs by \$163,000 and the NYS Department of Transportation (NYSDOT) will increase by \$80,000 the federal aid funding provided to the Thruway Authority to assist efforts to suspend Canal recreation tolls in 2007 and be it further

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

Item 3 by Mr. Waite (Appendix C)

Authorizing Negotiation and Execution of Engineering Agreement D213691 with WSA Group, PE-PC for Construction Inspection Services Relative to TAA 07-20C, Rehabilitation of Movable Dam 10 at Lock E-14 in the Albany Division

Ms. Crotty asked if this project was associated with the flooding. She was advised by staff that it was, in fact, flood-related and was being accelerated from a 2008 letting.

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

RESOLUTION NO. 419

AUTHORIZING NEGOTIATION AND EXECUTION OF ENGINEERING AGREEMENT D213691 WITH WSA GROUP, PE-PC FOR CONSTRUCTION INSPECTION SERVICES RELATIVE TO TAA 07-20C, REHABILITATION OF MOVABLE DAM 10 AT LOCK E-14 IN THE ALBANY DIVISION

RESOLVED, that the Chief Engineer be, and hereby is, authorized to negotiate and execute engineering agreement D213691 with WSA Group, PE-PC, Three Lear Jet Lane, Suite 202, Latham, New York 12110 for construction inspection services relative to TAA 07-20C, Rehabilitation of Movable Dam 10 at Lock E-14 in the



Item 3 by Mr. Waite (Appendix C)

Authorizing Negotiation and Execution of Engineering Agreement D213691 with WSA Group, PE-PC for Construction Inspection Services Relative to TAA 07-20C, Rehabilitation of Movable Dam 10 at Lock E-14 in the Albany Division (Continued)

Albany Division, provided that the Maximum Amount Payable does not exceed \$1,100,000 which is currently provided through the 2007 Contracts Program (C174.1), 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 agreement, manage and administer the agreement, amend the provisions of the 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 agreement in the best interests of the Corporation, and be it further

RESOLVED, that the information relating to this agreement be included in the Chief Engineer's Quarterly Report to the Board on Contracts Program activities, such information to include the exact Maximum Amount Payable and date of execution of the agreement and be it further

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

Item 4 by Mr. Fleischer (Appendix D)

Establishing the Board Audit and Finance Committee and Approving an Audit and Finance Committee Charter

Mr. Fleischer reported that the Audit Committee was being expanded to include Finance to provide oversight on financial and budgetary items. Ms. Carey Cassidy and Mr. Williams both inquired as to why the committees were being combined. Chairman Buono acknowledged originating this idea to have the committee review and flesh out items prior to presentation to the full Board for approval. Additionally, he did not want to establish a third committee. Mr. Howard asked why the charter was not amended to reflect the change in title of the committee. He was advised that a global replacement



Item 4 by Mr. Fleischer (Appendix D)

Establishing the Board Audit and Finance Committee and Approving an Audit and Finance Committee Charter (Continued)

was included in the item and that the Charter would be amended to reflect the change as well.

Chairman Buono appointed Board Member E. Virgil Conway to serve as the Chair of the Audit and Finance Committee.

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

RESOLUTION NO. 420

ESTABLISHING THE BOARD AUDIT AND FINANCE COMMITTEE AND APPROVING AN AUDIT AND FINANCE COMMITTEE CHARTER

RESOLVED, that the Board Audit and Finance Committee is established; and be it further

RESOLVED, that the Audit and Finance Committee Charter, attached hereto as Exhibit A, is approved; and be it further

RESOLVED, that there be one Audit and Finance Committee responsible for both the Thruway Authority and the Canal Corporation; and be it further

RESOLVED, that Audit and Finance Committee meetings will be subject to the requirements of the Open Meetings Law; and be it further

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



Item 5 by Ms. Mantello

Authorizing the Executive Director to Provide the United States Environmental Protection Agency (“USEPA”) Region II with Written Notice of Canal Corporation’s Intention to Comply with USEPA’s Access Order Index No. CERCLA- 02-2007-2017, Consistent with USEPA’s April 17, 2007 Letter, Permitting Access to USEPA and Its Named Designee, General Electric Company (“GE”), to the “Main Access Road Property” as Defined in the Access Order, for the Next 30 Days, to Effectuate the Hudson River PCB Cleanup Project

Mr. Plunkett asked if it was traditional for the USEPA to be so aggressive in demanding deadlines. Ms. Mantello reported having a good relationship with the USEPA stating that this is a unique project, the largest of its kind in the country. The USEPA is anxious to begin immediate construction of an access road in order to avoid delay of the project.

Mr. Fleischer advised that the most recent letter from the USEPA is less aggressive than prior correspondence and indicates that the Canal Corporation is complying with its provisions. Chairman Buono and Mr. Plunkett commended staff for its diligence in this matter and for keeping the Board updated.

Relative to the negotiations between the USEPA and General Electric, Mr. Howard inquired as to whether the entities were moving toward settlement or condemnation. Ms. O’Conor responded that there is no clear indication yet. There are still items that may potentially impact the Canal Corporation; however the USEPA appears to be working to protect Canal interests. Mr. Plunkett commented that it appears that insurance indemnification issues have been addressed.

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

RESOLUTION NO. 421

AUTHORIZING THE EXECUTIVE DIRECTOR TO PROVIDE THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY (“USEPA”) REGION II WITH WRITTEN NOTICE OF CANAL CORPORATION’S INTENTION TO COMPLY WITH USEPA’S ACCESS ORDER INDEX NO. CERCLA-02-2007-2017, CONSISTENT WITH USEPA’S APRIL 17, 2007 LETTER, PERMITTING ACCESS TO USEPA AND ITS NAMED DESIGNEE, GENERAL ELECTRIC COMPANY (“GE”),



Item 5 by Ms. Mantello

Authorizing the Executive Director to Provide the United States Environmental Protection Agency (“USEPA”) Region II with Written Notice of Canal Corporation’s Intention to Comply with USEPA’s Access Order Index No. CERCLA- 02-2007-2017, Consistent with USEPA’s April 17, 2007 Letter, Permitting Access to USEPA and Its Named Designee, General Electric Company (“GE”), to the “Main Access Road Property” as Defined in the Access Order, for the Next 30 Days, to Effectuate the Hudson River PCB Cleanup Project (Continued)

**TO THE “MAIN ACCESS ROAD PROPERTY” AS
DEFINED IN THE ACCESS ORDER, FOR THE NEXT 30
DAYS, TO EFFECTUATE THE HUDSON RIVER PCB
CLEANUP PROJECT**

RESOLVED, that the Executive Director, or his designee, be authorized, and hereby is authorized, to issue a written permission by April 19, 2007, to use the Main Access Road Property in accordance with the Access Order for the next 30 days; and be it further

RESOLVED, that the Board directs staff to immediately commence discussions with USEPA regarding efforts to ensure that the Canal Corporation receives fair compensation, appropriate protection from liability as well as necessary access to the Canal facilities to meet its continuing obligations to operate and maintain the Canal during EPA’s use and occupancy of all three properties; and be it further

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



Adjournment

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

Jill B. Warner
Secretary

