

1. The budget and financial plan shall be accompanied by all requirements listed in Section 203.6 of 2 NYCRR, including:
 - a. an explanation of the public authority's relationship with the unit or units of government, if any, on whose behalf or benefit the authority was established;

The Regulating District's mission is to comply with its enabling statute ([Article 15 Title 21 of the Environmental Conservation Law](#)) to:

- Formulate policy for watershed management
- Operate and maintain reservoir facilities
- Regulate water flow from reservoirs to minimize flooding during periods of high-water flow
- Augment river flows to maintain water quality during low flow periods
- Operate a data-gathering system for precipitation, stream flow, snow depth and flood conditions
- At Great Sacandaga Lake maintain specific reservoir levels in accordance with the [Upper Hudson/Sacandaga Offer of Settlement](#)
- At Indian Lake, Stillwater Reservoir, Old Forge and Sixth Lake provide storage during period of high flow and augment naturally occurring low flows
- Maintain a sound financial status for maintenance of Regulating District facilities
- Promulgate rules and regulations necessary to fulfilling its mission

The Regulating District has four main revenue sources:

- i. Statutory Beneficiaries (Hudson River Area, Black River Area, NYS Share): In accordance with the Regulating District's enabling statute ([Article 15 Title 21 of the Environmental Conservation Law](#)), the Regulating District annually assesses its operation and maintenance expenses, including property taxes, amongst the beneficiaries of record.
- ii. Hydroelectric Site Agreements (Hudson River and Black River Areas): The Regulating District receives revenues from hydroelectric site agreements that grant certain hydroelectric generators the right to use State-owned land, head and/or water rights for the production of hydroelectric power. The Regulating District is presently a party to two such agreements; one at the Conklingville Dam in the Hudson River Area and the other at the Stillwater Dam in the Black River Area.
- iii. Great Sacandaga Lake Permit Fees (Hudson River Area only): The Regulating District collects an access permit fee for use of a portion of the State-owned buffer zone encompassing the Great Sacandaga Lake.
- iv. Headwaters Benefit fees (Hudson River Area only) pursuant to Section 10f of the Federal Power Act. Fees, which are set by FERC, are payable by each hydro-electric licensee upon satisfaction of refunds in certain cases.

- b. a description of the budget process, including the dates of key budget decisions;

See Exhibit 1 Attached: Triennial Budget Development Schedule

- c. a description of the principal budget assumptions, including sources of revenues, staffing and future collective bargaining costs, and programmatic goals;
 - i. Annual revenue sources limited to Statutory & Federal 10f beneficiaries (\$4.5MM), hydropower agreements (\$1.5MM) and the District permit system (\$0.4MM).
 - ii. Staffing: no change from prior years, collective bargaining agreement with union (CSEA) representing 14 of 23 employees expires June 30, 2020. Negotiations for new agreement have commenced.
 - iii. Programmatic Goals – fulfill District’s flood control and flow augmentation mission.

- d. a self-assessment of budgetary risks;
 - i. Cyclical risks arise largely from external environment, including economic and fiscal stress placed on sources of revenue by COVID-19 pandemic. Structural risks arise from statutory sources of revenue growing slower than projected expenditures. There is currently no pending litigation and no future litigation anticipated.

- e. a revised forecast of the current year’s budget;

See Attached: Actual Performance 2018_2019_Current_Budget_Forecast

- f. a reconciliation that identifies all changes in estimates from the projections in the previously approved budget or plan; **N/A**
- g. a statement of the last completed fiscal year’s actual financial performance in categories consistent with the proposed budget or financial plan;

See Attached: Actual Performance 2018_2019_Current_Budget_Forecast

- h. a projection of the number of employees, including sources of funding, the numbers of full-time and full-time equivalents, and functional classifications;
 - i. 23 employees, 22 of which are full-time and 1 part-time
 - ii. 14 CSEA Union (clerical/blue collar), 9 Management/Exempt
 - iii. Funding Sources are beneficiary assessment and other sources mentioned above (in l.c.i.).

- i. a statement of each revenue-enhancement and cost-reduction initiative that represents a component of any gap-closing program and the annual impact on revenues, expenses and staffing;
 - i. The staffing reduction initiated in 2010 remains largely in place. The District has also switched Managed Services Providers, shifted to remote Board meetings, sold surplus property and taken other actions to close actual and projected gaps.

- j. a statement of the source and amount of any material non-recurring resource that is planned for use in any given fiscal year; - **N/A**

- k. a statement of any transactions that shift material resources from one year to another and the amount of any reserves; - **N/A**

1. a statement of borrowed debt projected to be outstanding at the end of each fiscal year covered by the budget or financial plan; the planned use or purpose of debt issuances; scheduled debt service payments for both issued and proposed debt; the principal amount of proposed debt and assumed interest rate(s); debt service for each issuance as a percentage of total pledged revenues, listed by type or category of pledged revenues; cumulative debt service as a percentage of available revenues; and amount of debt that can be issued until legal limits are met; and

The District had and projects the following amount of debt outstanding at the end of each fiscal year covered by the budget or financial plan:

2018-19:	\$0.734MM
2019-20 (projected):	\$0.789MM
2020-21 (projected):	\$7.224MM

The debt, incurred via a financing arrangement with the New York State Environmental Facilities Corporation (EFC), is being used to finance the reconstruction of the spillway at the District's Conklingville Dam. The District is in the process of replacing its existing financing arrangement with EFC, in the amount of \$3.064MM, with one in the amount of \$7.224MM. The replacement arrangement will also extend the term of the arrangement from November 2, 2020 to November 2, 2022. The District anticipates converting this short-term financing arrangement with EFC to a long-term arrangement before the replacement arrangement ends on November 2, 2022. The interest rate on this short-term financing arrangement is 0.99%

The District paid and projects to pay debt service expense in the following amounts at the end of each fiscal year covered by the budget or financial plan:

2018-19:	\$0.005MM
2019-20 (projected):	\$0.017MM (of which, \$0.010MM is a principal payment)
2020-21 (projected):	\$0.030MM (of which, \$0.015MM is a projected principal payment)

Debt service as a percentage of District revenue at the end of each fiscal year covered by the budget or financial plan is:

2018-19:	0.07%
2019-20 (projected):	0.23%
2020-21 (projected):	0.37%

No individual source of revenue is pledged to cover the District's debt service expense.

The District is not limited by statute in the amount of debt it may have outstanding.

- m. a statement of the annual projected capital cost broken down by category and sources of funding, and for each capital project, estimates of the annual commitment, total project cost, expected date of completion and the annual cost for operating and maintaining those capital projects or capital categories that, when placed into service, are expected to have a material impact on the operating budget. – **See attached Capital Plan**

NOTE: In accordance with Section 203.8 of 2 NYCRR, the public authority must inform the State Comptroller in writing at any point during the fiscal year when the chief financial officer learns of the potential financial impact of any adverse development that would materially affect the budget or financial plan. – N/A

**Hudson River-Black River Regulating District
Budget Development Schedule
Fiscal Years 2018-19, 2019-20, 2020-21**

<u>Activities/Deliverables</u>	<u>Respon</u>	<u>Target Date (MMM/YYYY)</u>
Strategic Budget Planning Sessions		
➤ Staffing/Head Count Plan around Mission	ED/Fin Chair/Sr. Staff	Dec - 2017
➤ Determine Revenues		
○ Pre-Assessment Income		
▪ Water Power Agreements		
▪ FERC HWB Fees		
▪ Est. Permit System Costs		
▪ Interest		
▪ Other		
○ Assessments – State		
➤ Maintenance Plan	ED/Fin Chair/Sr. Staff	Dec - 2017
○ Engineering & Construction		
○ Debt issuance		
➤ Reserve/Surplus Utilization		
➤ Major non-capital line items		
○ Salaries/Benefits, Legal Services, Other Consulting, Data/Voice		
Finalize Budget Development Schedule	ED/Sr. Staff	Dec - 2017
Adopt Budget Development Schedule	Finance Committee	Jan – 2018 Board Mtg
Distribute Budget Worksheets to Sr. Staff	CFO	Jan - 2018
Submit Budget Worksheets to CFO	Sr. Staff	Jan - 2018
Finalize Maintenance Budget	Finance Chair/CFO/ED	Feb - 2018
Produce 1 st Budget Draft	ED/CFO	Feb - 2018
Continue to Refine Budget	Sr. Staff	Feb - 2018
Review Refined Budget Draft	Finance Chair/ED/Sr. Staff	Feb - 2018
Status Report to Boards Finance Committee (Present initial Draft)	CFO	Mar - 2018 Fin Comm. Mtg.
Produce Final Budget Draft	CFO	Mar - 2018
Adopt Proposed Budget	Finance Comm./ED/CFO	May - 2018 Fin Comm. Mtg
Adoption of 3 Year Budget	Board	Jun - 2018 Fin Comm./Board Mtg.

**Hudson River-Black River Regulating District
Annual Public Authority Budget & Financial Plan Request 6/30/2019**

e. a revised forecast of the current year's budget;

g. a statement of the last completed fiscal year's actual financial performance in categories consistent with the proposed budget or financial plan;

	Budget FY 6/30/2019	Actual 6/30/2019	Budget FY 6/30/2020	Budget FY 6/30/2021
Operating Revenue:				
Assessments	\$ 5,711,794	\$ 5,574,242	\$ 5,412,361	\$ 5,583,123
Water Power Service	1,399,252	1,403,710	1,441,229	1,484,466
Permit Fees	412,000	424,859	412,000	412,000
Total Operating Revenue	\$ 7,523,046	\$ 7,402,811	\$ 7,265,591	\$ 7,479,589
Operating Expenses:				
Salaries	\$ 1,635,528	\$ 1,518,577	\$ 1,726,496	\$ 1,674,028
Payroll Taxes	163,432	215,094	164,210	166,600
Pension	237,210	236,607	249,071	261,524
Health Ins & Other Employee Benefits	831,397	2,151,035 (1)	913,260	1,003,422
Real Estate Taxes	3,071,053	2,975,767	3,133,429	3,198,683
Depreciation		245,044		
Insurance	172,600	177,064	177,833	183,225
Engineering Fees	954,000	862,161	1,000,000	650,000
U.S. Geological Survey Contract	128,879	138,955	128,909	128,940
Rent	32,600	36,014	33,500	33,600
Utilities	25,817	33,174	26,404	27,008
Telephone/Data	40,957	38,536	40,957	40,957
Travel	21,412	13,352	21,832	22,260
Repairs and Maintenance	16,525	35,962	16,860	20,082
Professional Fees	98,039	93,490	78,901	95,066
Postage	4,188	4,173	4,284	4,382
Office Expense	6,100	4,079	26,564	11,184
Minor Equipment, Material and Supplies	7,350	12,055	26,575	41,926
Miscellaneous	266,527	142,007	77,378	110,674
Capital Improvements	99,700	25,525	842,000	4,005,000
Erosion Control/Maintenance	12,000	12,414	12,240	12,485
Total Operating Expenses	\$ 7,825,314	\$ 8,971,085	\$ 8,700,702	\$ 11,691,047
Non-Operating Revenues (Expenses):				
Interest and Dividend Income	50,000	103,818	45,000	40,000
Miscellaneous Income	212,500	3,197	12,500	12,500
Realized and Unrealized Loss on Investments				
Settlement Expense		-		
Unappropriated Funds	254,000		2,085,000	4,310,000
Total Non- Operating Revenues (Expenses)	\$ 516,500	\$ 107,015	\$ 2,142,500	\$ 4,362,500
Debt Service	\$ 158,700	\$ 5,039	\$ 142,600	\$ 930,063
Surplus/(Deficit):	\$ 214,232	\$ (1,461,259)	\$ 564,788	\$ (779,021)

Footnote:

(1) Includes Increase in net OPEB obligation pursuant to GASB 45

Schedule	Revised: November 15, 2019	Budget Cycle '18-'21			Budget Cycle '21-'24			Budget Cycle '24-'27			Task Subtotal	Structure Total				
		Structure/Stage of Remediation	Task	Id / Code	Fiscal Year			Fiscal Year								
					2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024			2024-2025	2025-2026	2026-2027	
Conklingville Dam																
	Ice Sluice Structure	Engineering and Construction (completed)		COMPLETED								\$ -				
	Foundation and Concrete Repair	Engineering - Phase 1 (Zone 5,6,7,8)		SURPLUS	SURPLUS							\$ -				
		Engineering - Phase 2 Final Design (Zone 5,6,7,8)	C-E-001			\$ 500,000	\$ 4,035,500					\$ 4,535,500				
		Construction - Subsurface Investigation	C-C-001		COMPLETED							\$ -				
		Construction - Phase 3 (Zone 5,6,7,8)	C-C-002				\$ 5,500,000	\$ 15,730,000				\$ 21,230,000				
		Engineering - Construction Observation	C-E-002				\$ 750,000	\$ 2,145,000				\$ 2,895,000				
	Abutments, Outlet and Tailrace Repair	Engineering - Phase 1 (Zone 1,2,3,4)	C-E-003				\$ 600,000					\$ 600,000				
		Engineering - Phase 2 Final Design (Zone 1,2,3,4)	C-E-004					\$ 400,000				\$ 400,000				
		Construction - Phase 3 (Zone 1,2,3,4)	C-C-003						\$ 3,000,000			\$ 3,000,000				
		Engineering - Construction Observation	C-E-005						\$ 450,000			\$ 450,000				
												\$ 33,110,500				
Indian Lake Dam																
		Engineering - Detailed Design	I-E-001			\$ 450,000	\$ 50,000					\$ 500,000				
		Engineering - Construction Specs. and Docs.	I-E-002			\$ 50,000						\$ 50,000				
		Construction	I-C-001					\$ 4,450,000				\$ 4,450,000				
		Engineering - Construction Observation	I-E-003					\$ 667,500				\$ 667,500				
												\$ 5,667,500				
Stillwater Dam																
		Engineering - PMF / Site Specific Analysis	S-E-001			\$ 199,000						\$ 199,000				
		Engineering - Hydraulic, Hydrologic & Stability Analyses	S-E-002			\$ 114,084	\$ 50,504					\$ 164,588				
		Engineering - Evaluation of Remediation Alternatives	S-E-003					\$ 300,000				\$ 300,000				
		Engineering - Engineering Design (Est. \$300K-\$1,000K)	S-E-004					\$ 1,000,000				\$ 1,000,000				
		Construction (Est. \$1,000K - \$3,000K)	S-C-001						\$ 3,000,000			\$ 3,000,000				
		Engineering - Construction Observation (Est. \$150K - \$450K)	S-E-005						\$ 450,000			\$ 450,000				
												\$ 5,113,588				
Sixth Lake Dam																
		Engineering - Site Exploration and Data Collection	SL-E-001			\$ 23,192						\$ 23,192				
		Engineering - Hydraulic Analysis	SL-E-002			\$ 17,850						\$ 17,850				
		Engineering - Evaluation of Remediation Alternatives	SL-E-003			\$ 117,600						\$ 117,600				
		Engineering - Engineering Design	SL-E-004				\$ 117,075					\$ 117,075				
		Construction (Est. \$1,000K - \$3,000)	SL-C-001					\$ 3,000,000				\$ 3,000,000				
		Engineering - Construction Observation	SL-E-005					\$ 182,175				\$ 182,175				
												\$ 3,457,892				
Old Forge Dam																
		Engineering - Site Exploration & Data Collection	OF-E-001			\$ 23,192						\$ 23,192				
		Engineering - Hydraulic Analysis	OF-E-002			\$ 17,850						\$ 17,850				
		Engineering - Evaluation of Remediation Alternatives	OF-E-003			\$ 117,600						\$ 117,600				
		Engineering - Engineering Design	OF-E-004				\$ 117,075					\$ 117,075				
		Construction (Est. \$2,000K - \$4,000)	OF-C-001					\$ 4,000,000				\$ 4,000,000				
		Engineering - Construction Observation	OF-E-005					\$ 182,175				\$ 182,175				
												\$ 4,457,892				
Hawkinsville Dam																
		Engineering - Phase 1 Evaluation of Remediation Alternatives			COMPLETED							\$ -				
		Engineering - Phase 2 Engineering Design (1)	H-E-004			\$ 48,257						\$ 48,257				
		Construction (Eng Est. \$800K)	H-C-001				\$ 100,000	\$ 900,000				\$ 1,000,000				
		Engineering - Construction Observation	H-E-005					\$ 23,700				\$ 23,700				
												\$ 1,071,957				
TOTAL																
						\$ -	\$ -	\$ 1,678,625	\$ 11,320,154	\$ 29,798,375	\$ 6,632,175	\$ 3,450,000	\$ -	\$ -	\$ 52,879,329	\$ 52,879,329
		Hudson River Area Total				\$ -	\$ -	\$ 1,000,000	\$ 10,935,500	\$ 23,392,500	\$ 3,450,000	\$ -	\$ -	\$ -	\$ 38,778,000	
		Black River Area Total				\$ -	\$ -	\$ 678,625	\$ 384,654	\$ 6,405,875	\$ 3,182,175	\$ 3,450,000	\$ -	\$ -	\$ 14,101,329	\$ 52,879,329
		Hudson River Area Budget Cycle Total				\$ 1,000,000				\$ 37,778,000		\$ -			\$ 38,778,000	
		Black River Area Budget Cycle Total				\$ 678,625				\$ 9,972,704		\$ 3,450,000			\$ 14,101,329	

Schedule		Revised: November 15, 2019	
Structure/Stage of Remediation	Task	Id / Code	
Conklingville Dam			
Ice Sluice Structure	Engineering and Construction (completed)		
Foundation and Concrete Repair	Engineering - Phase 1 (Zone 5,6,7,8)		
	Engineering - Phase 2 Final Design (Zone 5,6,7,8)	C-E-001	2017 EFC bonding
	Construction - Subsurface Investigation	C-C-001	2017 EFC bonding
	Construction - Phase 3 (Zone 5,6,7,8)	C-C-002	2017 EFC bonding
	Engineering - Construction Observation	C-E-002	2017 EFC bonding
Abutments, Outlet and Tailrace Repair	Engineering - Phase 1 (Zone 1,2,3,4)	C-E-003	future bonding
	Engineering - Phase 2 Final Design (Zone 1,2,3,4)	C-E-004	future bonding
	Construction - Phase 3 (Zone 1,2,3,4)	C-C-003	future bonding
	Engineering - Construction Observation	C-E-005	future bonding
Indian Lake Dam			
	Engineering - Detailed Design	I-E-001	18-21 Assessment
	Engineering - Construction Specs. and Docs.	I-E-002	18-21 Assessment
	Construction	I-C-001	Bergmann estimate.: grouting dam, raise embankment dam, replace intake gates
	Engineering - Construction Observation	I-E-003	
Stillwater Dam			
	Engineering - PMF / Site Specific Analysis	S-E-001	includes HDR completion of work related to SSPMP Analysis
	Engineering - Hydraulic, Hydrologic & Stability Analyses	S-E-002	includes Rizzo - Seismic Stability Analysis and Atlantic Testing Subsurface Investivgation
	Engineering - Evaluation of Remediation Alternatives	S-E-003	
	Engineering - Engineering Design (Est. \$300K-\$1,000K)	S-E-004	
	Construction (Est. \$1,000K - \$3,000K)	S-C-001	
	Engineering - Construction Observation (Est. \$150K - \$450K)	S-E-005	
Sixth Lake Dam			
	Engineering - Site Exploration and Data Collection	SL-E-001	Arcadis and Aztech '19 subsurface investigation
	Engineering - Hydraulic Analysis	SL-E-002	per Acadis proposal
	Engineering - Evaluation of Remediation Alternatives	SL-E-003	per Acadis proposal
	Engineering - Engineering Design	SL-E-004	per Acadis proposal
	Construction (Est. \$1,000K - \$3,000)	SL-C-001	
	Engineering - Construction Observation	SL-E-005	per Acadis proposal
Old Forge Dam			
	Engineering - Site Exploration & Data Collection	OF-E-001	Arcadis and Aztech '19 subsurface investigation
	Engineering - Hydraulic Analysis	OF-E-002	per Acadis proposal
	Engineering - Evaluation of Remediation Alternatives	OF-E-003	per Acadis proposal
	Engineering - Engineering Design	OF-E-004	per Acadis proposal
	Construction (Est. \$2,000K - \$4,000)	OF-C-001	
	Engineering - Construction Observation	OF-E-005	per Acadis proposal
Hawkinsville Dam			
	Engineering - Phase 1 Evaluation of Remediation Alternatives		
	Engineering - Phase 2 Engineering Design (1)	H-E-004	
	Construction (Eng Est. \$800K)	H-C-001	
	Engineering - Construction Observation	H-E-005	
TOTAL			
	Hudson River Area Total		
	Black River Area Total		
	Hudson River Area Budget Cycle Total		
	Black River Area Budget Cycle Total		