



**MINUTES OF THE REGULAR MEETING
OF THE
NEW YORK STATE CANAL CORPORATION**

May 2, 2017

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Minutes of the Regular Meeting of the New York State Canal Corporation held via video conference at the Frank S. McCullough, Jr. Hawkins Point Visitors Center, St. Lawrence/FDR Power Project, Massena, New York at approximately 10:56 a.m.

Members of the Boards present were:

John R. Koelmel, Chairman
Eugene L. Nicandri, Vice Chairman
Dr. Anne M. Kress, Trustee
Anthony J. Picente, Jr., Trustee
Tracy McKibben, Trustee

Gil Quiniones	President and Chief Executive Officer
Justin Driscoll	Executive Vice President and General Counsel
Jill Anderson	Executive Vice President and Chief Commercial Officer
Joseph Kessler	Executive Vice President and Chief Operating Officer
Robert Lurie	Executive Vice President and Chief Financial Officer
Parija Soubhagya	Senior Vice President and Chief Risk Officer
Ken Lee	Senior Vice President and Chief Information Officer
Jennifer Sutton	Senior Vice President – Internal Audit
Kimberly Harriman	Senior Vice President – Public & Regulatory Affairs
Kristine Pizzo	Senior Vice President – Human Resources
Karen Delince	Vice President and Corporate Secretary
Keith Hayes	Vice President – Economic Development
Joseph Leary	Vice President – Community & Government Relations
Patricia Lombardi	Vice President – Project Management
Ed Rider	Regional Manager - Northern New York
Steven Gosset	Manager – Media Relations
Mary Cahill	Manager – Executive Office
Michael Masuk	Real Time System Engineer I - STL
Jillian Nelson	Chief of Staff – Public and Regulatory Affairs
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Baughman	Senior Assistant Corporate Secretary
Brian U. Stratton	Director – NYS Canal Corporation
John C. Callaghan	Deputy Director – NYS Canal Corporation
Jaiah Gottor	Manager – Network Services – Infrastructure
Joseph Rivera	Network Architect – Infrastructure
Glenn Martinez	Senior Network Analyst – Infrastructure
Steve O'Shaughnessy	Massena
Paul Finnegan	Visitor
Lois Nicandri	Visitor
Peter Nicandri	Visitor
Paul Nicandri	Visitor
Mark Nicandri	Visitor

Chairman Koelmel presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chairman Koelmel began by saying that today is a very special day with the dedication and official opening of the new Nature Center and honoring Judge Nicandri. He said the Trustees are incredibly proud to honor the Judge and look forward to doing so at the ceremony after the meeting.

Chairman Koelmel continued that Trustee Picente and other NYPA staff members were participating via video conference. He welcomed the Trustees and staff members who were present and said that the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to the Authority's Bylaws, Article III, Section 3.

1. **Adoption of the May 2, 2017 Proposed Meeting Agenda**

Upon motion made by Trustee McKibben and seconded by Vice Chairman Nicandri, the meeting Agenda was adopted as amended.

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

I move that the Authority and Canal Boards conduct an executive session to discuss the financial history of a particular corporation (pursuant to section §105f of New York Public Officers Law). Upon motion made by Trustee McKibben and seconded by Trustee Kress, 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 Trustee Kress and seconded by Trustee McKibben, the meeting resumed in Open Session.

No votes were taken during the Executive Session.

4. CONSENT AGENDA:

Upon motion made by Trustee McKibben and seconded by Trustee Kress, the Consent Agenda was approved.

a. Governance Matters

- i. Minutes of the Annual New York State Canal Corporation Board of Directors' Meeting held on March 21, 2017**

The Minutes of the Annual Meeting held on March 21, 2017 were unanimously adopted.

ii. **Canal Corporation Mission and Vision Statements**

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Canal Corporation Board of Directors are presented with the Canal Corporation's proposed Mission and Vision Statements for adoption, as set forth in Exhibit '4a ii-A' attached hereto.

BACKGROUND

The Canal Management Committee ('CMC') meets monthly to oversee the Canal Corporation's operations and ensure that the assumption of operating control of the canal system by NYPA continues to go smoothly. Among its primary objectives:

- Ensure the Canal Corporation has, as a NYPA subsidiary, sufficient autonomy and resources to effectively manage its day-to-day operations.
- Develop reporting lines for engineering, construction and maintenance that go directly to NYPA.
- Provide oversight in the assessment of capital and operational priorities and expenditures by Canals.
- Establish mechanisms that ensure Canal policies and practices regarding financial controls, safety and shared services are directed by NYPA.
- Create a mechanism whereby potential disagreements between departments at the Canal Corporation can be addressed and settled.

The members of the Canal Management Committee are: Kimberly Harriman (NYPA), Joseph Kessler (NYPA), Bob Lurie (NYPA), Kristine Pizzo (NYPA), Justin Driscoll (NYPA) and Brian Stratton (Canals).

The Canal Corporation currently has an existing mission statement that reads: "We offer a user-fee supported Highway and Canal System that delivers high levels of safety and service." However, the CMC believed that the mission statement needed to be revised given the Canal Corporation's new status as a subsidiary of NYPA.

In addition, the CMC believed that a companion vision statement would serve as a complement to the mission statement in order to help convey the further direction of the Canal System. The Canal Corporation does not have an existing vision statement.

DISCUSSION

In January 2017, the CMC convened to oversee the Canal Corporation's operation.

New mission and vision statements for the Canal Corporation were approved by the Canal Management Committee on March 15, 2017.

RECOMMENDATION

The Canal Management Committee recommends that the Canal Corporation Board of Directors adopt the Canal Corporation's Mission and Vision statements presented herein.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.”

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Canal Corporation Board of Directors hereby acknowledge that they have read, understand and adopt the Canal Corporation’s Mission and Vision statements, attached hereto as Exhibit “4a ii-A,” as discussed in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Canal Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all arrangements, certificates and other documents to effectuate the foregoing resolution, subject to approval of the form thereof by the Executive Vice President and General Counsel.

b. Real Estate

**i. Abandonment and Sale of Canal Land –
City of Glens Falls, County of Warren**

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Canal Corporation Board of Directors is requested to authorize the abandonment and sale of approximately 637± square feet of canal land (‘Property’) located in the City of Glens Falls, Warren County, to the Niagara Mohawk Power Corporation d/b/a National Grid (‘NIMO’) for its appraised value of \$1,800. The Property is shown on the map attached hereto as Exhibit ‘4b i-A.’

BACKGROUND

The Property is a small portion of canal land acquired in the name of the People of the State of New York for the development of the Glens Falls Feeder Canal, one of the last surviving sections of the original Canal System. Although the Glens Falls Feeder Canal remains necessary for canal purposes since it provides water from the Hudson River to the Champlain Canal, staff has determined that the Property is no longer necessary for operations of the feeder canal.

The Property is adjacent to a former manufactured gas plant site, owned by NIMO, that was listed as an Inactive Hazardous Waste Disposal Site by the NYS Department of Environmental Conservation (‘NYSDEC’) in 1987. In 2003, the NYSDEC issued a Record of Decision (‘ROD’) that required, among other remedies, that NIMO install a sub-surface grout wall encapsulating a former electric substation located on the NIMO parcel. The sub-surface grout wall is required to prevent seepage of ground water or other potentially contaminated materials from the NIMO parcel to the Canal Corporation’s adjacent lands and the Glens Falls Feeder Canal. Because of the proximity of the electric substation to the Canal Corporation’s boundary line, a small portion of the grout wall, if constructed, would encumber the Property.

The Canal Corporation notified the NYSDEC and NIMO that it would not allow the subsurface grout wall to be partially located on the Property without NIMO taking ownership of the Property. Staff has determined that the Property is no longer required for Canal operations and may be abandoned.

DISCUSSION

As shown on Exhibit ‘4b i-A,’ the Property is located along the south and east boundary line of the NIMO parcel and the electric substation located thereon.

The proposed sale of the Property will allow NIMO to conform with the ROD and ameliorate a potential liability to the Corporation as an adjoining owner to the Inactive Hazardous Waste Disposal Site. The Property will be conveyed ‘as-is,’ and any agreements and deeds executed by and between the parties will include appropriate language to indemnify and hold harmless the Canal Corporation, the New York Power Authority and the People of the State of New York.

An independent appraisal estimated the fair market value of the Property to be \$1,800. Canal land management staff has reviewed the appraisal report and have found the appraiser’s value conclusion to be reasoned and credible.

Title 5-A of Article 9 of the Public Authorities Law (the ‘Act’) and the Canal Corporation’s Real Property Management Policy (the ‘Policy’) allow the Corporation, with the approval of the Board of Directors, to dispose of Corporation property by negotiation when the fair market value of the real property does not exceed fifteen thousand dollars (\$15,000). The proposed sale of the Property on the

terms recommended in the report complies with all applicable provisions of law, including the Canal Law, Title 5-A of Article 9 of the Public Authorities Law, and with the Policy.

As the subject property is owned by the People of the State of New York, acting by and through the Corporation, the Deed is subject to approval by the NYS Department of Law Real Property Bureau.

FISCAL INFORMATION

Revenues received by the Canal Corporation are required by statute to be deposited into the Canal Development Fund.

RECOMMENDATION

The Director of Canals and the Vice President - Enterprise Shared Services/Real Property Contracting Officer recommend that the Canal Corporation Board of Directors approve the sale of Canal Corporation's property to the Niagara Mohawk Power Corporation d/b/a National Grid for \$1,800.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, that approximately 637± square feet of land located in the City of Glens Falls, County of Warren is no longer useful or necessary as part of the Barge Canal System, as an aid to navigation thereon, or for Barge Canal purposes; and be it further

RESOLVED, That pursuant to the provisions of the Canal Law, Title 5-A of Article 9 of the Public Authorities Law, and Section 5. General Principles (l.) (3.) (a.) of the Canal Real Property Management Policy, the Canal Corporation Board of Directors hereby authorize the abandonment and sale of certain lands totaling approximately 637± square feet, in the City of Glens Falls, Warren County, to the Niagara Mohawk Power Corporation for \$1,800; and be it further

RESOLVED, That the Director of Canals and the Vice President - Enterprise Shared Services/Real Property Contracting Officer or designee, are hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Corporation that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements,

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certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

5. **DISCUSSION AGENDA**

a. **Utility Operations Report - Canal Transfer**

Mr. Joseph Kessler provided an update of the Utility Operations' activities for the month of March.

Canal Corporation

- No significant post-Day 1 issues have been reported
- Execution continues across all functional areas in relation to post-Day 1 work
- O&M and capital spend remains in-line with the 2017 budget
- Hiring requirements for the summer season have been confirmed and recruitment is underway
- Transitional Service Agreement Exit Plans have been developed and signed-off; 15 of 41 TSAs have been exited, to date, and the remaining services are on-track to exit in-line with the agreed-upon plans.

6. **Next Meeting**

The Regular meeting of the Canal Corporation's Board of Directors will be held on **July 25, 2017, at the Clarence D. Rappleyea Building, White Plains, New York, at a time to be determined**, unless otherwise designated by the Chairman with the concurrence of the Trustees.

Closing

Upon motion made by Vice Chairman Nicandri and seconded by Trustee McKibben, the meeting was adjourned at approximately 12:27 p.m.

Karen Delince

Karen Delince
Corporate Secretary



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EXHIBIT "4a ii-A"

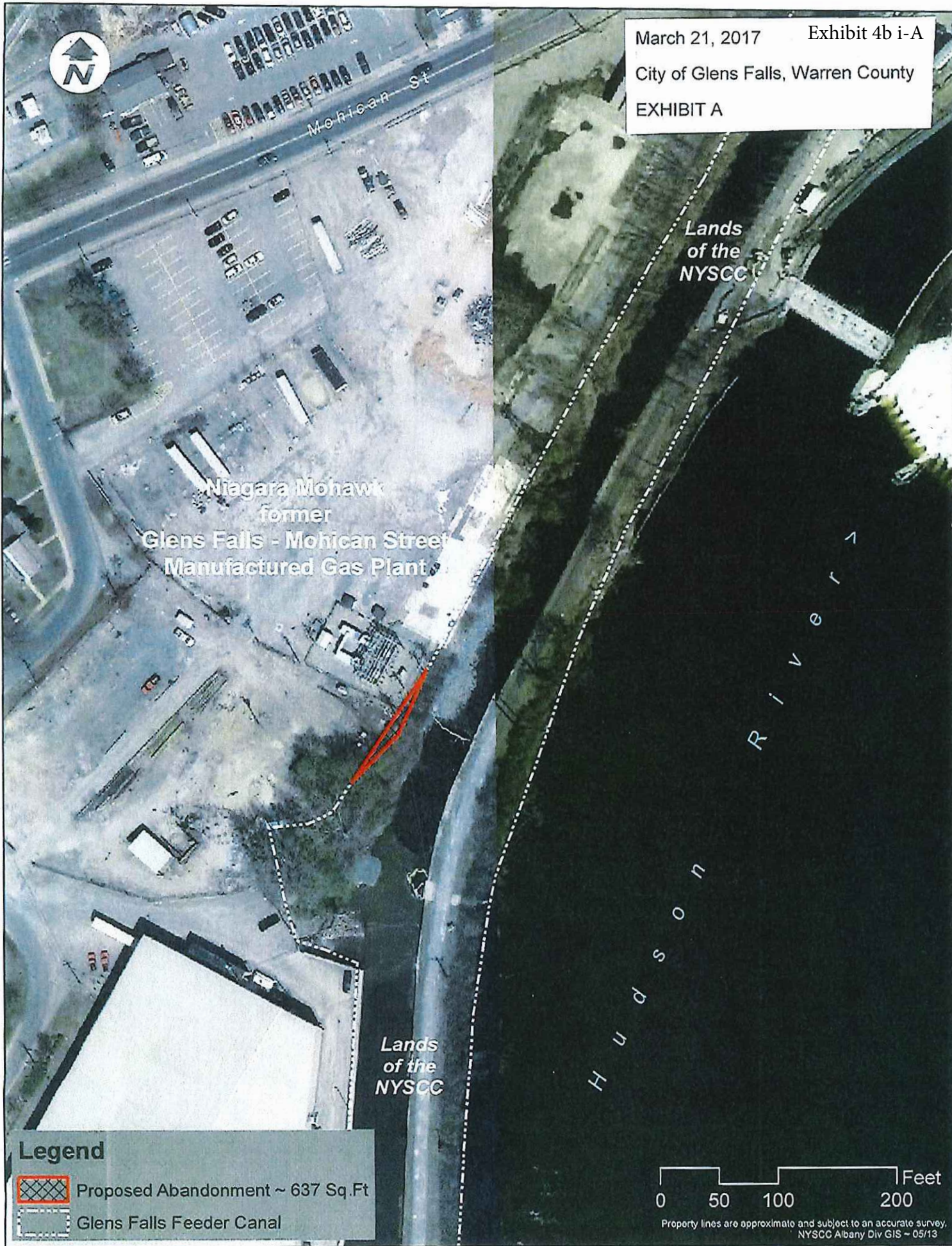
CANAL CORPORATION
MISSION AND VISION STATEMENTS

Canal Corporation Mission Statement

Operate and maintain a premier waterway and trail system that honors the historic legacy of the Erie Canal and offers unique recreational and tourism opportunities, while also promoting sustainable economic development throughout the canal corridor.

Canal Corporation Vision Statement

A premier canal system that leverages its assets to bolster sustainable economic development, recreation and tourism in New York.





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EXHIBIT "4a ii-A"

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