

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;

See Exhibit 2 Attached: 2022-24 Budget Assumptions

- d. a self-assessment of budgetary risks;
 - i. Cyclical risks arise largely from the Regulating District’s 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_2019_2020_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_2019_2020_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. 22 employees, 21 of which are full-time and 1 part-time
 - ii. 14 CSEA Union (clerical/blue collar), 8 Management/Exempt
 - iii. Funding Sources are beneficiary assessment and other sources mentioned above (in 1.a.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. For the first time in approximately twenty years, the Regulating District increased Great Sacandaga Lake Access Permit Fees, generating approximately \$125,000 in additional revenue.
 - ii. The Regulating District promoted from within to fill a management vacancy that arose in June 2020. The resulting vacant position remains unfilled, generating approximately \$80,000 in savings.
 - iii. The Regulating District will reorganize in order to continue fulfilling its mission without filling another management vacancy that will arise in June 2021, generating approximately \$150,000 in savings.
 - iv. The Regulating District took dozens of other, smaller, actions to reduce operating expenses.
- 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

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

2019-20:	\$0.789MM
2020-21 (projected):	\$0.775MM
2021-22 (projected):	\$0.76MM

The debt, incurred via a financing arrangement with the New York State Environmental Facilities Corporation (EFC), is being used to finance reconstruction work at the Conklingville Dam. The Regulating District extended this arrangement from November 2, 2020 to November 2, 2022. The Regulating 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 has been reduced from 0.99% to 0.32%.

The Regulating 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:

2019-20:	\$0.017MM (of which, \$0.010MM is a principal payment)
2020-21 (projected):	\$0.030MM (of which, \$0.015MM is a projected principal payment)
2021-22 (projected):	\$0.042MM (of which, \$0.015MM is a projected principal payment)

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

2019-20	:	0.23%
2020-21 (projected):		0.37%
2021-22 (projected):		0.5%

No individual source of revenue is pledged to cover the Regulating District's debt service expense. The Regulating 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: Engineering and Construction Budget Schedule

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

Exhibit 1 Budget Development Schedule Fiscal Years 2021-22, 2022-23, 2023-24

<u>Activities/Deliverables</u>	<u>Participants</u>	<u>Target Date (Month/Year)</u>
Current Services Budget Session <ul style="list-style-type: none"> ➤ Assumptions ➤ Revenue <ul style="list-style-type: none"> ○ Pre-Assessment Income <ul style="list-style-type: none"> ▪ Water Power Agreements ▪ Headwater Benefit Fees ▪ Permit System Fees ▪ Interest ▪ Other ○ Assessments – State, Hydroelectric Providers ➤ Operating Plan <ul style="list-style-type: none"> ○ Staffing, Salary and Wages ○ Fringe Benefits, including Health Insurance, Pension ○ Real Property Taxes ○ Other ➤ Capital Plan <ul style="list-style-type: none"> ○ Engineering and Construction Spending ○ Financing 	Sr. Staff	December 2020
Budget Discussions	CFO, Finance and Sr. Staff	January-March 2021
Produce 1 st Budget Draft	CFO and Executive Director	March 2021
Status Report to Board Finance Committee (Present initial Draft)	CFO	March 2021 Fin. Comm. Mtg.
Produce Final Budget Draft	CFO	April 2021
Review Final Draft Budget	CFO/ED/Finance Committee	May 2021 Fin. Comm. Mtg.
Adopt Triennial Budget	Board	June 2021 Fin. Comm. and Board Meeting

Exhibit 2
2022-24 Budget Assumptions

Expenses- Operating	Salaries	All Steps and COLA included for all budgeted positions
	Pension	16.5% of payroll, per OSC
	Health, Dental, Vision	Active + Retiree costs with 5.5% growth in each outyear per most recent CMS long-term forecast
	Social Security and Medicare	6.2% and 1.45% of payroll
	All other	2% annual growth from 2020-21 Adjusted or Estimated levels, except Property/Casualty Insurance, (projected 5% decrease) or other items where more precise Estimate available.
Expenses- Capital	Repairs to Structures and Engineering Consultant	Based on Chief Engineer's Engineering and Construction Budget Schedule (dated May 21) and consultation with Executive Director
Expenses- Debt Service	Interest Expense	Interest component of Note Repayment (\$36K) from HRA to BRA an Expense for HRA and Non-Assessment Revenue for BRA
	Debt Payments Principal	Based on debt service schedule provided by Fiscal Advisors & Marketing (\$20K per year per \$1 million borrowed)
	Debt Payments-Interest	Based on debt service schedule provided by Fiscal Advisors & Marketing (\$35K per year per \$1 million borrowed)
Non-Assessment Revenue-HRA	Reservoir Operating Agreement	Annual increases modeled after historical increases
	Permits	No increase in permit fees proposed for 2022-24 triennium
	10F	0% increase
	Interest	2% annual growth from 2020-21 Adjusted levels
	Bond Proceeds	Borrow for Final Design, Engineering - Construction Specs. / Docs./Bid Phase, Construction and Construction Observation expenses.
Assessment Revenue- HRA	NYS	22.18% of Expenses less Non-Assessment Revenue
	Counties	Held at 2% annual growth from 2019-21 levels as per agreement
Non-Assessment Revenue- BRA	Reservoir Operating Agreement	Annual increases modeled after historical increases
	Interest	2% annual growth from 2020-21 Adjusted levels
	Bond Proceeds	Borrow for Final Design, Engineering - Construction Specs. / Docs./Bid Phase, Construction and Construction Observation expenses.
Assessment Revenue- BRA	NYS	\$1.25 million appropriated in recent years less 22.18% of HRA expenses
	Counties	7.18% of Expenses less Non-Assessment Revenue & NYS Share
	Hydros	92.82% of Expenses less Non-Assessment Revenue & NYS Share

**Hudson River-Black River Regulating District
Annual Public Authority Budget & Financial Plan Request 6/30/2021**

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;

	<u>Budget FY 6/30/2020</u>	<u>Actual 6/30/2020</u>	<u>Budget FY 6/30/2021</u>	<u>Revised Forecast FY 6/30/2021</u>
Operating Revenue:				
Assessments	\$ 5,412,361	\$ 5,424,230	\$ 5,463,123	\$ 5,454,500
Water Power Service	1,441,229	1,445,823	1,484,466	1,485,600
Permit Fees	412,000	424,423	412,000	571,800
Total Operating Revenue	<u>\$ 7,265,591</u>	<u>\$ 7,294,476</u>	<u>\$ 7,359,589</u>	<u>\$ 7,511,900</u>
Operating Expenses:				
Salaries	\$ 1,726,496	\$ 1,859,569	\$ 1,674,028	\$ 1,665,234
Payroll Taxes	164,210	137,316	166,600	120,166
Pension	249,071	205,701	261,524	270,986
Health Ins & Other Employee Benefits	913,260	-2,161,160 (1)	1,003,422	996,960
Real Estate Taxes	3,133,429	3,042,473	3,198,683	3,178,090
Depreciation		233,287		214,000
Insurance	177,833	165,049	183,225	199,363
Engineering Fees	1,000,000	584,588	650,000	244,343
U.S. Geological Survey Contract	128,909	128,774	128,940	106,435
Rent	33,500	48,876	33,600	53,876
Utilities	26,404	30,673	27,008	29,329
Telephone/Data	40,957	40,680	40,957	31,063
Travel	21,832	10,400	22,260	4,000
Repairs and Maintenance	16,860	21,172	17,202	35,290
Professional Fees	78,901	111,474	98,348	51,967
Postage	4,284	7,767	4,382	4,784
Office Expense	26,564	46,064	27,189	6,163
Minor Equipment, Material and Supplies	26,575	26,034	20,830	31,265
Miscellaneous	77,378	-211,798	115,364	76,008
Capital Improvements	842,000	6,890	4,005,000	13,135
Erosion Control/Maintenance	12,240	8,717	12,485	5,170
Total Operating Expenses	<u>\$ 8,700,702</u>	<u>\$ 4,342,546</u>	<u>\$11,691,048</u>	<u>\$ 7,337,626</u>
Non-Operating Revenues (Expenses):				
Interest and Dividend Income	45,000	34,701	40,000	36,376
Miscellaneous Income	12,500	3,028	12,500	5,446
Realized and Unrealized Loss on Investments				
Settlement Expense		-		
Unappropriated Funds	2,085,000		4,430,000	-
Total Non- Operating Revenues (Expenses)	<u>\$ 2,142,500</u>	<u>\$ 37,729</u>	<u>\$ 4,482,500</u>	<u>\$ 41,822</u>
Debt Service	<u>\$ 142,600</u>	<u>\$ 53,212</u>	<u>\$ 930,063</u>	<u>\$ 20,250</u>
Surplus/(Deficit):	<u>\$ 564,788</u>	<u>\$ 2,936,447</u>	<u>\$ (779,021)</u>	<u>\$ 195,846</u>

Footnote:

(1) Includes one-time adjustment for implementation of GASB Statement 75

Schedule	Revised: May 21, 2021	Budget Cycle '21-'24			Budget Cycle '24-'27			Task Subtotal	Structure Total	Comment
		Id / Code	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026			
Conklingville Dam										
	Foundation and Concrete Repair									
	Engineering - Phase 2 Final Design (Zone 6,7)							\$ -		See separate budget estimate
	Construction - Phase 3 (Zone 6,7)							\$ -		See separate budget estimate
	Engineering - Construction Observation							\$ -		See separate budget estimate
	Engineering - Phase 2 Final Design (Zone 5,6,7)							\$ -		See separate budget estimate
	Construction - Phase 3 (Zone 5,6,7)							\$ -		See separate budget estimate
	Engineering - Construction Observation							\$ -		See separate budget estimate
	Response to Part 12 Recommendations Evaluation	C-E-003	\$ 50,000	\$ 50,000				\$ 100,000		Estimate; pending HDR proposal
	Independent Consultant Part 12D safety Inspection	C-E-008				\$ 50,000		\$ 50,000		
	LiDAR survey of embankment	C-E-004	\$ 25,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 75,000		Estimate, pending Ryan-Biggs Proposal
	Abutments, Outlet and Tailrace Repair									
	Engineering - Phase 1 (Zone 1,2,3,4)							\$ -		See separate budget estimate
	Engineering - Phase 2 Final Design (Zone 1,2,3,4)							\$ -		See separate budget estimate
	Construction - Phase 3 (Zone 1,2,3,4)							\$ -		See separate budget estimate
	Engineering - Construction Observation							\$ -		See separate budget estimate
	FERC Part 12D Comprehensive Assessment						\$ 250,000	\$ 250,000		
								\$ 475,000		
Indian Lake Dam										
	Remediation									
	Engineering - Detailed / Final Design	I-E-001	\$ 739,800					\$ 739,800		Est 15% of Construction, pending Bergmann proposal
	Engineering - Construction Specs. / Docs./Bid Phase	I-E-002	\$ 82,200					\$ 82,200		Est 5% of Construction, pending Bergmann proposal
	Construction	I-C-001		\$ 4,110,000				\$ 4,110,000		Bergmann estimate.: grouting dam, raise embankment dam, replace intake gates
	Engineering - Construction Observation	I-E-003		\$ 616,500				\$ 616,500		Est. 15% of Construction, pending Bergmann proposal
								\$ 5,548,500		
Stillwater Dam										
	Seismic Stability Analysis	S-E-001	\$ 128,186	\$ 24,870				\$ 153,056		Contract C022018 Rizzo Engineering (Includes Amendment 2 services)
	Geotechnical Investigation	S-C-001	\$ 124,682					\$ 124,682		Contract D012019 Atlantic Testing Laboratories plus anticipated Change Order for two borings at Auxiliary Spillway.
	Spillway Stability Evaluation - construction joint above anchor	S-E-002	\$ 4,000					\$ 4,000		
	Engineering - IDF Recalc	S-E-003	\$ 20,000					\$ 20,000		HDR - Proposal TBD
	Engineering - Breach Analysis Recalc	S-E-004	\$ 30,000					\$ 30,000		HDR - Proposal TBD
	Engineering - Evaluation of Remediation Alternatives	S-E-005		\$ 300,000				\$ 300,000		Estimate
	Engineering - Engineering Design (Est. \$300K-\$1,000K)	S-E-006				\$ 1,000,000		\$ 1,000,000		Estimate
	Construction (Est. \$1,000K - \$3,000K)	S-C-002					\$ 3,000,000	\$ 3,000,000		Estimate
	Engineering - Construction Observation (Est. \$150K - \$450K)	S-E-007					\$ 450,000	\$ 450,000		Estimate
	Independent Consultant Part 12D Safety Inspection						\$ 50,000	\$ 50,000		
	FERC Part 12D Comprehensive Assessment	S-E-008					\$ 250,000	\$ 250,000		Estimate
								\$ 5,381,738		
Sixth Lake Dam										
	Engineering - Hydraulic Analysis	SL-E-001	\$ 66,500					\$ 66,500		per Acadis proposal
	Engineering - Evaluation of Remediation Alternatives	SL-E-002	\$ 49,000					\$ 49,000		per Acadis proposal
	Engineering - Concept Design	SL-E-003		\$ 63,000				\$ 63,000		per Acadis proposal
	Engineering - Final Design	SL-E-004				\$ 261,500		\$ 261,500		per Acadis proposal (Final Design cost increased to reflect design of all new structures)
	Engineering - Bid / Contract Phase	SL-E-005				\$ 10,000		\$ 10,000		per Acadis proposal
	Construction (Est. \$1,000K - \$3,000K)	SL-C-001					\$ 3,000,000	\$ 3,000,000		Estimate
	Engineering - Construction Observation	SL-E-006					\$ 163,500	\$ 163,500		per Acadis proposal
								\$ 3,613,500		
Old Forge Dam										
	Engineering - Hydraulic Analysis	OF-E-001	\$ 66,500					\$ 66,500		Arcadis and Aztech '19 subsurface investigation
	Engineering - Evaluation of Remediation Alternatives	OF-E-002	\$ 49,000					\$ 49,000		per Acadis proposal
	Engineering - Concept Design	OF-E-003		\$ 63,000				\$ 63,000		per Acadis proposal
	Engineering - Final Design	OF-E-004				\$ 261,500		\$ 261,500		per Acadis proposal (Final Design cost increased to reflect design of all new structures)
	Engineering - Bid / Contract Phase	OF-E-005				\$ 10,000		\$ 10,000		per Acadis proposal
	Construction (Est. \$2,000K - \$4,000K)	OF-C-001					\$ 4,000,000	\$ 4,000,000		
	Engineering - Construction Observation	OF-E-006					\$ 163,500	\$ 163,500		per Acadis proposal
								\$ 4,613,500		
Hawkinsville Dam										
	Engineering - Bid / Contract Phase	H-E-004	\$ 10,000					\$ 10,000		Kleinschmidt contract C012012
	Construction Remediation	H-C-001		\$ 2,347,000				\$ 2,347,000		Kleinschmidt Probable Cost Estimate 082120 includes 20% contingency
	Engineering - Construction Observation	H-E-005		\$ 20,000				\$ 20,000		Kleinschmidt contract C012012- limited part time on site
								\$ 2,377,000		
TOTAL			\$ 1,444,868	\$ 7,604,370	\$ 10,000	\$ 5,766,500	\$ 7,173,500	\$ 10,000	\$ 22,009,238	\$ 22,009,238
Hudson River Area Total			\$ 897,000	\$ 4,786,500	\$ 10,000	\$ 60,000	\$ 260,000	\$ 10,000	\$ 6,023,500	
Black River Area Total			\$ 547,868	\$ 2,817,870	\$ -	\$ 5,706,500	\$ 6,913,500	\$ -	\$ 15,985,738	\$ 22,009,238
Hudson River Area Budget Cycle Total					\$ 5,693,500			\$ 330,000	\$ 6,023,500	
Black River Area Budget Cycle Total					\$ 3,365,738			\$ 12,620,000	\$ 15,985,738	