

Case 10-T-0139

Champlain-Hudson Power Express Project

Environmental Trust Governance Committee Meeting Minutes

June 17, 2014

On June 17, 2014, Governance Committee for the Hudson River and Lake Champlain Habitat Enhancement, Restoration, and Research/Habitat Improvement Project Trust (the “Trust”) held the second regular meeting of the Governance Committee.

The meeting took place at the NYS Public Service Commission, 19th Floor Board Room, Albany, New York.

Preliminary Items:

Meeting was called to order at 10:05 a.m. and a quorum was obtained. Minutes of March 10, 2014 approved.

Attendees:

Certificate Holders, DPS, Trout Unlimited, DEC, City of NY and Hudson River Foundation.

DEC Region 3 at New Paltz – Scenic Hudson, Riverkeeper

NYC VC Room 4th Floor – Trout Unlimited

Raybrook New York - APA

Agenda Items:

Proposed Agenda for today’s meeting is as follows:

1. Updates
2. Review the Governance Agreement with regard to establishment of the Technical Working Groups (TWGs) (Section II. E.), as well as the duties of the Trust Administrator with respect to the TWGs (Sections IV. B. 5, plus Sections IV. B. 4, 6, 8, and 12).
3. Discuss the applicability of the Open Meetings Law to the TWGs.
4. Discuss other aspects of TWG operations, including voting provisions, if any.
5. Confirm Governance Committee membership interest on the TWGs. Seek approval of TWG membership by two-thirds majority vote of the Members of the Governance Committee in attendance (June or September).

6. Trust Administrator Agreement
7. Trustee Bank Agreement
8. Next meeting date in September

Updates:

First funding event is the financial close – projected for Q1 of 2015. NYISO Interconnection process, litigation with Entergy – oral argument is in September, Federal Environmental review is still ongoing. CH is thankful to DEC for their help in that process. CH has some loose ends to tie up.

CNY asks on timeline of Federal review. DPS – final draft will be available for review in July.

Technical Working Groups:

TWGs haven't been established yet. HRF would like to make the practical parts of it work. They have spoken to stakeholders and GC members to prioritize projects and timeline.

DEC wants to do a quick review about what was agreed to regarding the TWGs.

CH – is there a concern that the provisions of the GA would limit the TWGs? DEC feels there should be more detail with regard to TWGs. The TWGs have to be approved. How many committees – River and lake? Members? Questions re operation of the Committees. TWG is supposed to provide recommendations to the GC.

CH – GC has the power to create TWG.

HRF – feels it is their job to meet with members of the GC to discuss projects and new priorities that may have arisen. The landscape of funding has changed as well and this should fit with our mission. How do we get to a formal point of approval through the TWGs?

DPS – is it better to have regional focus or focus more on priority projects?

DEC – have 2 TWGs because there are distinctive sets of work to accomplish.

HRF – as a practical matter there are 3 sets of priorities and a different way of looking at the geographies.

DEC – there is going to be some overlap and we are stretched for resources. 2 TWG's – one for the Lake and other for the rivers. Help assist with proposal development, with annual technical reviews and recommend project priorities to governing board. Determine the nexus of projects to the transmission project.

TU – are the problems different in the various rivers? Lake Champlain TWG is a function of the Lake Champlain Basin Group. We should have one group for the lake. 3 or 2 groups is fine.

HRF – it would work with either, they would be fine with 2 TWGs. We need flexibility within the overall framework. They want to coordinate and move consensus along. As long as a decision can be made at the end of the day. The TWG is a level above what they are working on. They are taking guidance from the priority projects. Problem is how many do we develop? Difference in the science of these projects. Opinions may differ with TWG – we need technical and programmatic input, do we have the right resources? Some GC aspect within the TWGs. 3 lake projects have been divided up into 10 separate projects. Are they getting ahead of themselves and would like some guidance from the GC. Looking for a balance with the projects.

DEC – we should update the lists. Where have funds been allocated? Continue to do what HRF is doing and get these projects to doable. Create a menu.

TU – practical aspect needs to be considered – who are we working with? Locally we need to work with NYC. NOAA and NYC have very strong positions and set in their ways with regard to funding. Further north working with DEC – source projects and look for volunteers and funding. Fill out lines of communication with potential partners to leverage funds. What technical expertise can we draw upon? Where can we find people to do the work?

RVKP – revise the project list and see if any of these projects are being funded or if there are other funding opportunities. 2 vs. 3 groups – 2 groups is probably enough. Establish Technical committee then figure out how to structure. Come up with a draft proposal and put forth to GC.

SH – is there a good channel for HRF to get feedback from the Committee? Should we form a sub-committee?

HRF likes that idea.

SH – maybe the Committee could be a mixture of GC members and others.

HRF- any issue with open meetings law?

DPS – shouldn't be a problem because it is a subset.

CH – as long as the decisions are made by the GC in an open meeting, shouldn't be an issue. Actions would be proposed by the technical committee and GC would vote on that. We should talk to SB about that.

DEC – maybe we should provide notice of technical meetings to be cautious and be true to the TA.

SH – if we had a sub-committee would that trigger more stringent requirements?

CH – yes.

HRF – mechanisms will have to be developed depending on the issues. Thrashing out of ideas to discuss with TWG. Trust admin needs to keep these conversations going all the time. How often would the TWG meet and for how long? Would this be technical discussions? They would just like to maximize communication and accelerate the projects.

CNY – agree with having 2 TWGs now. If we need to address harbor vs. estuary vs. river issues we can discuss at a later time. Menu of funding sources would be helpful and update of funding sources. Money from Sandy may now be available and it would be a worthwhile exercise to map out our options. Let's identify the first 2 or 3 steps we need to take.

DPS – do we need to get Commission approval if we change the priority project list?

CNY – there is room to flesh out the projects.

DEC – Section 5 re project selection. GC can make a $\frac{3}{4}$ vote to decide if projects are necessary in whole or in part.

SH – we are free to add priority projects and have given ourselves enough flexibility.

TU – we aren't at the point yet to change priorities of the projects. We can go where we need to go.

CNY – we want to make sure we are operating within the parameters of the Agreement.

DPS – we don't want to exceed the bounds of the JP.

HRF is struggling with the 75% vs. 25% of spending on projects. How do they get to the other projects? Would be willing to suggest projects on their own. How do we handle identifying the other 25%+?

SH – allocation should be on an annual basis. Looking at the funding as an annual revenue stream. Identifying additional projects would be the role of the committees and drawn from existing priority projects. We would seek guidance from there.

DEC – Section 5(a) does contemplate an annual basis for the first 15 yrs. of Trust.

HRF – once we start talking about real projects it will become more clear.

DPS – can we identify interest in the TWGs now?

TWG members: Betsey Blair (Hudson River and Lake Champlain), Roger Olsen (Hudson River), Bill Welman (Lake Champlain), Jay Goodman (Hudson River) – will provide member name in the future, Sacha Cohen (Hudson River), Phillip Musegaas (Hudson river), Dan Kelleher (Lake Champlain) – in addition to a scientist. APA - Can we also get someone from DEC Region 5 on the Lake Committee? Vance Barr (Hudson River and Lake Champlain)

RVKP – concerned about 2 working groups giving 2 sets of recommendations to the GC.

DEC – solution would be to unify the 2 TWGs.

HRF – maybe select a Chair of both groups to meet with GC and make recommendations.

CNY – concerned about creating too many committees.

CH - Sub-Committee of GC could be ramifications re open meetings law.

SH – sub-committee would just be a subset of the GC and not make any funding decisions. We need more adhesion with regard to GC, TWG's and sub-committees.

DEC – maybe have more GC meetings? Concerned about the Chair People being selected and making decisions. Do they have this authority without coming back to the GC.

HRF – it would be more of recommendations to the GC. Everyone on the GC has interests in both geographic regions.

DEC- we can get the groups together?

HRF – have conference calls with both TWGs and get other interested parties involved. We would eventually get to the point where the GC would act to designate people on the committee. TWGs can invite anyone to be present at the meetings.

DPS – is it necessary to approve the names?

DEC – we just need to approve the groups.

CH – meetings should be open and accessible. Not sure if they are bound by Open Meetings Law. We will talk to Steve Blow. We want the process to be open and inclusive.

HRF – TWGs are not exercising any kind of final authority.

RVKP – members of the TWGs have to be approved by a vote of the GC.

CH – we do want a mechanism of control.

HRF – we can expand the TWGs to add to the discussions, but they would not have to be a TWG member.

DEC – let's take a vote.

SH – I don't think we are prepared to establish the TWGs now.

DEC – we would like to get started now.

Vote is taken, everyone is in favor of creating TWGs. The TWGs of the GC are hereby formed.

SH – in addition to open meetings issues, we need to think about rules to manage conflicts of interest in these groups. This needs to be managed.

Trust Administrator Agreement:

HRF – Goal is to continue to accelerate conversations already begun with GC members and the priority projects. Hoping to have the penultimate plan by next meeting in September.

Trustee Bank Agreement:

CH – BNY Mellon was the only bank that had what we needed. A pro forma agreement was submitted to the PSC. We are waiting for comments from the bank. General framework was workable but would have some comments. This is a TDI obligation under the Certificate.

DEC – we should assign priority projects to the TWGs as an agenda item for the next meeting in September. This would be in preparation of funding in Q1 2015 and our future meeting in December.

Next meeting date: Week of September 15th.

TWGs meeting date: Will be arranged separately by email.

Meeting adjourned at 11:37 a.m.
