



**MINUTES OF THE SPECIAL MEETING
OF THE
CANAL CORPORATION AUDIT COMMITTEE**

August 7, 2018

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August 7, 2018

Minutes of the special meeting of the New York State Canal Corporation's Audit Committee held at the Clarence D. Rappleyea Building, 123 Main Street, White Plains, New York, at approximately 8:07 a.m.

The following Members of the Audit Committee were present:

Eugene Nicandri, Chairman
John R. Koelmel
Tracy McKibben

Anne M. Kress – Excused
Anthony Picente, Jr. - Excused

Also in attendance were:

Dennis Trainor	Trustee
Gill Quiniones	President and Chief Executive Officer
Justin Driscoll	Executive Vice President and General Counsel
Angela Gonzalez	Senior Vice President - Internal Audit
Kimberly Harriman	Senior Vice President - Public and Regulatory Affairs
Kristine Pizzo	Senior Vice President - Human Resources & Enterprise Shared Services
Karen Delince	Vice President and Corporate Secretary
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Quatrocci	Senior Assistant Corporate Secretary

Chairman Eugene Nicandri presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chairman Nicandri welcomed committee members and senior staff to the meeting. He said the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to section B(4) of the Audit Committee Charter.

1. **Adoption of the Proposed Meeting Agenda**

Upon motion made by member Tracy McKibben and seconded by member John Koelmel, the agenda for the meeting was adopted.

2. **Motion to Conduct an Executive Session**

Mr. Chairman, I move that the Authority conduct an executive session to discuss matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person.

Upon motion made by member John Koelmel and seconded by member Tracy McKibben an Executive Session was held.

3. **Motion to Resume Meeting in Open Session**

Mr. Chairman, I move to resume the meeting in Open Session. Upon motion made by member Tracy McKibben and seconded by member John Koelmel, the meeting resumed in Open Session.

Chairman Nicandri said no votes were taken during the Executive Session.

4. **DISCUSSION AGENDA:**

a. **Canal Corporation - Post-Integration Update**

Ms. Kimberly Harriman, Senior Vice President of Public and Regulatory Affairs provided an update of the NYPA/Canal Corporation integration as follows:

“With eighteen months into operations of the Canal Corporation (‘Canals’), the Power Authority has developed a strategy to support the safe and secure operation of Canals while promoting the recreation, tourism, and agricultural benefits of the Corporation. The Authority has learned much during this time, including original strategy and approach needed to pivot, and where such is working as planned.

In general, most of the Authority’s business units have provided, or are moving to provide, support to Canals in the form of a shared services structure, which is not dissimilar to that provided by the Thruway Authority. For example, Finance and Human Resources are implementing back-office functions for Canals where efficiency and economy warrants, and, in other instances, are working with Canals to ensure adequate in-house staffing. Operations is also providing a shared services approach with critical similar responsibilities such as Environmental Health & Safety (‘EH&S’) and Dam Safety. These services being managed by NYPA personnel can provide expertise and operational economy.

Legal, Risk Management, Information Technology and Corporate Communications are providing services to Canals through NYPA’s resources and Public and Regulatory Affairs is providing supplemental resources to internal Canals staff in the areas of Government and Community Affairs as well as Legislative Management.

The Authority will continue to operate Canals and refine the model in accordance with the expertise as well as the strategic vision of Canals to ensure it is safe and secure for all residents who live near to enjoy the recreations on the canal.”

5. **Next Meeting**

Chairman Nicandri said that the next regular meeting of the Audit Committee would be held on September 27, 2018 at the Clarence D. Rapleyea Building in White Plains, New York at a time to be determined.

Closing

Upon motion made by member Tracy McKibben and seconded by member John Koelmel, the meeting was adjourned by the Chairman at approximately 9:15 a.m.

Karen Delince

Karen Delince
Corporate Secretary