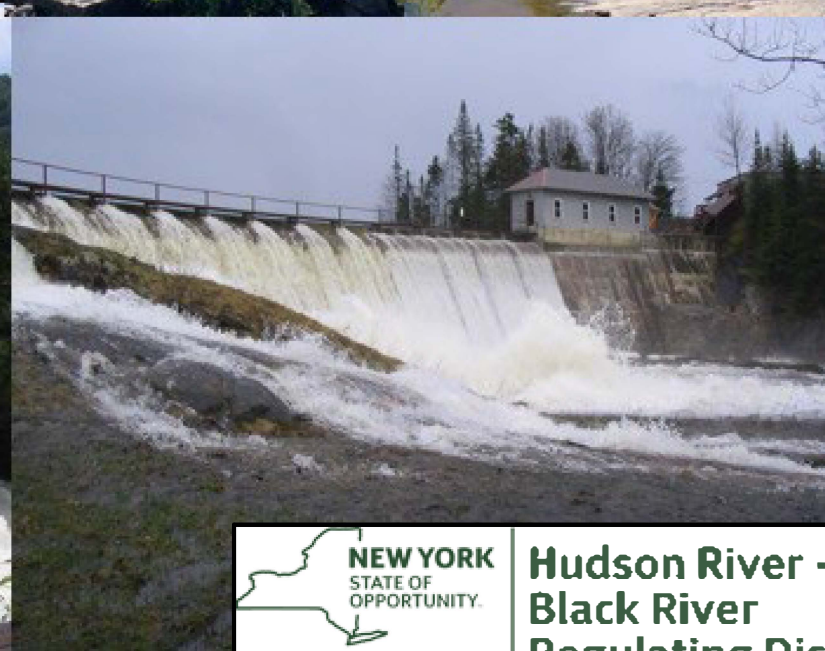
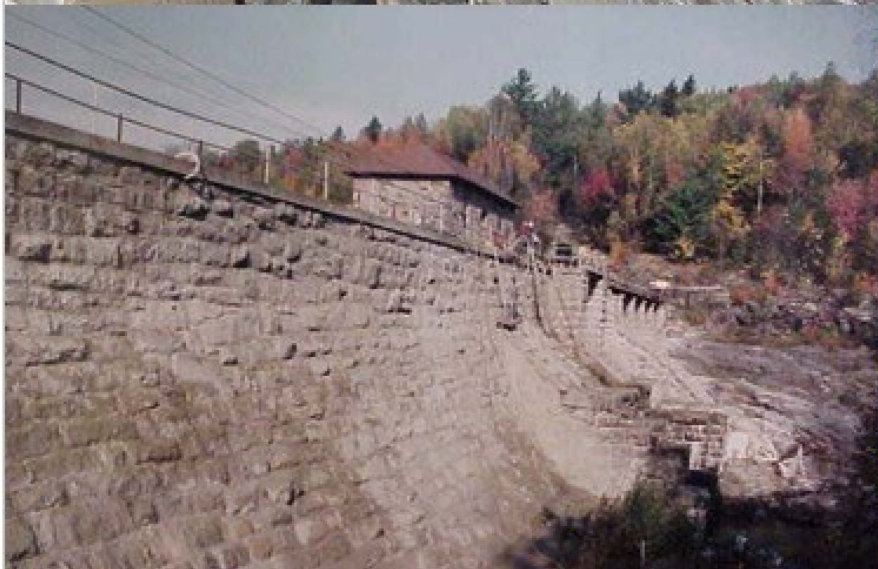


HRBRRD 2023 Annual Report



**Hudson River -
Black River
Regulating District**

MESSAGE FROM THE BOARD

I am pleased to present this Annual Report of the Hudson River – Black River Regulating District covering 2023 on behalf of the Board and Regulating District staff.

The Black River Regulating District and Hudson River Regulating District were formed by New York State in 1919 and 1922, respectively, and combined by the New York State Legislature in 1959 to form the single entity with which we are entrusted today.

Today, the Regulating District's skilled and dedicated team members work diligently and tirelessly to regulate the flows of the Hudson River and Black River for the purposes of flood protection and flow augmentation. Vigilant management and operation of the Regulating District's 5 reservoirs and 6 dams and associated facilities and infrastructure is critical to this end, and without question, our people are our greatest strength. While the success of these efforts is directly attributable to the exceptional work of our team, we also value and rely on our close working relationships with Federal, State and local legislators, agencies, organizations and leaders.



The Board considers transparency, accountability, and service to be the hallmarks of its stewardship of this public benefit corporation – and is ever mindful of the important “public benefit” it provides. With more than a century of service behind us, we look forward to another 100 years of helping protect downstream residents from flooding impacts, providing consistent flows of water for important ecological and renewable energy benefits, and helping to enhance recreation on and around the bodies of water within our jurisdiction.

Thank you for taking the time to review our report on 2023 operations and expenditures. Please visit our website at www.hrbrdd.ny.gov or connect with us on Facebook or Instagram to learn more.

Sincerely,

Mark M. Finkle
Chairman

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EXECUTIVE SUMMARY

OUR MISSION



The mission of the Hudson River-Black River Regulating District is to construct, maintain, and operate reservoirs in the upper Hudson River and Black River watershed, including the Sacandaga, Indian, Black, Moose, and Beaver Rivers for the purpose of regulating the flow of streams or rivers, when required by public welfare, including public health and safety.



Regulating reservoirs operated by the Regulating District include Great Sacandaga Lake, Indian Lake, Stillwater Reservoir, Sixth Lake, and Old Forge. Benefits derived through the successful completion of the mission include, but may not be limited to, flood protection to the public corporations (counties) and parcels of real estate (power plants) downstream of said impoundments; low flow augmentation, to provide sufficient water flow enabling downstream wastewater treatment plants to avoid increased treatment costs associated with waste discharge to lower volume rivers and enabling downstream hydroelectric plants to generate renewable hydroelectric power, contributing to New York's renewable energy goals.

EXECUTIVE SUMMARY

Investing in Critical Infrastructure



In 2023, the Regulating District completed a comprehensive capital rehabilitation of the Hawkinsville Dam in the Black River Area, and initiated a major rehabilitation of the Indian Lake Dam in the Hudson River Area, making good on the Board’s commitment to investing in and improving the critical water-retaining infrastructure which is integral to the Regulating District’s mission.



The Regulating District also took significant steps in engineering and design work for the Old Forge & Sixth Lake dams, and continues to work closely with the New York State Office of General Services on the design phases for a major, multi-year rehabilitation of the Conklingville Dam, which creates the impoundment on the Sacandaga River that forms Great Sacandaga Lake.



EXECUTIVE SUMMARY

A Century of Service and Safety...And Counting

As we entered into a second century of service in the Hudson River area, we continued to build on the legacy of service and safety to downstream residents and facilities who benefit from the important flood protection and flow augmentation benefits made possible by Regulating District operations in both the Hudson River and Black River watersheds.

We are immensely proud of the public safety mission with which we are entrusted, and endeavor to maintain our water-retaining infrastructure to the highest standards of dam safety, while also providing the highest level of dedication and service. From water regulation, to dam safety compliance, to shoreline erosion protection, to managing State lands and administering the GSL access permit system, to assisting with navigation hazards and other safety efforts ... we are incredibly proud to meet the highest standard of service and safety thanks to our capable and dedicated HRBRRD staff.





Hudson River - Black River Regulating District

GENERAL REPORT OF THE BOARD OF THE HUDSON RIVER-BLACK RIVER REGULATING DISTRICT PERIOD OF JANUARY 1, 2023 TO DECEMBER 31, 2023

TO THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION

In compliance with provisions of Section 15-2131 of the Environmental Conservation Law this report is submitted to cover functions of the Board of Hudson River-Black River Regulating District for the period January 1, 2023 to December 31, 2023.

PURSUANT TO SECTION 15-2131 ENVIRONMENTAL CONSERVATION LAW

15-2131-Reports.

1. The board of any river regulating district created hereunder shall annually, as of such date as the department may provide, submit to it a written report, which shall contain:

- a. An exhibit of the personnel of the board, and all of the employees and persons connected with the board;
- b. A financial statement, showing fully and clearly the finances of the district, the amounts and dates of maturity of all bonds, notes and certificates of indebtedness, the amounts of money received, and from what sources, and amounts of money paid and purposes for which same were paid;
- c. A statement of any petitions received by the board and the action taken thereon;
- d. A descriptive statement of the work done during the previous year; and
- e. A statement of the condition of reservoirs and the results secured by the operation thereof in each case.

2. In addition to the matters outlined above the board shall report to the department such other matters as it shall deem proper or the department shall require.

CONCLUSION

A detailed report of each area as required by Section 15-2131 is included in this report.

The Board desires to express its appreciation for the cooperation of your Department in respect to the function of the Regulating District.

DATED: 7/5/2024

**BY ORDER OF THE
BOARD OF THE HUDSON RIVER-BLACK RIVER
REGULATING DISTRICT**

By: 

John C. Callaghan
Executive Director

BOARD MEMBERS:

ALBERT J. HAYES, JOHNSTOWN, NY

Appointed by Governor Paterson on September 13, 2010 to September 1, 2015.
Reappointed by Governor Cuomo on November 21, 2019 to September 1, 2020.
Audit Committee Chair, Governance Committee and Finance Committee Member .

MARK M. FINKLE, GLOVERSVILLE, NY

Appointed by Governor Paterson on November 24, 2010 to September 1, 2012.
Reappointed by Governor Cuomo on July 21, 2014 to September 1, 2017
Board Chair

KENNETH F. DE WITT, EDINBURG, NY

Appointed by Governor Cuomo on October 6, 2017 to September 1, 2021.
2nd Vice Chair
Finance Committee Chair, Governance Committee and Audit Committee Member

RICHARD BIRD, OLD FORGE, NY

Appointed by Governor Cuomo on November 21, 2019 to September 1, 2023.
Audit Committee Member

ALFRED J. CANDIDO, JR., FORESTPORT, NY

Appointed by Governor Cuomo on March 8, 2021 to September 1, 2024.
Governance Committee Chair

TIMOTHY J. REAGAN, GLENFIELD, NY

Appointed by Governor Cuomo on March 8, 2021 to December 7, 2023.
Finance Committee Member

NICOLE T. ALLEN, MIDDLE GROVE, NY

Appointed by Governor Hochul on March 3, 2022 to December 20, 2023.
Governance Committee Member

Board Meetings and Attendance see link:

<https://hrbrdd.ny.gov/board-meetings-and-minutes/board-meeting-minutes-archive/>

<u>NAME</u>	<u>TITLE</u>	<u>OFFICE</u>
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EXECUTIVE AND ADMINISTRATIVE PERSONNEL

John C. Callaghan	Executive Director	Albany
Robert P. Leslie	General Counsel	Albany
Timothy Maniccia	Chief Fiscal Officers	Albany
Stephanie V. Ruzycky	Director of Administrative Services	Mayfield
Kimberly D. Scott	Administrative Officer II	Watertown
Megan Cole	Sr. Administrative Assistant	Watertown
Stephanie Porter	Sr. Administrative Assistant	Mayfield
Anna Tracy	Administrative Officer I	Albany

ENGINEERING DEPARTMENT

Robert S Foltan, P.E.	Chief Engineer	Albany
Michael A. Mosher, P.E.	Operations Engineer	Albany

FIELD PERSONEL

Daniel J. Kiskis	Sr. Field Assistant	Mayfield
Danielle Thorne	Field Assistant	Mayfield
David J. Ioele	Assistant Foreman	Mayfield
<i>Retired 10/3/2023</i>		
Michael Chase	Maintenance Assistant	Mayfield
Thomas Baker	Engineering Assistant	Mayfield
Matthew Ginter	Plant Operator	Mayfield
Eric. S. Johnson	Principal Plant Operator	Conklingville Dam
Michael A. Dicob	Principal Plant Operator	Stillwater Reservoir
Josh Rice	Plant Operator	Stillwater Reservoir

PERMANENT PART-TIME

Darrin W. Harr	Resident Gate Keeper	Indian Lake
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CONTRACTUAL SERVICES

<u>NAME</u>	<u>SERVICE</u>	<u>LOCATION</u>
<u>Black River Field Staff</u>	<u>Weather Observer</u>	<u>Big Moose</u>
<u>Beth LaManna</u>	<u>Weather Observer</u>	<u>Highmarket</u>
<u>William Hanchek</u>	<u>Weather Observer</u>	<u>Hooker</u>
<u>David Sundquist</u>	<u>Weather Observer</u>	<u>Lowville</u>
<u>Peter Ostrum</u>	<u>Weather Observer</u>	<u>Chases Lake</u>
<u>Interface Solutions</u>	<u>Weather Observer</u>	<u>Beaver Falls*</u>
<u>Brookfield Power</u>	<u>Weather Observer</u>	<u>Black River*</u>
		<u>Taylorville*</u>

*Volunteer Cooperators

**HUDSON RIVER-BLACK RIVER REGULATING DISTRICT
(A DISCRETELY PRESENTED COMPONENT UNIT
OF THE STATE OF NEW YORK)**

Consolidated Financial Statements
with Independent Auditor's Report

June 30, 2023 and 2022

**HUDSON RIVER-BLACK RIVER REGULATING DISTRICT
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE STATE OF NEW YORK)**

JUNE 30, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Hudson River-Black River Regulating District
Albany, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying consolidated financial statements of the business-type activities of the Hudson River-Black River Regulating District (the "Regulating District"), a New York Public Benefit Corporation, which is a discretely presented component unit of the State of New York, which comprise the consolidated statements of net position as of June 30, 2023 and 2022 and the related consolidated statements of activities and changes in net position and consolidated statements of cash flows for the years then ended, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Regulating District as of June 30, 2023 and 2022, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Regulating District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management for the Financial Statements - Continued

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Regulating District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regulating District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Regulating District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-11 and information related to Accounting and Reporting for Pensions (GASB 68) and OPEB (GASB 75) on pages 44-46 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regulating District's financial statements. The accompanying combining schedule of net position and combining schedule of activities and changes in net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of net position and combining schedule of activities and changes in net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2023, on our consideration of the Regulating District's, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Regulating District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hudson River-Black River Regulating District's internal control over financial reporting and compliance.

Galleras Robinson CPAs, LLP

New York, New York
September 27, 2023

**HUDSON RIVER-BLACK RIVER REGULATING DISTRICT
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE STATE OF NEW YORK)**

**MANAGEMENT DISCUSSION AND ANALYSIS
(UNAUDITED)**

1. Introduction

This Management's Discussion and Analysis ("MD&A") of Hudson River-Black River Regulating District (the "Regulating District") provides an introduction to the major activities and operations of the Regulating District and an introduction and overview to the Regulating District's financial performance and statements for the years ended June 30, 2023 and 2022. Following this MD&A are the basic financial statements of the Regulating District together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements. The Statements of Net Position and the Statements of Activities and Changes in Net Position (on pages 12 and 13, respectively) provide both long-term and short-term information about the Regulating District's overall financial status. The Statements of Cash Flows (on page 14) provide information on the sources and uses of the Regulating District's cash through operating, capital and related financing and investing activities. The information contained in the MD&A should be considered in conjunction with the information contained in the Consolidated Financial Statements and the Notes to the Consolidated Financial Statements.

2. Regulating District Activities

The Regulating District was created in 1959 when the New York State Legislature passed legislation (Article 15 Title 21 of the Environmental Conservation Law) combining the Hudson River Regulating District, founded in 1922, and the Black River Regulating District, founded in 1919. Both were created to regulate the flow of the waters of New York State's two great neighboring watersheds.

The legislation charged the Regulating District with regulating the flow of the two rivers, including health and safety, as required by the public welfare. Specifically, the Regulating District's responsibilities include reducing floods caused by excess run-off, and augmenting river flow at times of drought or other periods when normal river flows are low. Organized as a public benefit corporation, the Regulating District was given a broad spectrum of legal powers to accomplish this mission, including the authority to build and operate reservoirs, issue bonds, and apportion costs on its beneficiaries to finance construction, maintenance, and operation of its reservoirs.

The Regulating District's operations are conducted under two regional operating units – one for the Black River Area and another for the Hudson River Area - each with segregated budgets, safeguarding of funds and financial recordkeeping in accordance with New York State statute. The management of both regions is vested in a seven-member Board appointed by the Governor of New York State. The Regulating District Board formulates policies and promulgates rules and regulations necessary to fulfill its mission in the Hudson River Area at Great Sacandaga Lake (also in accordance with the Upper Hudson/Sacandaga Offer of Settlement) and Indian Lake, and in the Black River Area at Stillwater, Old Forge, Sixth Lake and Hawkinsville.

2. Regulating District Activities - Continued

The Regulating District currently receives its primary funding from statutorily defined beneficiaries. In the Hudson River Area, that beneficiary group includes the counties of Albany, Rensselaer, Saratoga, Warren, and Washington, (the "five counties") and the State of New York, that directly benefit from flood protection. In the Black River Area, that beneficiary group includes the counties of Jefferson, Lewis, Herkimer, Oneida, and Hamilton that directly benefit from flood protection and flow augmentation, hydroelectric power generators and the State of New York that benefit from augmented river flow. These beneficiaries are annually assessed their proportional share of Regulating District operating expenses. A secondary revenue source comes from agreements that provide annual revenue in exchange for use of property interests on Regulating District-administered state land for hydroelectric generating purposes. A third source of revenue, in the Hudson River Area only, is the Sacandaga Lake Access Permit System, which generates revenue from the issuance of annual revocable permits for the purpose of providing public access to the Great Sacandaga Lake across state land. A fourth source of revenue, also in the Hudson River Area only, is the Federal Headwater Benefit fees levied on certain hydroelectric firms pursuant to Section 10f of the Federal Power Act.

The financing of the two areas is accomplished independently because operating costs of each are recovered from two different sets of statutory beneficiaries. Statutory beneficiaries in both watersheds are assessed proportional shares of all other budgeted operating and overhead costs, after deducting the estimated revenue from the hydropower agreements, permit system, Federal Headwater Benefit fees, NYS Share and estimated interest income. Revenue from statutory beneficiaries, hydropower agreements, Federal Headwater Benefit fees, NYS Share and permit holders, if collected, is sufficient to balance the Regulating District's annual budget, not including non-operating expenses and/or annual adjustments included in the Regulating District's Consolidated Statements of Activities and Changes in Net Position.

3. Facilities

Hudson River Area Facilities: The Regulating District administers the lands of the State of New York that constitutes the Great Sacandaga Lake (Sacandaga Reservoir) as well as its shoreline, and issues annual revocable permits to eligible property owners for access to the lake across State land. The lake, impounded behind the Conklingville Dam, is the heart of Regulating District operations in the 8,300 square mile Hudson River Area. The Regulating District also operates Indian Lake Reservoir and Dam.

3. Facilities - Continued

Black River Area Facilities: In the Black River drainage area of 1,916 square miles, the Regulating District operates reservoirs and dams at Stillwater, Old Forge, and Sixth Lake and a dam at Hawkinsville.

Administrative Offices: The Regulating District's General and Administrative Office occupy leased space in Albany. A Regulating District-owned building in Mayfield houses the Hudson River Area's Sacandaga Field Office. The Regulating District's Black River Area Office occupies rented space in Watertown. A Regulating District-owned building at the Stillwater Reservoir houses the Black River Area Field Office.

4. Operations Summary

The Regulating District's scope of operations (in 000s) is as follows:

	Hudson River Area	
	2023	2022
Operating revenues	\$ 6,286	\$ 6,698
Operating expenses	<u>(4,107)</u>	<u>(3,780)</u>
Operating revenue	2,179	2,918
Net nonoperating revenue (expense)	<u>155</u>	<u>(13)</u>
Changes in net position	<u>\$ 2,334</u>	<u>\$ 2,905</u>

	Black River Area	
	2023	2022
Operating revenues	\$ 1,790	\$ 1,461
Operating expenses	<u>(1,584)</u>	<u>(845)</u>
Operating revenue	206	616
Net nonoperating revenue	<u>98</u>	<u>37</u>
Changes in net position	<u>\$ 304</u>	<u>\$ 653</u>

From fiscal year June 30, 2022 to June 30, 2023, recurring operating revenues remained relatively stable. Federal Headwater Benefit fees, pursuant to Section 10f of the Federal Power Act, are forecast at \$477,571 per annum pending the satisfaction of prior year refunds due certain hydroelectric firms.

4. Operations Summary - Continued

Operating expenses for the fiscal year ended June 30, 2023 rose because of changes in other post-employment benefits and real estate taxes expenses. Historically, the Regulating District's Board restricted reserve funds have served to minimize the effect that budget fluctuations would have on the statutory beneficiaries that provide its primary funding. When available, these reserve funds retain operating surpluses in lower expense years and provide a means of funding operating deficits in high expense years – an effective means of assessment stabilization. At the end of fiscal year ended 2012, all reserves of the Regulating District were liquidated. Currently these funds have yet to be replenished. There were no restrictions on the Regulating District's net position fund balances as of June 30, 2023 and 2022, respectively.

The Regulating District is required by its enabling statute to adopt annual budgets every three fiscal years. Fiscal Year 2022-23 is the second year of the current three-year budgeting cycle. The Board of the Regulating District adopted new annual budgets for this three-year cycle at its June 8, 2021 Board meeting.

In each of its Fiscal Year 2021-22 and 2022-23 budgets, the State of New York appropriated \$20 million to finance additional engineering and construction work on the Conklingville Dam. In its Fiscal Year 2023-24 budget, the State of New York appropriated \$20 million to finance additional engineering and construction work on the Conklingville, Old Forge and Sixth Lake dams. The Regulating District is working collaboratively with the New York State Office of General Services, New York State Department of Environmental Conservation, New York State Division of Budget, and the New York State Executive Chamber to effectively utilize these funds.

In its Fiscal Year 2022-23 budget, the State of New York approved a change to the Regulating District's governing statute eliminating the Regulating District's responsibility for paying Real Property Taxes on lands it oversees. Effective April 1, 2022, the State of New York began making these municipal and school Real Property Tax payments. This change will yield fiscal relief to the Regulating District of approximately \$3.1 million.

5. Statements of Net Position Summary

The Statements of Net Position Summary (in 000s) is as follows:

	<u>2023</u>	<u>2022</u>
Depreciable assets:		
Dam structures	\$ 14,105	\$ 14,105
Building and improvements	3,037	3,037
Office and other equipment	443	443
Vehicles	<u>680</u>	<u>680</u>
Cost of depreciable capital assets	18,265	18,265
Less: accumulated depreciation	<u>(16,137)</u>	<u>(15,909)</u>
Net book value of depreciable assets	2,128	2,356
Nondepreciable assets:		
Land	8	8
Construction in-progress	<u>2,157</u>	<u>-</u>
Total nondepreciable assets	<u>2,165</u>	<u>8</u>
Net book value of capital assets	4,293	2,364
Net book value of right-of-use assets	260	65
Right-to-use subscription assets	49	3
Current assets	<u>9,293</u>	<u>8,272</u>
Total assets	<u>13,895</u>	<u>10,704</u>
Deferred outflows of resources	<u>848</u>	<u>1,052</u>
Current liabilities	1,414	538
Long-term liabilities	<u>15,450</u>	<u>13,814</u>
Total liabilities	<u>16,864</u>	<u>14,352</u>
Deferred inflows of resources	<u>65</u>	<u>2,229</u>
Net position		
Net investment in capital assets	4,293	2,364
Net investment in right-of-use assets	260	65
Unrestricted	<u>(6,739)</u>	<u>(7,254)</u>
Total net position	<u>\$ (2,186)</u>	<u>\$ (4,825)</u>

This analysis reflects the Regulating District's financial position. Asset growth generally occurs in governmental units when 1) cash assets are accumulated, and/or 2) debt is used to finance acquisition or construction of capital (durable) assets such as equipment, furniture, land, buildings, major improvements that extend the life of a capital asset, or leasehold improvements.

5. Statements of Net Position Summary - Continued

Asset shrinkage occurs when 1) accumulated cash assets are used for expenses that exceed revenues, and/or 2) assets acquired during the year cost less than depreciation. Also, the Regulating District implemented Government Accounting Standards Board Statement 68 in 2015. With the new reporting change, the Regulating District allocated its proportionate share of the New York State Employers' Retirement System's net pension liability, deferred outflows of resources, and pension expense. Decisions regarding the allocations to employers are made by the administrators of the pension plan, not by the Regulating District's management.

6. Capital Assets

The Regulating District undertook a significant rehabilitation of its Hawkinsville Dam, located near Boonville, NY. The \$2.8 million project is expected to be substantially completed in September 2023. Work completed during the 2022-23 fiscal year represents the vast majority of the increase in capital assets in comparison to the prior fiscal year.

Final Design was completed for the rehabilitation of the Indian Lake Dam, located in Indian Lake, NY. Construction is expected to commence in October 2023 with financing finalized shortly thereafter.

Collaboration with the New York State Office of General Services to identify recommendations for the rehabilitation of the Conklingville Dam, located in Hadley, NY is ongoing.

During 2023, the Regulating District increased their capital assets by \$1,929,055 due to the net effect of depreciation expense and capitalization of construction in-progress.

Depreciation expense decreases the book value of capital assets each year. Growth of capital assets in a governmental unit is not necessarily an indicator of positive financial conditions, nor is negative capital growth necessarily an indicator of financial deterioration.

7. Debt

On November 2, 2017, the Regulating District executed the Bond Anticipation Note with NYS Environmental Facilities Corporation ("EFC") in the amount of \$3,064,067. The note was issued to fund a significant portion of the spillway reconstruction project at the Conklingville Dam in Hadley, New York.

On November 2, 2020, the Regulating District amended and restated its note with EFC, effectively extending the maturity until November 2, 2022. On November 22, 2022, this short-term financing was converted to a long-term financing. When combined with the mandated debt service reserve fund and associated costs of issuance, the Regulating District now owes \$820,689 with a final payment scheduled for September 1, 2052.

8. Financial Condition

The Regulating District's financial condition is strong, with structural balance achieved in previous years thanks in large part to New York State's support for infrastructure investment and assumption of responsibility for school and municipal real property tax payments on state-owned lands for which the Regulating District has responsibility. The Regulating District's Total Net Position, while still negative as of June 30, 2023, has improved by more than \$8 million since June 30, 2019.

The Hudson River Area's revenue streams have been relatively stable for many years. Its reservoir operating agreement with Erie Boulevard Hydropower expired on June 30, 2023 after many attempts over multiple years to negotiate a new agreement failed. See Section 9 for additional information on this event.

The Black River Area's revenue streams have been relatively stable for many years. Its agreement with Stillwater Associates was set to expire on December 30, 2021. The agreement has been extended beyond December 30, 2021 by mutual consent eight times and is now set to expire on September 30, 2023. The Regulating District anticipates a mutually beneficial outcome from this negotiation.

Expenses for both the Hudson River Area and Black River Area increase as compensation costs and real property taxes increase. They also vary depending on the timing of necessary investments in Regulating District infrastructure.

9. Potential Future Economic Event

The Regulating District filed with the Federal Energy Regulatory Commission (FERC) a Report of Dispute on November 30, 2022 and a Petition for Declaratory Order on January 25, 2023 seeking an order from FERC that would favorably resolve its dispute with Erie Boulevard Hydropower L.P. in the Regulating District's Hudson River Area. FERC issued an order on June 15, 2023 that granted a part of the Regulating District's request but also granted a part of Erie's counter-request. The result is the reservoir operating agreement that the Regulating District had with Erie (and its predecessors) going back to 1927 is no longer in effect. In the Fiscal Year 2023-24 budget for the Hudson River Area, this outcome will result in a loss of revenue of \$1,535,168 absent resumption and a positive outcome of negotiations with Erie or other actions the Regulating District may take to restore this source of funds. All documents pertaining to this situation can be found on the Regulating District's web site at <https://hrbrd.ny.gov/brookfield-dispute/>.

10. Request for Information

The accompanying consolidated financial statements are designed to provide detailed information on the Regulating District's operations to all those with an interest in the Regulating District's financial affairs. Questions concerning any of the information provided in this report, or any request for additional information, should be addressed to the Chief Fiscal Officer, Hudson River-Black River Regulating District, 54 State Street, Suite 501, Albany, New York 12207.

**HUDSON RIVER-BLACK RIVER REGULATING DISTRICT
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE STATE OF NEW YORK)**

CONSOLIDATED STATEMENTS OF NET POSITION

JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 8,737,935	\$ 6,323,528
Accounts receivable, net	518,786	518,786
Lease receivable	-	776,708
Prepaid expenses	35,778	653,207
Total current assets	9,292,499	8,272,229
Right-to-use subscription assets	49,275	2,812
Capital assets, net	4,293,235	2,364,180
Right-of-use assets, net	259,942	64,631
Total assets	13,894,951	10,703,852
DEFERRED OUTFLOWS OF RESOURCES	<u>848,464</u>	<u>1,051,639</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	809,419	62,260
Compensated absences	497,701	472,241
Bonds payable	25,000	-
Subscription liabilities	17,274	2,620
Lease liabilities	65,627	-
Total current liabilities	1,415,021	537,121
Noncurrent liabilities		
Bonds payable, net of current portion	795,689	-
Subscription liabilities, net of current portion	31,856	-
Notes payable	-	749,343
Lease liabilities, net of current portion	195,949	57,728
Proportionate share of NYS retirement net pension liability (asset)	1,048,317	(432,575)
Other post employment benefits	13,377,875	13,439,613
Total noncurrent liabilities	15,449,686	13,814,109
Total liabilities	16,864,707	14,351,230
DEFERRED INFLOWS OF RESOURCES	<u>65,075</u>	<u>2,229,324</u>
NET POSITION		
Net investment in capital assets	4,293,235	2,364,180
Net investment in right-of-use assets	259,942	64,631
Unrestricted	(6,739,544)	(7,253,874)
Total net position	\$ (2,186,367)	\$ (4,825,063)

**HUDSON RIVER-BLACK RIVER REGULATING DISTRICT
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE STATE OF NEW YORK)**

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET POSITION

YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
OPERATING REVENUES		
Assessments	\$ 4,722,206	\$ 4,726,516
New York State assessments	1,250,000	1,250,000
Water power service	788,716	-
Lease revenue	744,245	1,488,491
Permit fees	561,343	563,198
Other	9,138	131,290
Total operating revenues	<u>8,075,648</u>	<u>8,159,495</u>
OPERATING EXPENSES		
Personnel service and employee benefits	2,886,609	2,662,428
Other post-employment benefits	409,137	(3,297,080)
Real estate taxes	620,596	3,147,931
Contractual services	1,438,051	1,807,484
Depreciation	228,056	228,056
Amortization	47,620	9,954
Materials and supplies	60,485	66,528
Total operating expenses	<u>5,690,554</u>	<u>4,625,301</u>
TOTAL OPERATING INCOME	<u>2,385,094</u>	<u>3,534,194</u>
NONOPERATING REVENUE (EXPENSE)		
Interest expense	(39,678)	(17,265)
Interest income	285,788	46,921
Other income and expense, net	7,492	(5,406)
Total nonoperating revenue	<u>253,602</u>	<u>24,250</u>
CHANGES IN NET POSITION	2,638,696	3,558,444
NET ASSETS, BEGINNING OF YEAR	<u>(4,825,063)</u>	<u>(8,383,507)</u>
NET ASSETS, END OF YEAR	<u>\$ (2,186,367)</u>	<u>\$ (4,825,063)</u>

**HUDSON RIVER-BLACK RIVER REGULATING DISTRICT
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE STATE OF NEW YORK)**

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from assessment beneficiaries	\$ 5,972,206	\$ 5,985,486
Cash received from water power services	788,716	-
Cash received from leases	744,245	1,488,491
Cash received from permit fees	561,343	563,198
Other cash receipts	9,138	131,290
Payments to vendors and suppliers for goods and services	(220,720)	(3,633,392)
Payments to employees	<u>(3,608,358)</u>	<u>(4,394,511)</u>
Net cash from operating activities	<u>4,246,570</u>	<u>140,562</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(2,157,111)	-
Investment income received	<u>253,602</u>	<u>24,250</u>
Net cash from investing activities	<u>(1,903,509)</u>	<u>24,250</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bonds payable	820,689	-
Payment of notes payable	<u>(749,343)</u>	<u>(15,500)</u>
Net cash used for financing activities	<u>71,346</u>	<u>(15,500)</u>
Net change in cash and cash equivalents	2,414,407	149,312
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>6,323,528</u>	<u>6,174,216</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 8,737,935</u>	<u>\$ 6,323,528</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net position	\$ 2,638,696	\$ 3,558,444
Adjustments to reconcile changes in net position to net cash flow from operating activities:		
Investment income	(253,602)	(24,250)
Depreciation	228,056	228,056
Amortization	47,620	9,954
Decrease (increase) in assets:		
Accounts receivable	-	8,970
Lease receivables	776,708	1,456,028
Right-to-use subscription assets	(60,867)	(5,191)
Prepaid expenses	617,429	4,799
Right-of-use assets	(228,527)	(65,868)
Deferred outflow	203,175	82,385
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses payable	747,159	(3,837)
Subscription liability	46,510	2,620
Compensated absences	25,460	20,043
Lease liabilities	203,848	51,390
Proportionate share of net pension liability	1,480,892	(437,131)
Deferred inflow	(2,164,249)	(1,350,513)
Other post employment benefits obligation	<u>(61,738)</u>	<u>(3,395,337)</u>
Net cash from operating activities	<u>\$ 4,246,570</u>	<u>\$ 140,562</u>

See notes to the consolidated financial statements.

1. ORGANIZATION AND REPORTING ENTITY

Hudson River-Black River Regulating District (the “Regulating District”) was created in 1959 under Article 15, Title 21 of the Environmental Conservation Law, which combined two organizations, the Black River Regulating District (“Black River”), formed in 1919, and the Hudson River Regulating District (“Hudson River”), formed in 1922. The Regulating District is a New York State public benefit corporation that is mandated to regulate stream flows, including health and safety, as required by public welfare. The regulation of stream flows into the two [Hudson River and Black River] watershed areas is the mission of the consolidated organization. The day-to-day operation and financing of the two areas is conducted independently, because they are not physically related or connected in any way. Accordingly, the operating costs of each are recovered from two different sets of statutory beneficiaries, hydropower (or waterpower) agreements and, in the Hudson River area only, the Great Sacandaga Lake Permit System. Each watershed area has its own operating personnel; however, a common professional staff serves both. Overall direction is supplied by a board appointed by the Governor of New York State.

The Regulating District is a component unit of the State of New York and, as such, is included in the State’s general purpose financial statements. The Regulating District’s consolidated financial statements include all operations for which the Regulating District has financial accountability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Regulating District’s consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board (“GASB”) for proprietary funds.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Hudson River and Black River Regulating Districts. All intercompany transactions and balances have been eliminated in consolidation.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with GASB, which require the Regulating District to report information regarding its financial position and activities according to the following net asset classifications:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Presentation - Continued

Net investment in capital assets. Consists of capital assets including restricted capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position. Consists of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position. All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Amounts from prior year may have been reclassified to conform to current year presentation.

Cash and Cash Equivalents

The Regulating District considers all short-term investments with original maturities of three months or less to be cash equivalents.

The Regulating District’s monies must be deposited in Federal Depository Insurance Corporation (“FDIC”) insured commercial banks or trust companies located within the state. During the years ended June 30, 2023 and 2022, the Regulating District also had funds held by New York State in Short Term Investment Pool (“STIP”). The Regulating District does not control and is not responsible for collateralizing the STIP funds, as they are collateralized at the State level. The Regulating District’s cash in FDIC insured commercial banks, at times, may exceed federally insured limits. The Regulating District has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to cash.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounts Receivables

Accounts receivable consists of assessments due from beneficiaries. Accounts receivable are carried on the statements of net position at net realizable value. The Regulating District has elected to record bad debts using the allowance method. Accounts receivable of \$518,786 and \$518,786 at June 30, 2023 and 2022, respectively, are recorded net of the allowance for doubtful accounts of \$914,580 and \$914,580 at June 30, 2023 and 2022, respectively.

The Regulating District continuously monitors outstanding accounts receivable for collectability. During the years ended June 30, 2023 and 2022, the Regulating District did not recognize any bad debt expense based on the status of its doubtful accounts.

Lease Receivable

The Regulating District's lease receivable is measured at the present value of lease payments expected to be received during the lease term. The monthly payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Right-to-use Subscription Assets

Right-to-use subscription assets are measured as the sum of (1) present value of subscription payments expected to be made during the subscription term plus (2) payments made before commencement of the subscription term, and (3) any capitalizable implementation costs, less any incentives received at or before the commencement of the subscription term. It is amortized on a straight-line basis over the subscription term.

Capital Assets

Capital assets are recorded at cost. Capital assets are defined as assets with initial, individual costs exceeding a capitalization threshold of \$5,000 and useful life of two years or more. Depreciation is provided using the straight-line method over the following estimated useful lives:

Dam structures	100 years
Building and improvements	15 - 40 years
Office and other equipment	5 - 7 years
Vehicles	5 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Right-of-Use Assets

The right-of-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-of-use assets are amortized on a straight-line basis using the lesser of the life of the related lease or the life of the identifiable asset.

Accrued Compensated Absences

It is the Regulating District's policy to record compensated absences, including accumulated vacation and sick leave, as a liability.

Upon retirement from the Regulating District, represented employees are paid all accumulated leave, up to 40 days of unused vacation and 100 days of unused sick leave, subject to the terms of the collective bargaining agreement.

Non-represented employees may receive a cash payment of up to 100 days of sick leave upon retirement directly from the Regulating District if hired before July 1, 2005 or may apply up to 165 days of unused sick leave for retirement service credit if hired on or after July 1, 2005. Non-represented employees are also paid up to 40 days of unused vacation leave upon separation or retirement.

Deferred Outflows/Inflows of Resources

In addition to assets, the consolidated statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the consolidated statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The components of deferred outflows and inflows of resources as of June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
<i>Deferred Outflows</i>		
Pensions	\$ 848,464	\$ 1,051,639
<i>Deferred Inflows</i>		
Pensions	\$ 65,075	\$ 1,485,079
Leases	-	744,245
	<u>\$ 65,075</u>	<u>\$ 2,229,324</u>

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Pensions

The net pension liability (asset) represents the Regulating District's proportionate share of the net pension liability (asset) of the New York State and Local Retirement System ("NYSLRS"). The financial reporting of these amounts is presented in accordance with the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Other Postemployment Benefits ("OPEB")

The Regulating District provides certain health care benefits to its retired employees in accordance with the provisions of employment contracts. In general, the Regulating District provides health care benefits for those retired personnel who are eligible for a pension through the New York State and Local Retirement System.

The OPEB benefits were calculated using Alternate Measurement Method for employers with fewer than one hundred employees (active and inactive), as specified in paragraphs 224 through 226 of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Budgets

As required by legislation, the Regulating District operates on a three-year budgeting cycle. Separate budgets are developed for the Hudson River area and Black River area since the cost of their respective operations is borne by a group of designated beneficiaries in each watershed. General administration costs, including Board expenses, are allocated on a proportionate basis to the two areas. The cost of operating the Permit System at the Great Sacandaga Lake is estimated for a three-year period. This involves allocating personnel salaries and benefits, as well as a portion of facility and equipment costs to permit system operations.

Revenue Recognition

Assessments

Resolutions are passed by the Regulating District's Board for both the Hudson River area and Black River area annual assessments at the June Board meeting. On July 1st of each year, assessments are billed. On November 1st, a letter is sent to each County where a statutory beneficiary is located requesting it to charge unpaid assessments on the County's real property tax levy for the subsequent year.

New York State Assessment

The March 12, 2013 Hudson River Area Apportionment established an "amount chargeable to the State" to be 22.18% of the total Hudson River Area estimated operation and maintenance cost. On July 1 of each year, the amount chargeable to the State is submitted to the New York State Division of Budget for inclusion in the State's annual appropriation bill.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Recognition - Continued

Operating and Non-Operating Revenues (Expenses)

Operating revenue consists of assessments, waterpower service, federal headwater benefit fees, and permit fees. The Regulating District defines non-operating revenue as interest earnings cash or investment assets, realized/unrealized gains or losses on sales of investments, and bond subsidy revenue. Non-operating expense primarily reflects interest expense on financing arrangements. At June 30, 2023 and 2022, the Regulating District did not own any investment assets other than the funds held in STIP. At June 30, 2023, the funds held by the Trustee in the Debt Service Reserve Fund established in connection with the bond payable to the New York State Environmental Facilities Corporation were added to the Regulating District's investment portfolio.

Income Tax Status

As a public benefit corporation, the Regulating District is exempt from federal and state income taxes.

Fair Value of Financial Instruments

The fair value of financial instruments classified as current assets or liabilities approximate their carrying value due to the short-term maturity of the instruments.

Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

- Level I inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level II inputs are inputs (other than quoted prices included within Level I) that are observable for the asset or liability, either directly or indirectly.
- Level III inputs are unobservable inputs, for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The fair value of the Regulating District's cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, and all other liabilities approximates carrying values because of the short-term nature of these items.

3. ACCOUNTING PRONOUNCEMENTS ADOPTED DURING THE YEAR

Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment, effective for fiscal years beginning after June 15, 2022. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (“PPPs”) and provides guidance for accounting and financial reporting for availability payment arrangements (“APAs”). This Statement does not have any effect on the Regulating District’s financial statements.

4. ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

Statement No. 101, Compensated Absences, effective for fiscal years beginning after December 15, 2023. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Regulating District is currently evaluating the impact of this Statement.

5. CASH AND CASH EQUIVALENTS

Cash held by the Regulating District in deposit accounts consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Carrying value	\$ 388,029	\$ 864,122
Bank balance	571,377	1,098,425

Deposits held in STIP, held by the NYS Comptroller’s Office, totaled \$8,272,739 and \$5,459,406 at June 30, 2023 and 2022, respectively.

A summary of the carrying value of cash and deposits as of June 30 are as follows:

	<u>2023</u>	<u>2022</u>
Cash	\$ 464,946	\$ 863,762
STIP funds	8,272,739	5,459,406
Petty cash	<u>250</u>	<u>360</u>
	<u>\$ 8,737,935</u>	<u>\$ 6,323,528</u>

6. CONCENTRATIONS OF CREDIT RISK

Cash Balances

The Regulating District maintains its cash balances at several financial institutions. Cash balances held by the Regulating District in noninterest-bearing accounts at commercial banks are insured up to \$250,000 at June 30, 2023 by the FDIC.

Funding Source

The Regulating District receives a significant amount of its funding from the assessment revenues. During the fiscal year ended June 30, 2023 and 2022, the Regulating District received approximately 74% and 73%, respectively, of funding that were provided by the statutory beneficiaries. Loss of funding from these statutory beneficiaries could have a material effect on the Regulating District, however, Management of the Regulating District does not anticipate a significant loss of such funding.

7. LEASES

As a lessor, the Regulating District has two lease contracts as follows:

In July 2003, the Regulating District entered into a lease with Erie Boulevard Hydropower LP granting Erie the right-to-use the District's 56 feet of head and to take into, and use in, the hydropower plant the water from the District's Conklingville Dam. Under the lease, Erie Boulevard Hydropower LP pays the Regulating District (on average) \$1,133,055 per year for the nineteen and one-half years of the lease (as amended). The lease expired on December 2023. The agreement was renegotiated for a 6-month period using the same terms until June 30, 2023. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at an incremental borrowing rate of 4.54%, the risk-free rate for a 20-year treasury in July 2003.

In October 1985, the Regulating District entered into a ground lease and water usage agreement with Stillwater Associates. Under the lease, Stillwater Associates pays the Regulating District (on average) \$47,341 per year for the thirty-seven years of the lease (as amended). The most recent amendment extended the lease until September 2023. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at an incremental borrowing rate of 8.00%, the risk-free rate for a 30-year treasury in October 1985.

The Regulating District's lease receivables related to these contracts amounted to of \$0 and \$776,708 as of June 30, 2023 and 2022, respectively. Lease revenue of \$744,245 and \$1,488,491 and interest income of \$10,740 and \$74,229 was recognized related to these leases for the years ended June 30, 2023 and 2022, respectively.

7. LEASES - CONTINUED

As a lessee, the Regulating District leases nonfinancial assets such as copier, parking spaces and office space. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. As the lessee, lease liabilities and the associated lease assets are recognized on the Statements of Net Position.

The Regulating District does not have variable payment clauses, within its lease arrangements. The Regulating District did not incur expenses related to its leasing activities related to residual value guarantees, lease termination penalties or losses due to impairment. As a lessee, there are currently no agreements that include sale-leaseback and lease-leaseback transactions. Furthermore, the Regulating District has no commitment for leases that have not commenced as of June 30, 2023.

The Regulating District's lease liabilities related to these lease contracts amounted to \$261,576 and \$57,728 as of June 30, 2023 and 2022, respectively, of which current portion for the year ended June 30, 2023 and 2022, amounted to \$65,627 and \$0, respectively.

As a lessee, the associated right-of-use assets as of June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 6,338	\$ 6,338
Parking Spaces	36,742	36,742
Office Spaces	<u>265,003</u>	<u>29,126</u>
Total	308,083	72,206
Less accumulated amortization	<u>(48,141)</u>	<u>(7,575)</u>
	<u>\$ 259,942</u>	<u>\$ 64,631</u>

As of June 30, 2023, the Regulating District's minimum principal and interest payment requirements for its leasing activities, with a remaining term in excess of one year, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 65,627	\$ 7,106	\$ 72,733
2025	56,760	5,473	62,233
2026	47,536	3,897	51,433
2027	49,138	2,295	51,433
2028	42,364	649	43,013
Thereafter	151	-	151
	<u>\$ 261,576</u>	<u>\$ 19,420</u>	<u>\$ 280,996</u>

8. CAPITAL ASSETS

Capital assets at June 30, 2023 and 2022 are as follows:

HUDSON RIVER AREA

Cost	At July 1, 2022	Additions	Retirements and Disposals	At June 30, 2023
Dam structures	\$ 12,104,830	\$ -	\$ -	\$ 12,104,830
Building and improvements	2,631,084	-	-	2,631,084
Office and other equipment	282,300	-	-	282,300
Vehicles	557,091	-	-	557,091
Total	\$ 15,575,305	\$ -	\$ -	\$ 15,575,305
Accumulated Depreciation				
Dam structures	\$ 11,499,588	\$ 121,048	\$ -	\$ 11,620,636
Building and improvements	1,158,333	67,014	-	1,225,347
Office and other equipment	234,921	12,123	-	247,044
Vehicles	533,378	9,661	-	543,039
Total	\$ 13,426,220	\$ 209,846	\$ -	\$ 13,636,066
 Capital assets, net	 \$ 2,149,085	 \$ (209,846)	 \$ -	 \$ 1,939,239

BLACK RIVER AREA

Cost	At July 1, 2022	Additions	Retirements and Disposals	At June 30, 2023
Dam structures	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
Building and improvements	406,443	-	-	406,443
Office and other equipment	160,585	-	-	160,585
Vehicles	122,635	-	-	122,635
Land	7,800	-	-	7,800
Construction in-progress	-	2,157,111	-	2,157,111
Total	\$ 2,697,463	\$ 2,157,111	\$ -	\$ 4,854,574
Accumulated Depreciation				
Dam structures	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
Building and improvements	226,889	9,810	-	236,699
Office and other equipment	132,844	8,400	-	141,244
Vehicles	122,635	-	-	122,635
Total	\$ 2,482,368	\$ 18,210	\$ -	\$ 2,500,578
 Capital assets, net	 \$ 215,095	 \$ 2,138,901	 \$ -	 \$ 2,353,996

8. CAPITAL ASSETS - CONTINUED

CONSOLIDATED

Cost	<u>At July 1, 2022</u>	<u>Additions</u>	<u>Retirements and Disposals</u>	<u>At June 30, 2023</u>
Dam structures	\$ 14,104,830	\$ -	\$ -	\$ 14,104,830
Building and improvements	3,037,527	-	-	3,037,527
Office and other equipment	442,885	-	-	442,885
Vehicles	679,726	-	-	679,726
Land	7,800	-	-	7,800
Construction in-progress	-	2,157,111	-	2,157,111
Total	<u>\$ 18,272,768</u>	<u>\$ 2,157,111</u>	<u>\$ -</u>	<u>\$ 20,429,879</u>
Accumulated Depreciation				
Dam structures	\$ 13,499,588	\$ 121,048	\$ -	\$ 13,620,636
Building and improvements	1,385,222	76,824	-	1,462,046
Office and other equipment	367,765	20,523	-	388,288
Vehicles	656,013	9,661	-	665,674
Total	<u>\$ 15,908,588</u>	<u>\$ 228,056</u>	<u>\$ -</u>	<u>\$ 16,136,644</u>
Capital assets, net	<u>\$ 2,364,180</u>	<u>\$ 1,929,055</u>	<u>\$ -</u>	<u>\$ 4,293,235</u>

HUDSON RIVER AREA

Cost	<u>At July 1, 2021</u>	<u>Additions</u>	<u>Retirements and Disposals</u>	<u>At June 30, 2022</u>
Dam structures	\$ 12,104,830	\$ -	\$ -	\$ 12,104,830
Building and improvements	2,631,084	-	-	2,631,084
Office and other equipment	282,300	-	-	282,300
Vehicles	557,091	-	-	557,091
Total	<u>\$ 15,575,305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,575,305</u>
Accumulated Depreciation				
Dam structures	\$ 11,378,540	\$ 121,048	\$ -	\$ 11,499,588
Building and improvements	1,091,319	67,014	-	1,158,333
Office and other equipment	222,798	12,123	-	234,921
Vehicles	523,717	9,661	-	533,378
Total	<u>\$ 13,216,374</u>	<u>\$ 209,846</u>	<u>\$ -</u>	<u>\$ 13,426,220</u>
Capital assets, net	<u>\$ 2,358,931</u>	<u>\$ (209,846)</u>	<u>\$ -</u>	<u>\$ 2,149,085</u>

8. CAPITAL ASSETS - CONTINUED

BLACK RIVER AREA

Cost	At July 1, 2021	Additions	Retirements and Disposals	At June 30, 2022
Dam structures	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
Building and improvements	406,443	-	-	406,443
Office and other equipment	160,585	-	-	160,585
Vehicles	122,635	-	-	122,635
Land	7,800	-	-	7,800
Total	\$ 2,697,463	\$ -	\$ -	\$ 2,697,463
Accumulated Depreciation				
Dam structures	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
Building and improvements	217,079	9,810	-	226,889
Office and other equipment	124,444	8,400	-	132,844
Vehicles	122,635	-	-	122,635
Total	\$ 2,464,158	\$ 18,210	\$ -	\$ 2,482,368
Capital assets, net	<u>\$ 233,305</u>	<u>\$ (18,210)</u>	<u>\$ -</u>	<u>\$ 215,095</u>

CONSOLIDATED

Cost	At July 1, 2021	Additions	Retirements and Disposals	At June 30, 2022
Dam structures	\$ 14,104,830	\$ -	\$ -	\$ 14,104,830
Building and improvements	3,037,527	-	-	3,037,527
Office and other equipment	442,885	-	-	442,885
Vehicles	679,726	-	-	679,726
Land	7,800	-	-	7,800
Total	\$ 18,272,768	\$ -	\$ -	\$ 18,272,768
Accumulated Depreciation				
Dam structures	\$ 13,378,540	\$ 121,048	\$ -	\$ 13,499,588
Building and improvements	1,308,398	76,824	-	1,385,222
Office and other equipment	347,242	20,523	-	367,765
Vehicles	646,352	9,661	-	656,013
Total	\$ 15,680,532	\$ 228,056	\$ -	\$ 15,908,588
Capital assets, net	<u>\$ 2,592,236</u>	<u>\$ (228,056)</u>	<u>\$ -</u>	<u>\$ 2,364,180</u>

The Regulating District is currently rehabilitating its Dam located in Hawkinsville, New York, and as of June 30, 2023, the Regulating District capitalized \$2,157,111 for the rehabilitation.

8. CAPITAL ASSETS - CONTINUED

Depreciation expense charged to operations for the fiscal years ended June 30 are as follows:

	2023	2022
Hudson River Area	\$ 209,846	\$ 209,846
Black River Area	18,210	18,210
Total depreciation expense	<u>\$ 228,056</u>	<u>\$ 228,056</u>

9. PENSIONS

Plan Description

The Regulating District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer retirement plan. The ERS provides retirement benefits, as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security law ("NYSRSSL"). As set forth in NYSRSSL, the Comptroller of the State of New York ("Comptroller") serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the ERS and for the custody and control of their funds. The ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Employees' Retirement Systems, 110 State Street, Albany, New York 12244 or online at www.osc.state.ny.us/retire/publications/index.php

Eligibility and Funding Policy

Membership, benefits, and employer and employee obligations to contribute are described in the NYSRSSL using the tier concept. Pension legislation established tier membership by the date a member last joined the Retirement System. They are as follows:

- Tier 1 - Those persons who last became members of the ERS before July 1, 1973.
- Tier 2 - Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 - Generally those persons who are State correction officers who last became members on or after July 27, 1976, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 - Generally, except for correction officers, those persons who last became members on or after September 1, 1983.
- Tier 5 - Those persons who last became members of the ERS on or after January 1, 2010.
- Tier 6 - Those persons who last became members of the ERS on or after April 1, 2012.

9. PENSIONS - CONTINUED

Employer Contributions

Participating employers are required under the NYSRSSL to contribute to the ERS at an actuarially determined rate adopted annually by the Comptroller. The average contribution rate for ERS for the fiscal year ended March 31, 2023 was approximately 11.6% of covered employee payroll. Delinquent annual bills for employer contributions accrue interest at the actuarial interest rate applicable during the year. For the fiscal year ended March 31, 2023, the applicable interest rate was 5.9%.

Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2023	\$ 199,825
2022	301,883
2021	266,876

Member Contributions

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the NYSRSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

Benefits (only for those in which the Regulating District has employees in)

Tiers 1 and 2

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the NYSRSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

9. PENSIONS - CONTINUED

Benefits (only for those in which the Regulating District has employees in) – Continued

Tiers 3, 4 and 5

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Tier 6

Benefit Calculation: Generally, the benefit is 1.67% of the final average salary for each year of service if the employee retires with less than 20 years. If the employee retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If the employee retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 employees with ten or more years of service can retire as early as age 55 with reduced benefits.

Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension

For purposes of determining the net pension liability and other pension-related amounts, information about the fiduciary net position of ERS have been determined on the same basis reported by the Regulating District.

At June 30, 2023, the Regulating District's proportionate share of the collective net pension liability was \$1,048,317, which is an increase from net pension liability (asset) of \$(432,575) at June 30, 2022. The Regulating District's proportionate share of the collective net pension asset was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to rollforward the total pension liability to March 31, 2023. The Regulating District's share of collective net pension asset was actuarially determined based on a projection of the Regulating District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members.

9. PENSIONS - CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension - Continued

At March 31, 2023, the Regulating District's proportionate share was 0.0048886%, which was lower than its proportionate share measured at March 31, 2022 of 0.0052917%. For the fiscal years ended June 30, 2023 and 2022, the Regulating District recognized pension expense of \$199,825 and \$301,883, respectively, under GASB 68. At June 30, 2023 and 2022, the Regulating District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 111,654	\$ -
Changes of assumptions	509,130	5,627
Net difference between projected and actual earnings	-	6,159
on pension plan investments	-	29,441
Changes in proportion and differences between employer	-	-
contributions and proportionate share of contributions	177,724	23,849
Contributions subsequent to the measurement date	<u>49,956</u>	<u>-</u>
Total deferred outflows and inflows	<u>\$ 848,464</u>	<u>\$ 65,076</u>
	June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 32,760	\$ -
Changes of assumptions	721,919	12,182
Net difference between projected and actual earnings	-	1,416,502
on pension plan investments	-	42,491
Changes in proportion and differences between employer	-	-
contributions and proportionate share of contributions	221,489	13,904
Contributions subsequent to the measurement date	<u>75,471</u>	<u>-</u>
Total deferred outflows and inflows	<u>\$ 1,051,639</u>	<u>\$ 1,485,079</u>

9. PENSIONS - CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension - Continued

The deferred outflow of resources resulting from contributions made subsequent to the measurement date of \$49,956 will be recognized as reduction of the net pension liability in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the year ending June 30:

2024	\$ 173,256
2025	(70,978)
2026	270,535
2027	360,619
	<u>\$ 733,432</u>

Actuarial Assumptions

The total pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022 with update procedures used to roll forward the total pension liability to March 31, 2023.

Significant actuarial assumptions for the ERS used in the April 1, 2022 valuation were as follows:

Inflation	2.70%
Salary increases	4.40%
Investment rate of return (net of investment expense) including inflation)	5.90%
Cost-of-living adjustments	1.40%

Annuitant mortality rates are based on April 1, 2015 – April 1, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021. The previous actuarial valuation as of April 1, 2020 used the same assumptions to measure the total pension liability.

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – April 1, 2020.

9. PENSIONS - CONTINUED

Actuarial Assumptions - Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate
Domestic equity	32.00 %	4.30 %
International equity	15.00	6.85
Private equity	10.00	7.50
Real estate	9.00	4.60
Opportunistic/Absolute Return Strategy	3.00	5.38
Credit	4.00	5.43
Real assets	3.00	5.84
Fixed Income	23.00	1.50
Cash	1.00	0.00
	100.00 %	

The real rate of return is net the long-term inflation assumption of 2.50%

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Regulating District's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Regulating District's proportionate share of the net pension liability would be if it were calculated using a discount

9. PENSIONS - CONTINUED

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption - Continued

rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current assumption (5.9%)	1% Increase (6.9%)
The Regulating District's proportionate share of the collective net pension liability (asset)	\$2,533,332	\$1,048,317	\$ (193,586)

Pension plan fiduciary net position

Although GASB No. 68 requires that information is presented from the ERS through the plan's fiscal year end (March 31), the Regulating District has accounted for activity where applicable, from April 1st through its fiscal year end of June 30th.

10. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Regulating District provides certain health care benefits for retired employees in accordance with the provisions of the collective bargaining agreement and the Management/Exempt Employees Guidelines, as applicable. The Regulating District OPEB is a single-employer, contributory plan with fewer than one hundred employees (active and inactive). With this, the Regulating District's OPEB Obligation was calculated using the Alternate Measurement Method for employers with fewer than one hundred employees (active and inactive), as specified in paragraphs 224 through 226 of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The Regulating District's OPEB does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

Eligibility

Represented employees are eligible for medical benefits at retirement and with 10 years of eligible service. There is no 10-year service requirement for these benefits for non-represented employees.

Medical benefits are offered to current and future retirees through the NYSHIP Empire Plan and the CDPHP HMO Plan for pre-65 and post-65 coverage.

10. OTHER POSTEMPLOYMENT BENEFITS - CONTINUED

Eligibility - Continued

The Dental/Vision Plan is a community rated dental/vision plan that is open to active employees, pre-65 Non-Union retirees and post-65 Non-Union retirees.

Plan Membership

At June 30, 2023, the OPEB membership (excluding beneficiaries and retirees who waived coverage) consisted of the following:

Active Plan Members	19
Retirees currently receiving benefits	32
Total	51

Contribution and Funding Policy

The obligations of the Retirement Plan are established by action of the Regulating District pursuant to applicable collective bargaining and employment agreements. The required premium contribution rates of retirees range from 0%-25%, depending on when the employee was hired and if the employee is governed by a CSEA or a management exempt plan. The Regulating District will pay 100% of the premiums for the retiree and spouse for a management exempt employee, 100% of the premium for a Union employee, and 75% of the premium for a Union employee's spouse. The Regulating District pays the costs of administering the Retirement Plan. The Regulating District currently contributes enough money to the Retirement Plan to satisfy current obligations on a pay-as-you-go basis to cover annual premiums. The Regulating District has not funded a qualified trust or its equivalent as defined in GASB 75 and is not required to fund the plan other than the pay-as-you-go amount necessary to provide current benefits to retirees.

Actuarial Methods and Assumptions

The Regulating District recognized total OPEB liability of \$13,377,875 and \$13,439,613 as of June 30, 2023 and 2022, respectively. The total OPEB liability as of June 30, 2023 was measured as of June 30, 2022 using actuarial valuation as of July 1, 2021. The total OPEB liability was calculated using the Entry Age Normal Cost method. The actuarial valuations included the following actuarial assumptions:

Inflation	2.50%
Discount Rate	3.86%

Discount Rate

The discount rate is based on the Fidelity General Obligation 20-Year AA Municipal Bond Index June 30, 2023.

10. OTHER POSTEMPLOYMENT BENEFITS - CONTINUED

Salary Increases

Salaries are assumed to increase at 2.00% per year. The salary scale was based on Regulating District's review of historical experience as well as future expectations.

Healthcare Trends

Healthcare trend rates were split to separate trends for pre-65 and post-65 claims as follows:

Year	Pre-65 Medical	Post-65 Medical	Prescription Drug
2022	7.000%	4.500%	7.000%
2023	6.750%	4.400%	6.750%
2024	6.500%	4.300%	6.500%
2025	6.250%	4.200%	6.250%
2035	4.822%	4.200%	4.822%
2045	4.650%	4.200%	4.650%
2055	4.482%	4.200%	4.482%
2065	4.383%	4.200%	4.383%
2075+	3.784%	3.784%	3.784%

Mortality

The sex distinct and job category-specific headcount weighted Pub-2010 Public Retirement Mortality Tables for employees and healthy retirees, and then adjusted for mortality improvements with Scale MP-2021 mortality improvements scale generation basis. The revised assumption resulted in a decrease in liabilities.

Turnover

Rates of turnover were assumed to follow experience under the ERS. The ERS rates are derived from the central rates of decrement disclosed in the April 1, 2015 to March 31, 2020 experience study released by the Retirement Systems Actuary and published in their August 2020 report Annual Report to the Comptroller on Actuarial Assumptions. The revised assumption resulted in a decrease in liabilities.

Retirement Incidence

Employees were assumed to retire at the later of attaining the age of 62 or reaching the required years of service for medical coverage.

10. OTHER POSTEMPLOYMENT BENEFITS - CONTINUED

Annual OPEB Cost and Net OPEB Obligation

In accordance with the provisions of GASB 75, the Regulating District is required to quantify and disclose its obligations to pay OPEB to retired plan members. This standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The Regulating District's Net OPEB Obligation as of June 30, 2023 and 2022 respectively were calculated using the Alternate Measurement Method for employers with fewer than one hundred employees (active and inactive), as specified in paragraphs 224 through 226 of GASB 75.

The Regulating District's changes in total OPEB liability as of June 30, 2023 and 2022, are as follows:

	<u>2023</u>	<u>2022</u>
Total OPEB liability at July 1	\$ 13,439,613	\$ 16,834,950
Service cost	294,234	464,617
Interest cost	496,347	333,229
Differences between expected and actual experience and change of assumptions	(286,882)	(3,641,428)
Benefit payments	<u>(565,437)</u>	<u>(551,755)</u>
Total OPEB liability at June 30	<u>\$ 13,377,875</u>	<u>\$ 13,439,613</u>

Sensitivity to Discount Rate and Healthcare Trend Rate

The following presents the Regulating District's net OPEB liability calculated using the discount rate at measurement date of 3.86%, as well as what the Regulating District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.86%) or 1 percentage point higher (4.86%) than the current rate:

	<u>1% Decrease (2.86%)</u>	<u>Current assumption (3.86%)</u>	<u>1% Increase (4.86%)</u>
The Regulating District's net OPEB liability Discount Rate	\$15,139,956	\$13,777,875	\$11,535,831
The Regulating District's net OPEB liability Healthcare Trend Rates	\$11,392,028	\$13,777,875	\$15,327,950

11. CONTINGENCIES

On July 31, 2012, the Regulating District received the final Federal Energy Regulatory Commission (“FERC”) Headwater Benefits Study report defining the equitable portion of the Regulating District’s Federal Power Act section 10(f) costs to be paid by the federally licensed merchant for profit hydropower generators benefitted by the Regulating District’s operation. The FERC order shifted the Regulating District’s primary funding source from federally licensed for profit hydropower generators to the five counties (Albany, Rensselaer, Saratoga, Warren, and Washington).

Also, as noted in the final FERC Study, the Regulating District had been charging downstream projects for headwater benefits under New York law for many years before the Great Sacandaga Lake Project was licensed and for several years thereafter. The court of appeals made it clear that, once the Great Sacandaga Lake Project was licensed, New York law was completely preempted by section 10(f) and the collection of payments for headwater benefits pursuant to that law was unauthorized. In its order on remand, the Commission stated that, while it could not order the Regulating District to refund payments made by the downstream licensees under the New York law, it might be possible to offset headwater benefits payments by these amounts. FERC staff requested additional information from the licensees regarding the amounts that the Regulating District has collected for each downstream project since the Great Sacandaga Project was licensed and any funds that may have since been returned to the downstream licensees. Based on the receipt of that information along with the consideration of other related licensee claims and settlements, FERC orders in August and November 2015 established the dates upon which certain licensees to start paying past due headwater assessments as previously settled, while other licensees would participate in a crediting system whereas the aggregate refund amounts that licensees are entitled to will be amortized and netted against their annual headwater benefit fee assessments. One licensee, Erie Boulevard Hydropower LP (Erie), appealed the FERC orders and the United States Court of Appeals District of Columbia Circuit heard oral arguments on September 25, 2017.

On December 22, 2017, in a 3-0 decision, the court dismissed Erie’s petition to vacate those orders. The court’s opinion mirrored the arguments advanced in the Regulating District’s intervening brief, finding that FERC correctly calculated the head water benefits and then exercised equitable discretion to find that the 2006 settlement precluded offsetting Erie’s prior state law based assessment payments as credits against those head water benefits.

11. CONTINGENCIES - CONTINUED

The Regulating District filed with the Federal Energy Regulatory Commission (FERC) a Report of Dispute on November 30, 2022 and a Petition for Declaratory Order on January 25, 2023 seeking an order from FERC that would favorably resolve its dispute with Erie Boulevard Hydropower L.P. in the Regulating District's Hudson River Area. FERC issued an order on June 15, 2023 that granted a part of the Regulating District's request but also granted a part of Erie's counter-request. The result is the reservoir operating agreement that the Regulating District had with Erie (and its predecessors) going back to 1927 is no longer in effect. In the Fiscal Year 2023-24 budget for the Hudson River Area, this outcome will result in a loss of revenue of \$1,535,168 absent resumption and a positive outcome of negotiations with Erie or other actions the Regulating District may take to restore this source of funds. All documents pertaining to this situation can be found on the Regulating District's web site at <https://hrbrdd.ny.gov/brookfield-dispute/>.

12. HYDROPOWER (WATER USAGE) AGREEMENTS

In the Hudson River area, the Regulating District had a reservoir operating agreement, classified as a lease, with Erie Boulevard Hydropower effective July 1, 2003, with original expiration date of June 30, 2021. The required initial annual payment was \$850,000, with an annual increase of 3.0%. Subsequent to June 30, 2021, renewal of the reservoir operating agreement was made with the same terms until December 31, 2022. The contract was renegotiated for a 6-month period until June 30, 2023, not classified as a lease, after many attempts over multiple years to negotiate a new agreement failed.

In the Black River area, the Regulating District has a Hydropower Agreement with Stillwater Associates effective October 21, 1985 and expiring in December 31, 2016, classified as lease. The required initial annual payment was \$30,000 with an annual increase of 3%. The agreement was renewed for another five years until December 31, 2021 and subsequently extended until December 31, 2022. The contract was further renegotiated for multiple short-term periods until September 30, 2023, which is not classified as a lease. The Regulating District is currently renegotiating the contract and anticipates mutually beneficial outcome.

Revenue for the year ended June 30, 2023 and 2022 for these agreements are as follow:

	<u>2023</u>	<u>2022</u>
Lease revenue	\$ 744,245	\$ 1,488,491
Waterpower service revenue	788,716	-
	<u>\$ 1,532,961</u>	<u>\$ 1,488,491</u>

13. NOTES PAYABLE

On November 2017, the Regulating District entered into an agreement with New York State Environmental Facilities Corporation for a financing of up to \$3,064,067. The proceeds are to be used to finance costs associated with the reconstruction of the Conklingville Dam spillway ice sluice and repairs to the main spillway. The note payable accrue interest at 0.99% per annum and has a maturity date of November 2020. In November 2020, the agreement was renewed for additional two years with an expiration date of November 2, 2022. The agreement has again been extended with an expiration date of December 31, 2022 and on November 22, 2022, outstanding notes payable of \$734,343, was fully paid through bond refinancing.

Interest expense incurred for the year ended June 30, 2023 and 2022, amounted to \$4,944 and \$2,427, respectively. As of June 30, 2023, outstanding notes payable of \$734,343, was fully paid through bond refinancing. Notes payable for the year ended June 30, 2022 amounted to \$749,343.

14. BONDS PAYABLE

On November 12, 2022, the Regulating District entered into bonds payable agreement with New York State Environmental Facilities Corporation (the “Corporation”). The bonds were issued at its par value. The proceeds of the bonds were used to refinance its note payable of \$734,343, fund its local debt service reserve fund of \$81,106 and pay bond issuance costs of \$5,240.

The following are the terms of the bonds payable:

	Face value of bond	Interest	Principal due annually starting	Until
Bond-funded	\$ 451,372	3.117% - 4.886%	September 1, 2023	September 1, 2052
Equity-funded	369,317	3.117% - 4.886%	September 1, 2023	September 1, 2052
	<u>\$ 820,689</u>			

In addition, the Corporation, provides “Subsidy Credit” on the equity-funded bonds for 100% of the interest due. During the year ended June 30, 2023, the Regulating District recognized bond subsidy income on the equity-funded bonds amounting to \$9,513 as nonoperating revenue in the statement of activities.

Interest on the bonds is payable semi-annually on March 1st and September 1st. Bond interest expense for the year ended June 30, 2023 amounted to \$20,851, offset by the bond subsidy revenue of \$9,513 recognized as nonoperating revenue (expense) in the statement of activities. Accrued interest expense on the bonds payable amounted to \$6,213 at June 30, 2023.

14. BONDS PAYABLE - CONTINUED

As of June 30, 2023, bonds payable are as follow:

Bond-funded	\$ 451,372
Equity-funded	<u>369,317</u>
	820,689
Less: current portion	<u>25,000</u>
Bonds payable, net of current portion	<u><u>\$ 795,689</u></u>

Principal amounts due in the next five fiscal years and thereafter for the notes payable are as follows:

Year ending June 30	Amount
2024	\$ 25,000
2025	15,689
2026	25,000
2027	25,000
2028	25,000
Thereafter	<u>705,000</u>
Total	<u><u>\$ 820,689</u></u>

15. NONCURRENT LIABILITIES

Long-term obligation activity for the fiscal years ended June 30, 2023 and 2022 is summarized below:

	At June 30, 2022	Additions	Reductions	At June 30, 2023	Classified as	
					Current	Noncurrent
Other postemployment benefits	\$ 13,439,613	\$ -	\$ 61,738	\$ 13,377,875	\$ -	\$13,377,875
Compensated absences	472,241	25,460	-	497,701	497,701	-
Bonds payable	-	820,689	-	820,689	25,000	795,689
Note payable	749,343	-	749,343	-	-	-
Lease liabilities	57,728	203,848	-	261,576	65,627	195,949
Subscription liabilities	2,620	53,518	7,008	49,130	17,274	31,856
Net pension (asset) liability	<u>(432,575)</u>	<u>1,480,892</u>	<u>-</u>	<u>1,048,317</u>	<u>-</u>	<u>1,048,317</u>
	<u>\$ 14,288,970</u>	<u>\$ 2,584,407</u>	<u>\$ 818,089</u>	<u>\$ 16,055,288</u>	<u>\$ 605,602</u>	<u>\$15,449,686</u>

Additions and reductions to compensated absences are shown net since it is impracticable to determine these amounts separately.

15. NONCURRENT LIABILITIES - CONTINUED

Lease Liabilities

In 2021, The Regulating District has entered into agreements to lease office space, parking spaces and a copier. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The Regulating District is obligated for minimum aggregate annual rent for office space, parking spaces and a copier. These leases, other than short-term leases, which will expire from December 31, 2024 to September 9, 2028. There are no variable payment components of the lease. The lease liability is measured at government's risk-free incremental borrowing rate at lease inception. As a result of the lease, the Regulating District has recorded a right-to-use asset with a net book value of \$259,942 and \$64,631 on June 30, 2023 and 2022, respectively.

16. EMPLOYEE SALARY CHANGES

Union Employees

A significant portion of the Regulating District's employees are covered under a collective bargaining agreement with the Civil Service Employees Association, Inc. (CSEA) covering the period from July 1, 2020 to June 30, 2024. This collective bargaining agreement was finalized with the CSEA and ratified by the Regulating District Board via Resolution 21-34-07 at its July 13, 2021 meeting.

17. RISKS AND UNCERTAINTIES

Like many state and local government entities, the COVID-19 pandemic posed many challenges for the Regulating District. With a relatively large number of field staff, it was never in a position to have a large portion of its employees work remotely. As such, all Regulating District staff report to a Regulating District facility each workday.

The challenges posed to entities responsible for infrastructure arising from extreme weather continue to grow in magnitude and frequency. The Regulating District has taken numerous steps to invest in its infrastructure to better mitigate the risk arising from this aspect of its operating environment. No entity of its kind can fully mitigate such risks, however.

18. SUBSEQUENT EVENTS

Management has evaluated all events or transactions that occurred September 27, 2023, the date that the financial statements were available to be used. During this period, there were no material subsequent events requiring disclosure.

**HUDSON RIVER-BLACK RIVER REGULATING DISTRICT
(A DISCRETELY PRESENTED COMPONENT UNIT
OF THE STATE OF NEW YORK)**

**SUPPLEMENTAL SCHEDULES
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023**

HUDSON RIVER-BLACK RIVER REGULATING DISTRICT
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE STATE OF NEW YORK)

COMBINING SCHEDULE OF NET POSITION

JUNE 30, 2023

SCHEDULE I

	Hudson River	Black River	Total Regulating District
ASSETS			
Current assets			
Cash and cash equivalents	\$ 6,297,120	\$ 2,440,815	\$ 8,737,935
Accounts receivable, net	518,786	-	518,786
Intercompany receivable (payable)	348,313	(348,313)	-
Prepaid expenses	35,778	-	35,778
Total current assets	7,199,997	2,092,502	9,292,499
Right-to-use subscription assets	49,275	-	49,275
Capital assets, net	1,939,239	2,353,996	4,293,235
Right-of-use assets, net	245,379	14,563	259,942
Total assets	9,433,890	4,461,061	13,894,951
DEFERRED OUTFLOWS OF RESOURCES	614,373	234,091	848,464
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	\$ 26,991	\$ 782,428	\$ 809,419
Compensated absences	364,628	133,073	497,701
Bonds payable	25,000	-	25,000
Subscription liabilities	17,274	-	17,274
Lease liabilities	55,895	9,732	65,627
Total current liabilities	489,788	925,233	1,415,021
Noncurrent liabilities			
Bonds payable, net of current portion	795,689	-	795,689
Subscription liabilities, net of current portion	31,856	-	31,856
Lease liabilities, net of current portion	191,047	4,902	195,949
Proportionate share of NYS retirement net pension liability	748,603	299,714	1,048,317
Other post employment benefits	9,587,675	3,790,200	13,377,875
Total noncurrent liabilities	11,354,870	4,094,816	15,449,686
Total liabilities	11,844,658	5,020,049	16,864,707
DEFERRED INFLOWS OF RESOURCES	47,122	17,953	65,075
NET POSITION			
Net investment in capital assets	1,939,239	2,353,996	4,293,235
Net investment in right of use assets	245,379	14,563	259,942
Unrestricted	(4,028,135)	(2,711,409)	(6,739,544)
Total net position	\$ (1,843,517)	\$ (342,850)	\$ (2,186,367)

**HUDSON RIVER-BLACK RIVER REGULATING DISTRICT
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE STATE OF NEW YORK)**

COMBINING SCHEDULE OF ACTIVITIES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2023

SCHEDULE II

	<u>Hudson River</u>	<u>Black River</u>	<u>Total Regulating District</u>
OPERATING REVENUE			
Assessments	\$ 3,591,420	\$ 1,130,786	\$ 4,722,206
New York State assessments	674,533	575,467	1,250,000
Water power service	745,240	43,476	788,716
Lease revenue	704,996	39,249	744,245
Permit fees	561,343	-	561,343
Other	8,353	785	9,138
Total operating revenue	<u>6,285,885</u>	<u>1,789,763</u>	<u>8,075,648</u>
OPERATING EXPENSES			
Personnel service and employee benefits	1,838,437	1,048,172	2,886,609
Other post-employment benefits	294,190	114,947	409,137
Real estate taxes	604,612	15,984	620,596
Contractual services	1,070,439	367,612	1,438,051
Depreciation	209,846	18,210	228,056
Amortization	37,911	9,709	47,620
Materials and supplies	51,129	9,356	60,485
Total operating expenses	<u>4,106,564</u>	<u>1,583,990</u>	<u>5,690,554</u>
TOTAL OPERATING INCOME	<u>2,179,321</u>	<u>205,773</u>	<u>2,385,094</u>
NONOPERATING REVENUE (EXPENSE)			
Interest expense	(39,678)	-	(39,678)
Interest income	190,342	95,446	285,788
Other income and expense, net	4,486	3,006	7,492
Total nonoperating revenue	<u>155,150</u>	<u>98,452</u>	<u>253,602</u>
CHANGES IN NET POSITION	2,334,471	304,225	2,638,696
NET ASSETS, BEGINNING OF YEAR	<u>(4,177,988)</u>	<u>(647,075)</u>	<u>(4,825,063)</u>
NET ASSETS, END OF YEAR	<u>\$ (1,843,517)</u>	<u>\$ (342,850)</u>	<u>\$ (2,186,367)</u>

	2023	2022	2021	2020	2019	2018	2017	2016
The Regulating District's proportion of the net pension liability	0.0048886%	0.0052917%	0.0045752%	0.0039953%	0.0045230%	0.0045600%	0.0047200%	0.0047300%
The Regulating District's proportionate share of the net pension liability (asset) \$	1,048	(433)	5	1,058	320	179	444	759
The Regulating District's covered-employee payroll \$	1,810	1,574	1,687	1,842	1,548	1,882	1,444	1,371
The Regulating District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	57.91%	-27.51%	0.30%	57.45%	20.68%	9.51%	30.75%	55.36%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

Change in benefit terms. There was no change in the benefit terms.

Change in assumptions. The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. The discount rate used to measure the total net pension liability was 5.9% on March 31, 2023 and 2022. There was no change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 68.

- (1) The Regulating District implemented GASB 68, *Accounting and Financial Reporting for Pension* in fiscal year 2016. No data is available prior to fiscal year 2016.
- (2) Covered-employee payroll represents payroll submitted to the New York State Employee Retirement System during the measurement periods of April 1 to March 31. Covered-employee payroll is the payroll of employees that are provided with pensions through the plan (also known as "pensionable payroll"). Covered-employee payroll may differ from pensionable payroll. Covered-employee payroll includes the total payroll of covered employees on the accrual basis of accounting; this may include overtime and other compensation which have been excluded from the amount on which contributions to the pension plan are based.

Note -The amounts presented for the fiscal year was determined as of March 31 measurement date of the current fiscal year.

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 200	\$ 302	\$ 267	\$ 202	\$ 232	\$ 222	\$ 282
Contributions in relation to the contractually required contribution	<u>200</u>	<u>302</u>	<u>267</u>	<u>202</u>	<u>232</u>	<u>222</u>	<u>282</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The Regulating District's covered-employee payroll (2)	\$ 1,810	\$ 1,574	\$ 1,687	\$ 1,842	\$ 1,548	\$ 1,882	\$ 1,444
Contributions as a percentage of covered-employee payroll	11.04%	19.18%	15.82%	10.97%	14.99%	11.80%	19.53%

(1) The Regulating District implemented GASB 68, *Accounting and Financial Reporting for Pension* in fiscal year 2017. No data is available prior to fiscal year 2017.

(2) Covered-employee payroll represents payroll for the fiscal year ended June 30. Covered-employee payroll is the payroll of employees that are provided with pensions through the plan (also known as "pensionable payroll"). Covered-employee payroll may differ from pensionable payroll. Covered employee payroll includes the total payroll of covered employees on the accrual basis of accounting; this may include overtime and other compensation which have been excluded from the amount on which contributions to the pension plan are based.

Note -The amounts presented for the fiscal year was determined as of March 31 measurement date of the current fiscal year.

**HUDSON RIVER-BLACK RIVER REGULATING DISTRICT
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE STATE OF NEW YORK)**

**SCHEDULE OF CHANGES IN THE REGULATING DISTRICT'S TOTAL
OPEB LIABILITY AND RELATED RATIOS**

LAST TEN FISCAL YEARS (1)

SCHEDULE V

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
State's Proportionate Share of the Total OPEB liability Attributable to the Regulating District's retirees				
Service cost	\$ 294,234	\$ 464,617	\$ 351,672	\$ 372,987
Interest	496,347	333,229	382,008	599,102
Difference between expected and actual experience	(286,882)	(3,641,428)	1,118,605	(4,015,089)
Changes in assumptions and other inputs	-	-	-	-
Benefit payments	<u>(565,437)</u>	<u>(551,755)</u>	<u>(515,651)</u>	<u>(452,638)</u>
Net Change	(61,738)	(3,395,337)	1,336,634	(3,495,638)
State's Proportionate Share of the Total OPEB liability Attributable to the Regulating District's retirees				
At beginning of year	<u>\$ 13,439,613</u>	<u>\$ 16,834,950</u>	<u>\$ 15,498,316</u>	<u>\$ 18,993,954</u>
At end of year	<u>\$ 13,377,875</u>	<u>\$ 13,439,613</u>	<u>\$ 16,834,950</u>	<u>\$ 15,498,316</u>
Regulating District's proportionate share of the Total OPEB Liability	0%	0%	0%	0%
Regulating District Covered-employee payroll ⁽²⁾	\$ 1,809,576	\$ 1,573,884	\$ 1,686,615	\$ 1,841,677
Total State OPEB liability as a percentage of Regulating District covered-employee payroll	739.28%	853.91%	998.15%	841.53%

Change in benefit terms. There was no change in benefit terms.

Changes in assumptions and inputs include a change in discount rate from 3.69% at July 1, 2022 to 3.86% at June 30, 2023. The change in discount rate resulted in decrease in liabilities. There was no other significant change in assumptions that will have an effect on the total OPEB liability as of June 30, 2023. This change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 75.

Note - The amounts presented for the fiscal year was determined as of June 30 measurement date of the prior fiscal year.

(1) The Regulating District implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in fiscal year 2020. No data is available prior to fiscal year 2020.

(2) Covered payroll was based on the Regulating District's annual payroll.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**To the Board of Directors of
Hudson River-Black River Regulating District**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hudson River-Black River Regulating District (the "Regulating District"), which comprise the consolidated statements of net position as of June 30, 2023 and 2022, and the related consolidated statements of activities and changes in net position, and cash flows for the years then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 27, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Regulating District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Regulating District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Regulating District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Regulating Districts's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance or other matters. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Galleros Robinson CPAs, LLP

New York, New York
September 27, 2023

CURRENT YEAR

None noted.

PRIOR YEAR

None noted.

Section 15-2131, SUBDIVISION 1, c.

A STATEMENT OF ANY PETITIONS RECEIVED BY THE BOARD
AND THE ACTION TAKEN THEREON

To: The Board of the Hudson River-Black River Regulating District
From: Robert Leslie, General Counsel
Date: April 26, 2024
Re: Annual Counsel's Report - January 1, 2023 through December 31, 2023
Compiled pursuant to Environmental Conservation Law (ECL) §15-2131(1)(c) and (2)

STATEMENT OF PETITIONS RECEIVED (ECL §15-2131(1)(c))

On January 27, 2023, Erie Boulevard Hydropower L.P. filed a Petition for Declaratory Order and Request for Declaratory Action with the Federal Energy Regulatory Commission requesting a ruling that the Federal Power Act preempts the Regulating District's authority to collect for the benefit of releases from the GSL Project to Erie's operations above and beyond headwater benefit charges under section 10(f) of the FPA. Erie's Petition also sought to preclude the Regulating District from diverting flows around Erie's E.J. West project. The Regulating District filed its Answer on February 13th and on June 15th FERC ruled that the Regulating District's charges pursuant to the Reservoir Operating Agreement benefitting E.J. West are not preempted by section 10(f) of the FPA. By letter dated August 16, 2023, FERC denied the Regulating District's request to divert flows. The Commission's October 19, 2023 Order on Rehearing addressed both the Regulating District's Petition, filed January 25, 2023, and Erie's Petition filed two days later. FERC's Order on Rehearing clarified that the charges contemplated in the ROA between the parties are neither required by, nor incorporated in, the FERC licenses for either the Regulating District's GSL and Conklingville Dam or Erie's E. J. West hydroelectric plant adjacent thereto. As such, the ROA is an off-license agreement which the Commission cannot enforce and thus the Commission will not address any economic harm suffered due to Erie's non-payment for such benefit. The Commission suggested the parties seek resolution outside the Commission's jurisdiction; perhaps before a court of appropriate jurisdiction. To that end, the Regulating District sought and secured representation through the Office of the NYS Attorney General's Civil Recoveries Bureau.

OTHER MATTERS OF INTEREST (ECL§15-2131(2))

1. Freedom of Information Law (FOIL) Requests
 - a. The Regulating District received fifteen (15) FOIL requests during the reporting period.
 - b. The Regulating District processed each request in accordance with the Public Officers Law and the information sought, if available, was provided to the requesting party in a manner consistent with the Regulating District's statutory obligations.
 - c. The Regulating District granted twelve (12) requests. Three (3) requests were denied. There were zero (0) appeals.

Respectfully Submitted,
Robert Leslie
General Counsel

HUDSON RIVER AREA

MAINTENANCE AND OPERATION

Facilities

The Hudson River – Black River Regulating District operates and maintains two river regulating reservoirs in the Upper Hudson River basin, including the Great Sacandaga Lake reservoir and the Indian Lake reservoir. These facilities comprise two dams, including the Conklingville Dam and the Indian Lake Dam.

Maintenance and Operation

Regulating District personnel-maintained facilities at the Conklingville, Indian Lake and Sacandaga field offices. Activities included building maintenance and grounds maintenance.

The field staff maintained, repaired and operated the Regulating District marine equipment, motor vehicles, construction equipment, and small machinery.

Reservoir Maintenance and Operation

Regulating District personnel performed the following operation activities and routine maintenance:

- Dam, spillway, and outlet structure facility maintenance,
- Installation of shoreline stabilization and erosion control measures,
- Grounds maintenance at embankment dams,
- Posting of notice and trespassing signs,
- Removal and disposal of litter and debris found on reservoir lands,
- Operation and maintenance of precipitation gauges,
- Maintenance and operation of stream gauges,
- Clearing reservoir shoreline of stumps, driftwood and debris,
- Cutting and removal of downed tree.

Conklingville Dam staff performed routine maintenance work, including the reading and inspection of elevation gauges at Conklingville and Indian Lake Dam, and Stewarts Bridge, Hadley, and Indian River gauge.

The Regulating District collected meteorological and hydrological information at various locations within the Hudson River watershed. Data collection and precipitation station maintenance was performed in cooperation with the United States Geological Survey (USGS) and the National Weather Service (NWS). Meteorological and hydrological information collected by the Regulating District are published in National Weather Service and the United States Geological Survey documents and used by the NWS in the forecasting of flood conditions.

Collection of hydraulic data, and maintenance and operation of stream gauging stations on the Sacandaga and Hudson River watersheds, was performed in cooperation with the United States Geological Survey.

A website containing stream flow and reservoir elevation, as well as forecast reservoir releases is maintained by the Regulating District and made available to the public at <http://www.hrbrd.ny.gov>.

The Regulating District maintained an internet web page to provide additional public access to information about the Regulating District, and its operations, and links to river flow and reservoir elevation related web sites.

Great Sacandaga Lake Access Permit System

The Hudson River – Black River Regulating District Board adopted the current rules for the Access Permit System, entitled “Rules and Regulations Governing the Use, Operation, and Maintenance of Great Sacandaga Lake,” by resolution dated October 19, 1992. As required by the Regulating District’s enabling legislation, the Department of Environmental Conservation approved the current rules on July 13, 1992. The rules became effective on January 27, 1993.

The Regulating District issues permits for access to the Great Sacandaga Lake reservoir and buffer land in accordance with the Rules and Regulations.

Regulating District personnel performed the following activities:

- Administration of Access Permit System,
- Process permit renewals,
- Process new permit applications,
- Process work permits,
- Survey and delineation of permit areas,
- Preparation of permit stakes and signs,
- Identifying and field investigating property encroachments,
- Process State Environmental Quality Review (SEQR) work permits,
- Survey maintenance of 125 miles of State property line,
- Cleared approximately 16,000 feet of property line (taking line),
- Replacement / relocation of survey monuments

During the calendar year 2023, the Regulating District issued 133 new permits, 4,758 access permit renewals and 433 work permits. Revenue derived from the access permit system totaled \$570,872.

Regulating District field staff placed 1,464 tons of shoreline erosion protection stone (riprap), and repaired approximately 625 feet of shoreline erosion protection to minimize shoreline erosion.

Sacandaga field office personnel identified and investigated State of New York property encroachments and violations of the Regulating District's rules and regulations by reservoir access

permit holders. Field office staff continually inspected the State property line (taking line) to locate, control, and eliminate property line encroachment problems.

The Regulating District continued its cooperation with the United States Army Corps of Engineers (ACE), New York State Department of Environmental Conservation (DEC), and the Adirondack Park Agency (APA) in control of various construction projects, proposed by reservoir access permit holders, which occur on reservoir land within the Regulating District's jurisdiction. Under an agreement with the Board, the Department of Environmental Conservation issues a "blanket permit" to the District for certain projects requiring Article 15 approval at the Great Sacandaga Lake. This permit can then be reissued to access permit holders for reservoir-related projects involving activities that do not exceed certain environmental threshold limits. This permitting process eliminates duplication of effort by both agencies. The Board refers projects, which may require approval by the Adirondack Park Agency or the Army Corp of Engineers, to the APA or ACE for jurisdictional determination and review, prior to Regulating District approval.

STATEMENT OF CONDITION AND OPERATION OF GREAT SACANDAGA LAKE

Reservoir Elevation

The daily average elevation of the Great Sacandaga Lake (Sacandaga Reservoir) on January 1, 2023 was 760.1 feet (NAVD 88). During the period ending December 31, 2023, the reservoir elevation varied from a minimum of 752.9 feet on March 23, 2023, to a maximum of 770.43 feet on May 6, 2023. The reservoir elevation averaged approximately 6.1 feet above the long-term average on January 1, 1.6 feet below the long-term average on July 1, 2023 and averaged approximately 10.5 feet above the long-term average on December 31, 2023. The daily average elevation of the Great Sacandaga Lake on December 31, 2023 was 764.7 feet.

Figure 1 shows the elevation of the Great Sacandaga Lake during 2023, the historic and target elevation, and the mandated minimum operating elevation.

Precipitation and Inflow

Precipitation was approximately 92% of historic average during the first half of the year, and approximately 106% of historic average during the second half of 2023.

Snow surveys were conducted during the period January through April 2023. Snow-pack water content measured 34% of historic average in January and 114% of historic average in March.

Inflow during the period January through June 2023 was approximately 94% of historic average. Monthly average inflow for the months of July through December 2023 varied from approximately 54% to 270% of historic average.

Total inflow to the reservoir was 75.79 billion cubic feet for the year ending December 31, 2023, and was 109% of the average annual inflow of 69.57 billion cubic feet.

Table 1 - 5 detail the regulation of the Hudson River by the Great Sacandaga Lake and Indian Lake reservoir and presents a summary of precipitation and snowfall, inflow, and regulation, respectively.

Figure 2 indicates the precipitation measured at Northville during the period January 1 to December 31, 2023. Figure 3 reflects the inflow to the reservoir during the period January 1 to December 31, 2023.

Reservoir Release and Storage

A total of 62.82 billion cubic feet of water was released from the reservoir during 2023. Daily water releases for the purpose of augmenting the natural Hudson River flow occurred during approximately 89% of the year. The release of water from the reservoir was suspended for approximately 41 days. The reservoir stored approximately 18.6 billion cubic feet of water during the spring refilling through June 1. In general, reservoir operation supplemented the flow in the

Hudson River and provided base flow conditions consistent with the requirements of the Upper Hudson / Sacandaga River Offer of Settlement.

Figure 4 indicates the regulated flow of the Hudson River, below the confluence with the Sacandaga River, at Spier Falls.

Federal Energy Regulatory Commission

The Regulating District operates the Great Sacandaga Lake under the terms of the Upper Hudson / Sacandaga River Offer of Settlement and a license (P-12252-NY) from the Federal Energy Regulatory Commission. The Offer of Settlement establishes long-term environmental protection measures that will meet, and balance, the diverse power and non-power objectives of the parties involved. The Great Sacandaga Lake will remain a federally licensed project through 2042.

The Regulating District complies with its Dam Safety Program. An annual safety inspection of the Conklingville Dam was conducted by Regulating District's Chief Engineer and Mussie Eyob, P.E. of the Federal Energy Regulatory Commission on July 13, 2023.

STATEMENT OF CONDITION AND OPERATION OF INDIAN LAKE RESERVOIR

Reservoir Elevation

The daily average elevation of Indian Lake Reservoir on January 1, 2023 was 1645.1 feet (NAVD 88). During the period ending December 31, 2023, the reservoir elevation varied from a minimum of 1636.5 feet on March 23, 2023, to a maximum of 1651.6 feet on May 23, 2023. The reservoir elevation averaged approximately 2.1 feet above the long-term average on January 1, 0.4 feet above the long-term average on July 1, and averaged approximately 1.21 feet above the long-term average on December 31. The daily average elevation of the Indian Lake Reservoir on December 31, 2023 was 1644.2 feet.

Figure 5 shows the historic average reservoir elevation and the elevation of the reservoir during 2023.

Precipitation and Inflow

Precipitation was approximately 98% of historic average during the first half of the year, and approximately 29% higher than historic average during the second half of 2023.

Snow surveys were conducted during the period January through April 2023. Snow-pack water content measured 64% below historic average at the end of January and 12% above historic average for the month of March.

Inflow during the period January through June 2023 was approximately 95% of historic average. Monthly average inflow for the months of July through December 2023 varied from approximately 41% to 257% of historic average.

Total inflow to the reservoir was 10.5 billion cubic feet for the year ending December 31, 2022, and was 89% of the average annual inflow of 10.1 billion cubic feet.

Figure 6 indicates the precipitation measured at Indian Lake Dam during the period January 1 to December 31, 2023. Figure 7 reflects the inflow to the reservoir during the period January 1 to December 31, 2023.

Reservoir Release and Storage

A total of 10.7 billion cubic feet of water was released from the reservoir during 2023. Release of water for river augmentation occurred during 100% of the year.

A minimum release of approximately 73 cubic feet per second occurred March 30, 2023. A maximum release of 964 cubic feet per second occurred on May 5, 2023.

A visual safety inspection of the Indian Lake Dam was conducted by the Dam Safety Section of the Department of Environmental Conservation, and by the Regulating District's Chief Engineer, on May 3, 2022.

A rehabilitation construction project to bring the facility into compliance with Department of Environmental Conservation Dam Safety regulations was started in September 2023. Rehabilitation of the embankment dam, grouting and anchoring of the stone dam and spillway, and replacement of the bulkhead gate and inlet gates is anticipated to be complete by May 2025.

TABLE 1
HUDSON RIVER - BLACK RIVER REGULATING DISTRICT

PRECIPITATION ON SACANDAGA WATERSHED

MONTH	CONKLINGVILLE		MAYFIELD	
	MONTHLY TOTAL	HISTORIC AVERAGE	MONTHLY TOTAL	HISTORIC AVERAGE
(INCHES)				
<u>2023</u>				
JANUARY	4.89	3.38	4.99	3.46
FEBRUARY	2.20	2.98	2.46	2.93
MARCH	5.09	3.66	4.01	3.58
APRIL	5.32	3.75	4.27	3.78
MAY	1.10	3.54	1.08	3.82
JUNE	2.24	3.84	2.89	3.94
JULY	6.08	3.94	5.02	4.02
AUGUST	5.70	3.86	5.50	4.03
SEPTEMBER	2.19	3.65	1.45	4.00
OCTOBER	5.80	3.67	4.10	3.97
NOVEMBER	2.79	3.75	2.81	3.69
DECEMBER	5.92	3.81	6.14	3.95
TOTAL (Year: Jan - Dec)	49.32	43.81	44.72	45.15

SACANDAGA WATERSHED SNOW SURVEY

DATE	AVGERAGE DEPTH	WATER CONTENT	
	OF SNOW	OF SNOW	
	(INCHES)	(INCHES)	(B.C.F.)
<u>2023</u>			
January 2 - 4	3.7	1.03	2.46
January 16 - 18	1.6	0.53	1.23
January 30 -February 1	10.0	2.40	6.09
February 13 - 15	9.0	2.75	6.98
February 27 - March 1	10.5	2.90	7.34
March 13 - 15	16.1	4.77	12.05
March 27 - 29	14.7	5.27	12.89
April 10 - 12	4.9	1.87	4.72

TABLE 2
HUDSON RIVER - BLACK RIVER REGULATING DISTRICT

PRECIPITATION ON INDIAN LAKE WATERSHED

MONTH	INDIAN LAKE MONTHLY HISTORIC	
	TOTAL	AVERAGE (INCHES)
<u>2023</u>		
JANUARY	3.73	2.89
FEBRUARY	2.60	2.44
MARCH	4.54	3.11
APRIL	4.10	3.58
MAY	1.67	3.70
JUNE	2.92	4.18
JULY	9.72	4.28
AUGUST	5.26	3.94
SEPTEMBER	1.55	3.70
OCTOBER	4.07	4.44
NOVEMBER	2.92	3.40
DECEMBER	6.24	3.29
TOTAL (Year: Jan - Dec)	49.32	42.95

INDIAN LAKE WATERSHED SNOW SURVEY

DATE	AVGERAGE DEPTH	WATER CONTENT	
	OF SNOW (INCHES)	OF SNOW (INCHES)	(B.C.F.)
<u>2023</u>			
January 2 - 4	4.5	1.40	0.26
January 16 - 18	2.8	0.95	0.15
January 30 -February	12.7	3.30	0.89
February 13 - 15	12.3	3.80	1.07
February 27 - March 1	15.4	4.20	1.15
March 13 - 15	20.3	6.00	1.70
March 27 - 29	21.3	7.29	2.05
April 10 - 12	12.2	4.68	0.97

TABLE 3
HUDSON RIVER - BLACK RIVER REGULATING DISTRICT

INFLOW TO GREAT SACANDAGA LAKE
(FORMERLY SACANDAGA RESERVOIR)

MONTH	INFLOW (B.C.F.)	HISTORIC AVERAGE INFLOW (B.C.F.)	PERCENT OF AVERAGE (%)
<u>2023</u>			
JANUARY	9.68	5.02	193
FEBRUARY	4.19	3.85	109
MARCH	5.67	9.39	60
APRIL	18.08	17.26	105
MAY	5.99	8.01	75
JUNE	1.02	3.86	26
JULY	3.51	2.26	155
AUGUST	4.31	1.59	270
SEPTEMBER	1.40	2.03	69
OCTOBER	3.70	4.11	90
NOVEMBER	3.22	5.94	54
DECEMBER	15.05	6.25	241
TOTAL	75.79	69.57	109

TABLE 4
HUDSON RIVER - BLACK RIVER REGULATING DISTRICT

INFLOW TO INDIAN LAKE RESERVOIR

MONTH	INFLOW (B.C.F.)	HISTORIC AVERAGE INFLOW (B.C.F.)	PERCENT OF AVERAGE (%)
<u>2023</u>			
JANUARY	1.10	0.79	140
FEBRUARY	0.55	0.54	102
MARCH	0.58	1.09	54
APRIL	2.52	2.25	112
MAY	0.93	1.07	86
JUNE	0.38	0.63	61
JULY	1.03	0.40	257
AUGUST	0.71	0.35	204
SEPTEMBER	0.23	0.35	67
OCTOBER	0.31	0.75	41
NOVEMBER	0.38	0.91	42
DECEMBER	1.80	0.95	189
TOTAL	10.52	10.07	104

TABLE 5
HUDSON RIVER - BLACK RIVER REGULATING DISTRICT

REGULATION OF THE HUDSON RIVER - GREAT SACANDAGA LAKE
(FORMERLY SACANDAGA RESERVOIR)

MONTH	ELEVATION OF RESERVOIR WATER SURFACE (DAILY AVERAGE) (NAVD 88) (4)	DAILY RELEASE (AVERAGE) (C.F.S.) (1)	SPIER FALLS COMPUTED NATURAL FLOW (AVERAGE) (C.F.S.) (2)	SPIER FALLS REGULATED FLOW (AVERAGE) (C.F.S.) (3)
<u>2023</u>				
JANUARY	762.93	2462	9072	7921
FEBRUARY	757.42	3998	4615	6902
MARCH	754.41	3308	5067	6023
APRIL	769.34	923	17033	10848
MAY	766.67	3138	6528	7814
JUNE	764.51	1353	1635	2581
JULY	764.48	1310	6876	6901
AUGUST	762.91	2295	6451	7098
SEPTEMBER	760.37	1528	2114	3142
OCTOBER	757.52	2552	4757	5884
NOVEMBER	754.74	2277	3524	4588
DECEMBER	764.89	1659	13765	9744

(1) This is the flow of the Sacandaga River at Stewart's Bridge near Hadley, N.Y.

(2) Includes Indian Lake Regulation; sum of GSL net inflow and Hudson River at Hadley.

(3) Sum of GSL release and Hudson River at Hadley (including Indian Lake Reservoir release).

(4) Daily average on last day of the month

Hudson River - Black River Regulating District

GREAT SACANDAGA LAKE

RESERVOIR ELEVATION JANUARY 2023 - DECEMBER 2023

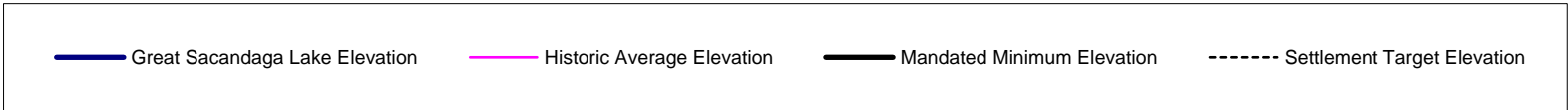
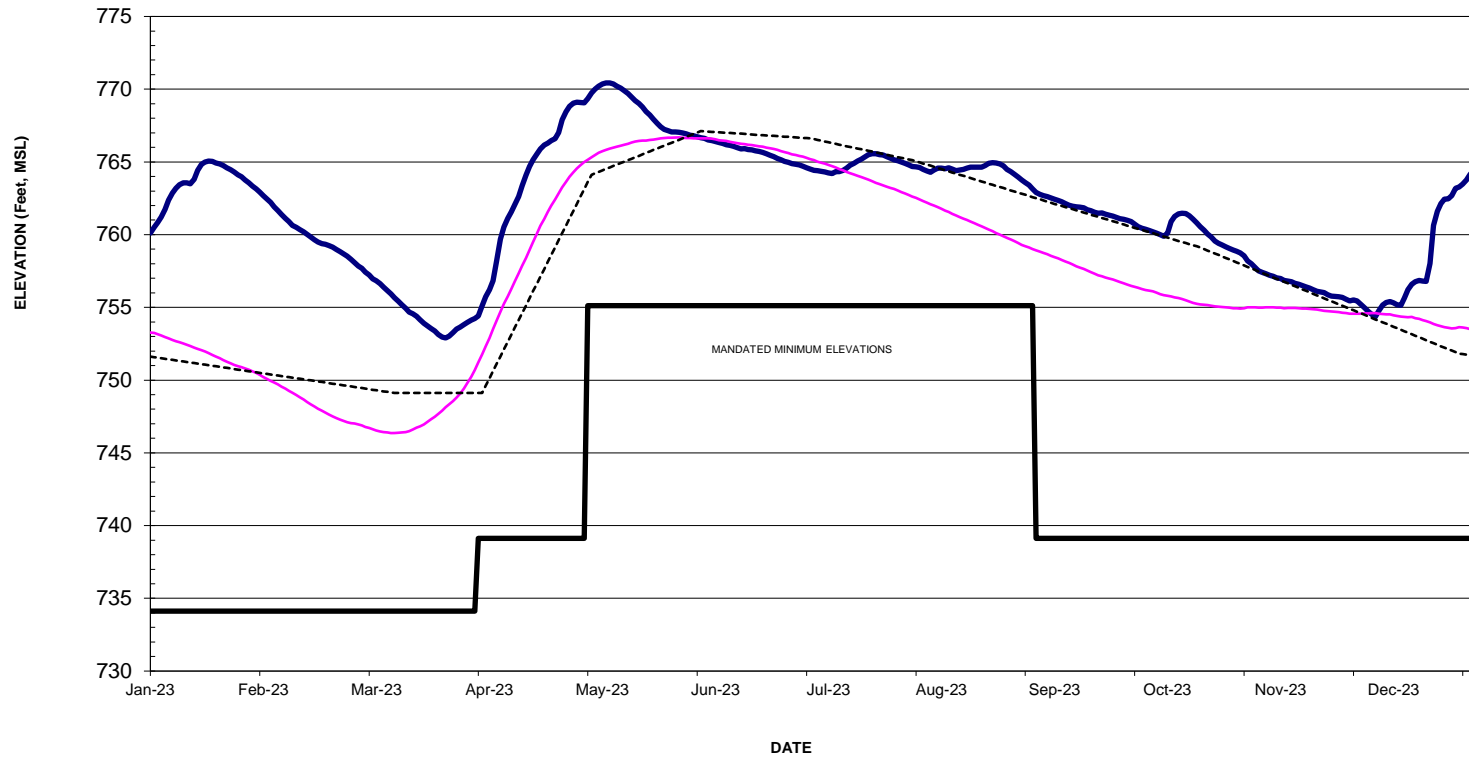


Figure 1

Hudson River - Black River Regulating District

GREAT SACANDAGA LAKE

PRECIPITATION JANUARY 2023 - DECEMBER 2023

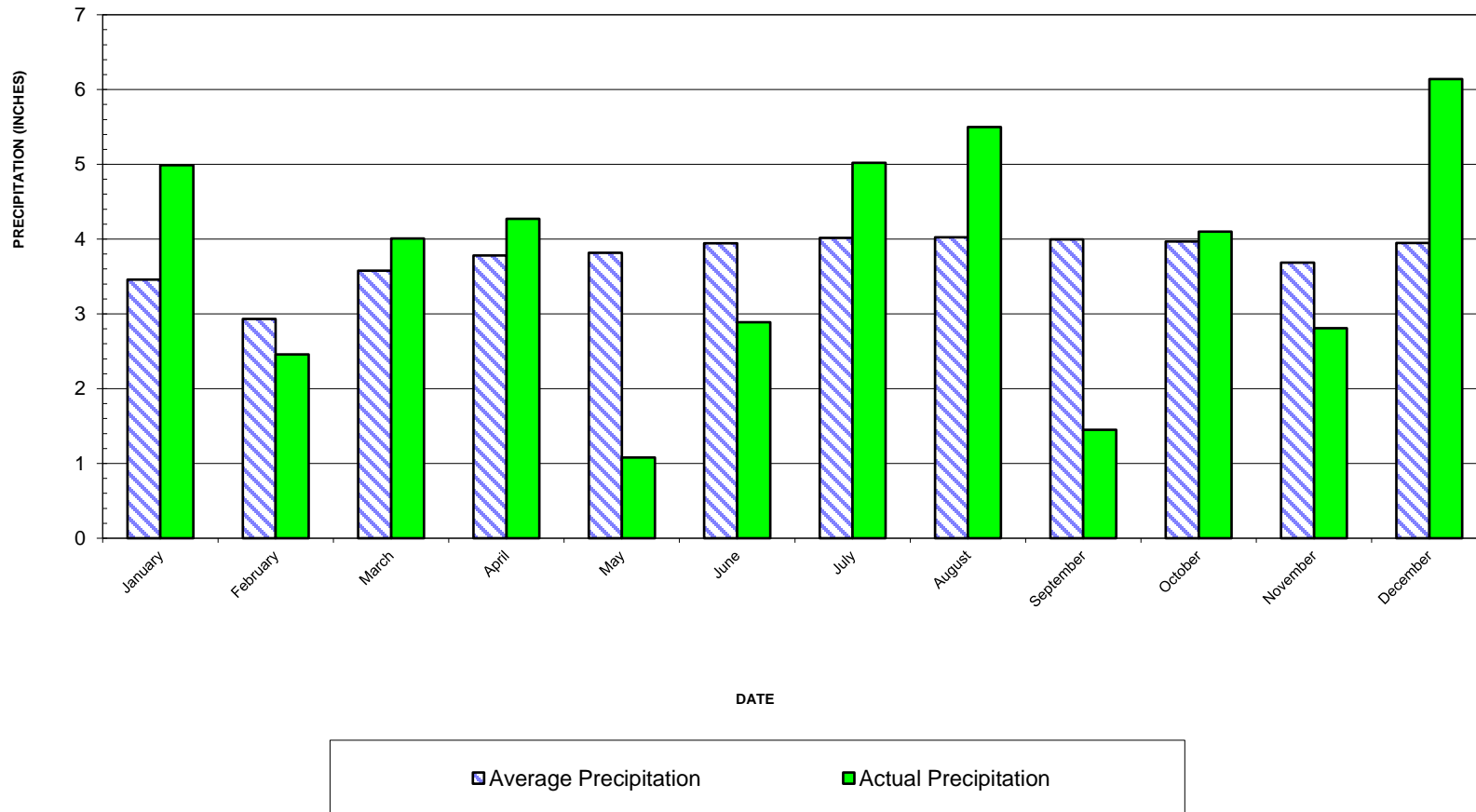


Figure 2

Hudson River - Black River Regulating District

GREAT SACANDAGA LAKE

INFLOW JANUARY 2023 - DECEMBER 2023

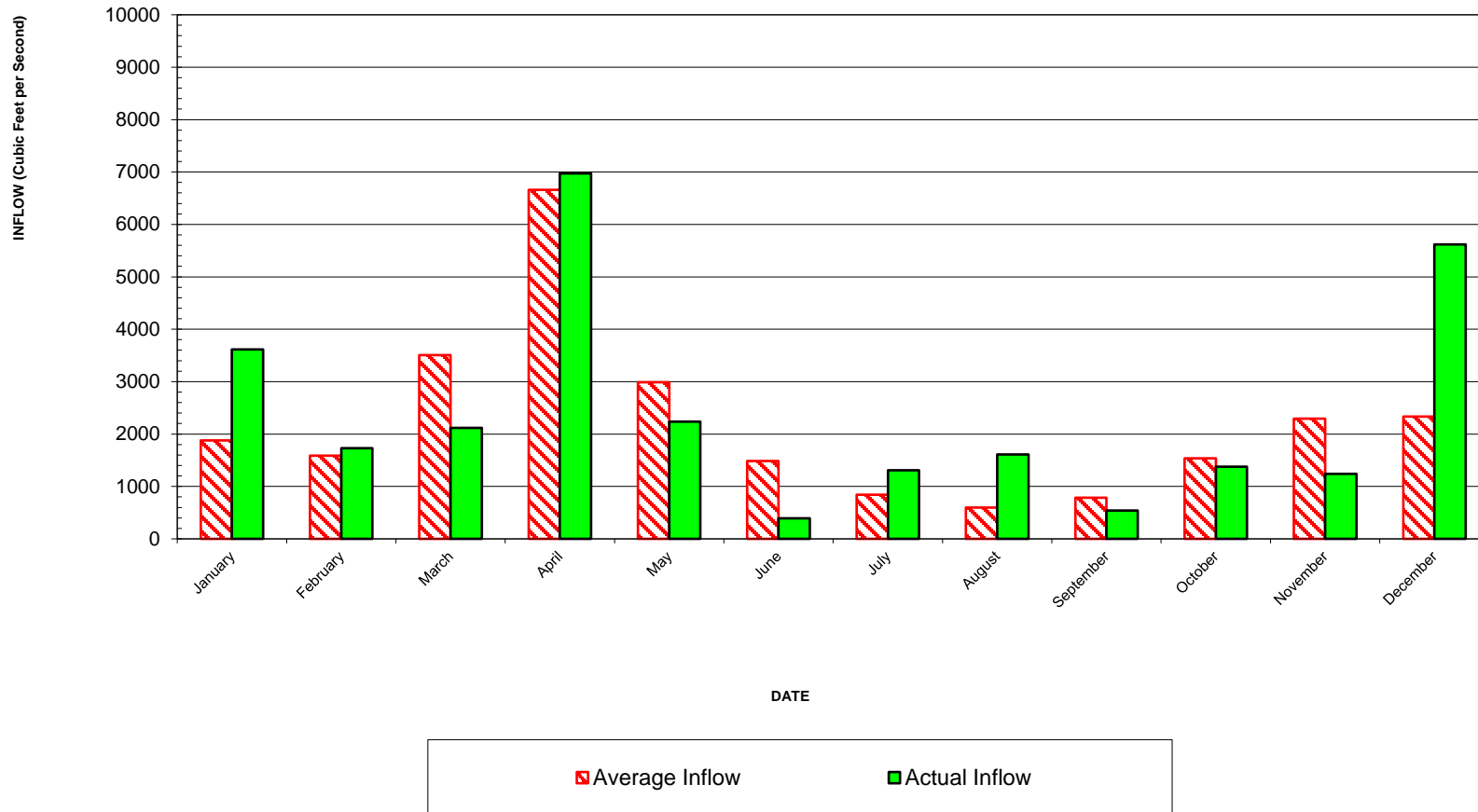


Figure 3

Hudson River - Black River Regulating District

GREAT SACANDAGA LAKE

HUDSON RIVER FLOW AT SPIER FALLS JANUARY 2023 - DECEMBER 2023

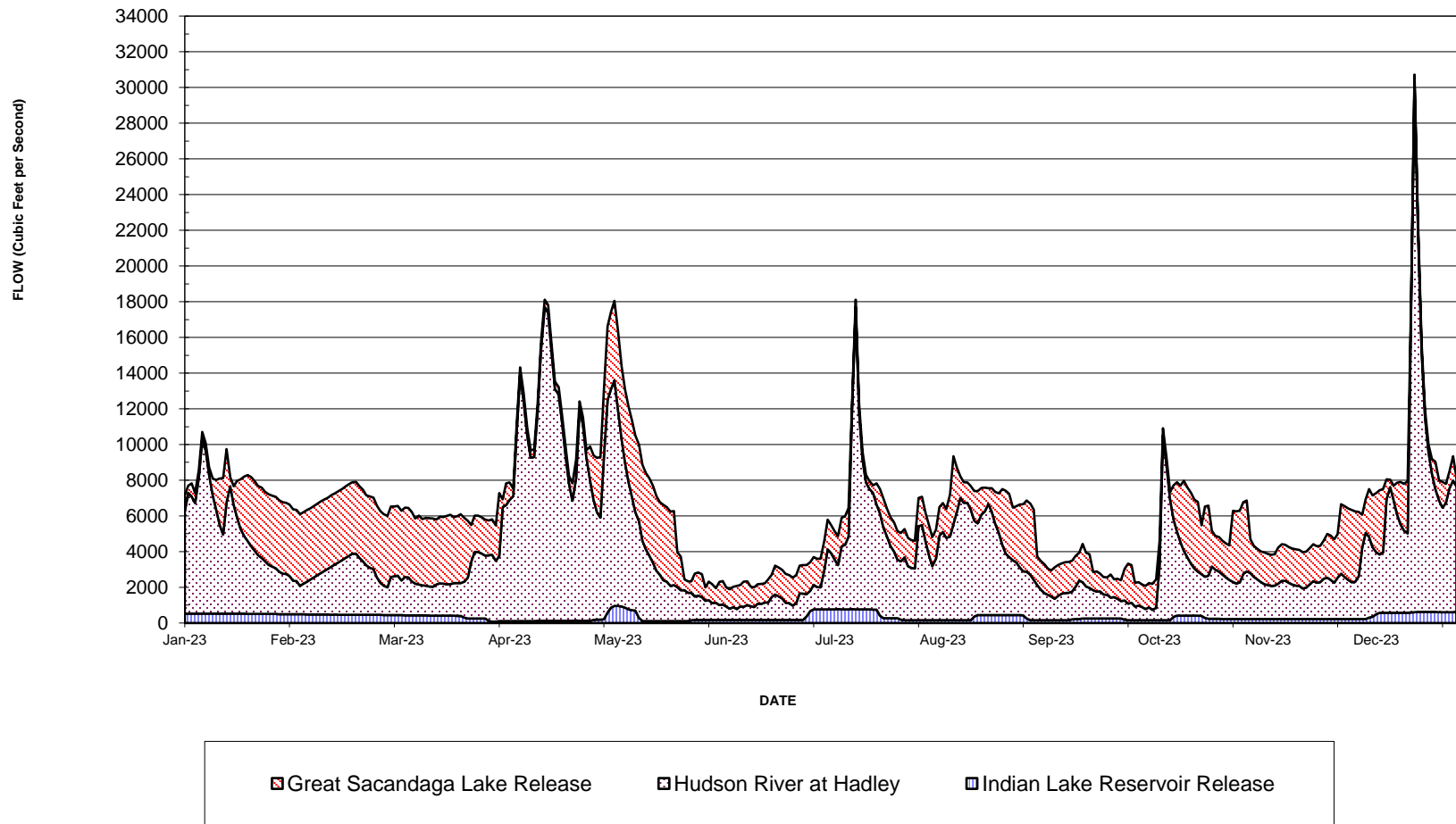


Figure 4

Hudson River - Black River Regulating District

INDIAN LAKE RESERVOIR

RESERVOIR ELEVATION JANUARY 2023 - DECEMBER 2023



Figure 5

Hudson River - Black River Regulating District

INDIAN LAKE RESERVOIR

PRECIPITATION JANUARY 2023 - DECEMBER 2023

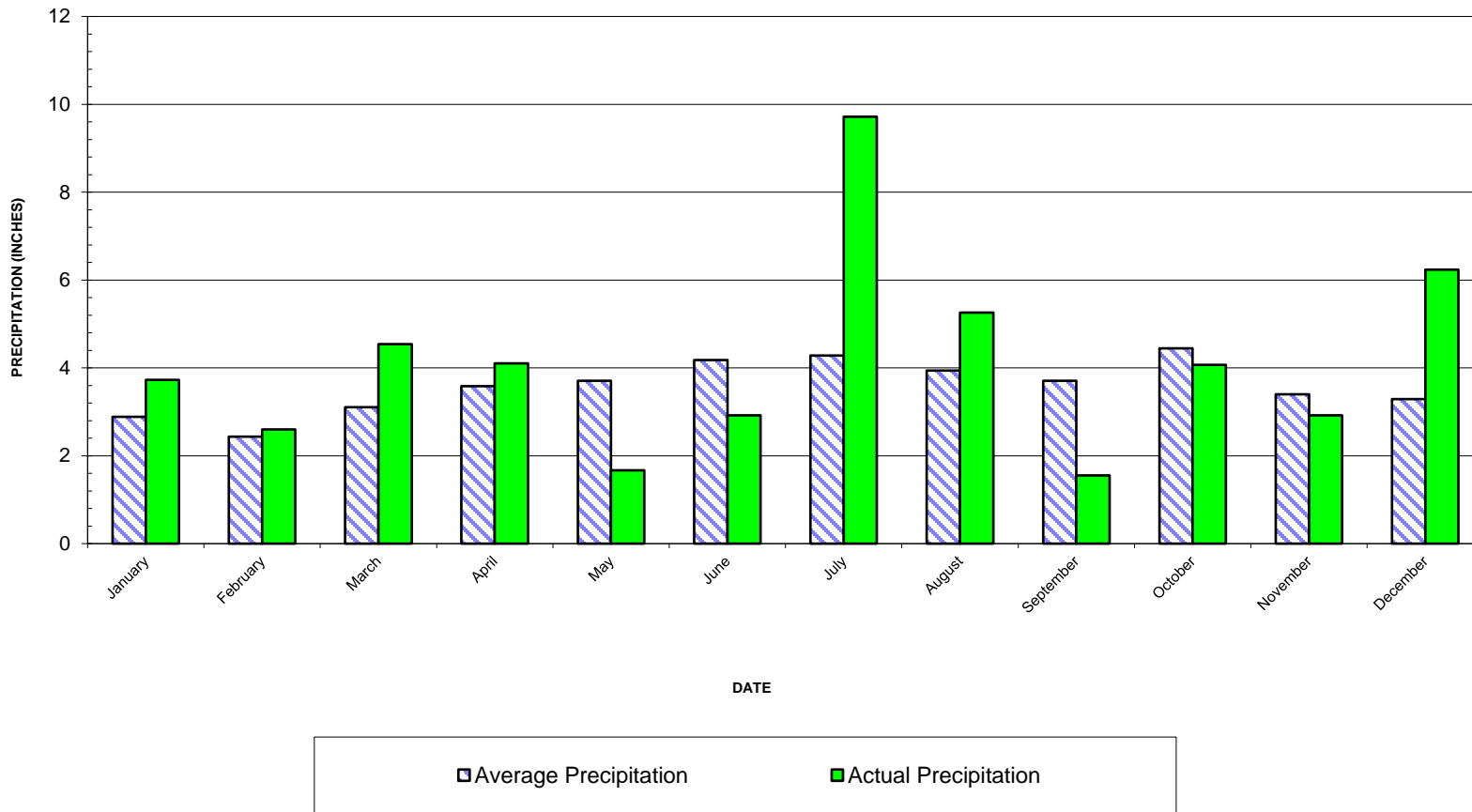
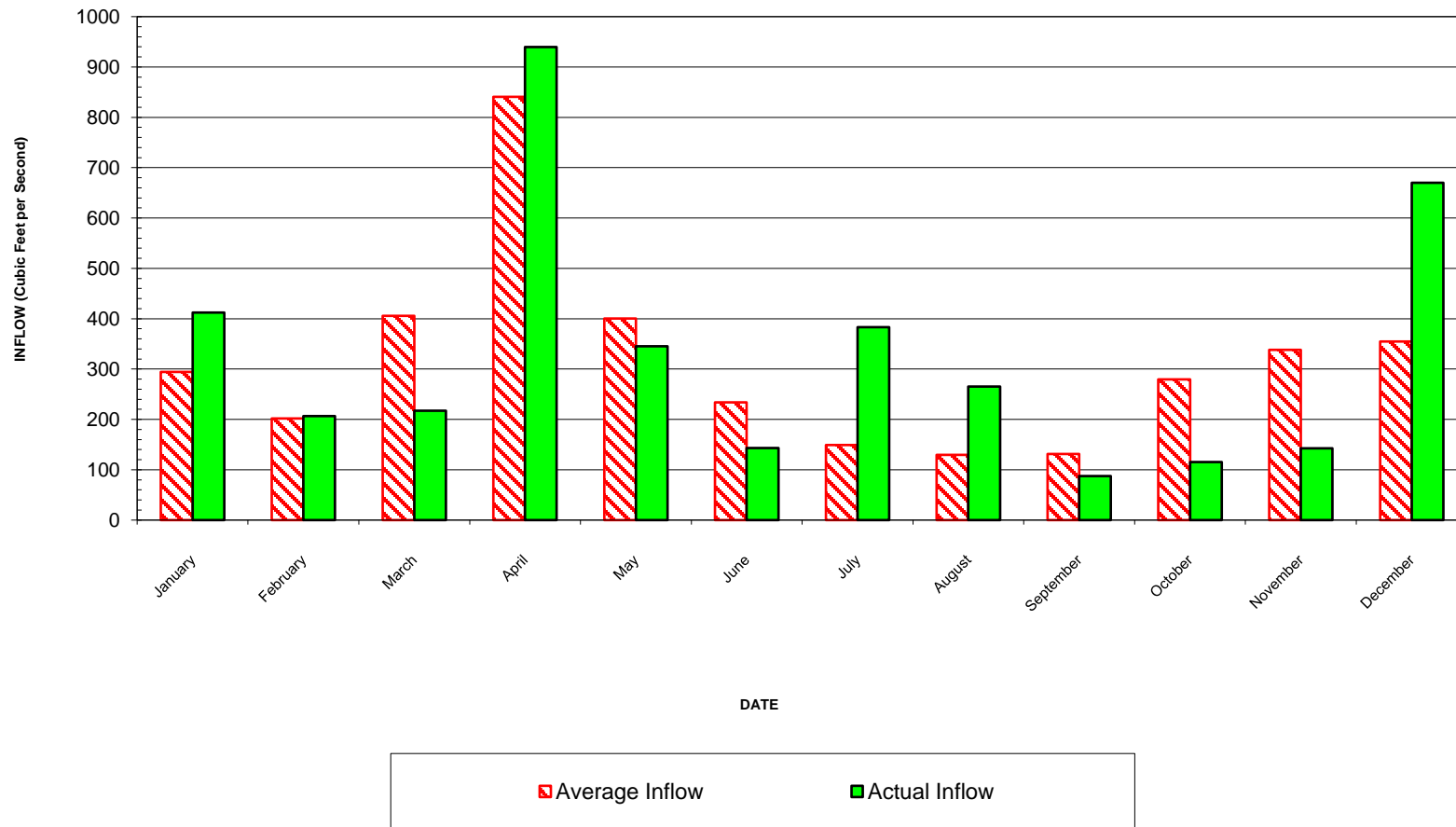


Figure 6

Hudson River - Black River Regulating District

INDIAN LAKE RESERVOIR

INFLOW JANUARY 2023 - DECEMBER 2023



Net inflow including evaporation and transpiration

Figure 7

BLACK RIVER AREA
MAINTENANCE AND OPERATION

Facilities

The Hudson River – Black River Regulating District operates and maintains three river regulating reservoirs in the Black River basin, including the Stillwater reservoir, Sixth Lake reservoir, and Old Forge reservoir. These facilities comprise four dams, including the Stillwater Dam, Sixth Lake Dam, and the Old Forge Dam, as well as the Hawkinsville Dam.

Maintenance and Operation

Regulating District personnel-maintained facilities at the Stillwater, Sixth Lake, Old Forge, Hawkinsville, Black River Field Office and Black River Area Office. Activities included building maintenance and ground maintenance.

The field staff maintained, repaired and operated the Regulating District marine equipment, motor vehicles, construction equipment, small machinery and hand tools.

Black River Field Office staff performed routine maintenance work including the reading and inspection of elevation gauges at Stillwater Dam, Sixth Lake, Old Forge, McKeever, Hawkinsville, and Boonville. Collection of hydrologic data, and maintenance and operation of stream gauging stations in the Black River Watershed on the Black, Beaver and Moose Rivers, as well as the Fulton Chain of Lakes, was performed in cooperation with the United States Geological Survey (USGS). Meteorological, precipitation, and hydrological information collected by the Regulating District is published in National Weather Service and USGS documents and is used by the NWS in the forecasting of flood conditions.

Reservoir Maintenance and Operation

Regulating District personnel performed the following operation activities and routine maintenance:

- Grounds maintenance at embankment dams
- Daily observations and data collection, dam safety inspections
- Posting of notice, safety warning, and no trespassing signs
- Removal and disposal of litter and debris found on reservoir lands
- Vegetation maintenance, control and removal at dams and spillways
- Maintenance and repair of safety equipment and structures
- Maintenance of danger buoys and log booms
- Maintenance and improvements at ten Regulating District buildings
- Access road repairs

Field staff maintain approximately one mile of Necessary Dam Road and right-of-way which serves as primary access to the Stillwater Dam. Regulating District staff provides resurface

maintenance during the summer as well as winter snow removal. Additionally, the Regulating District maintained the 1/8th mile road from the Evergreen Bridge to the North Embankment Dam area adjacent to the Stillwater Dam, including the placement of gravel, shaping and forming the road surface. Culverts on both roads were kept clear and maintained.

Regulating District personnel also responded to power outages and unscheduled shutdowns of the Stillwater hydroelectric plant adjacent to the Regulating District's dam, operated gates at the dam to provide water to down-river beneficiaries until the hydroelectric facility was available to discharge water.

Daily maintenance was performed including daily dam safety observations, reservoir elevation readings and changes in release of water as directed by the Chief Engineer. Piezometer and weir measurements were taken at a frequency which is dependent upon the reservoir elevation.

Regulating District staff participated in workplace, and health and safety training.

Daily elevation records were maintained to provide weekly and monthly tables and graphs that compare the daily elevations to the target elevations and the long-term average elevations.

STATEMENT OF CONDITION AND OPERATION OF STILLWATER RESERVOIR

Reservoir Elevation

The daily average elevation of the Stillwater Reservoir on January 1, 2023 was at 1,670.27 feet. During the year ending December 2023, the reservoir elevation varied from a minimum of 1,663.79 feet on March 17, 2023, to a maximum of 1,679.21 feet on August 20, 2023. The reservoir elevation averaged approximately 0.2 feet below the long-term average on January 1, 0.2 feet below the long-term average on July 1, and approximately 1.5 feet above the long-term average on December 31, 2023. The daily average elevation of the Stillwater Reservoir on December 31, 2023 was 1672.01 feet.

Figure 1 shows the elevation of Stillwater Reservoir during 2023, the historic average and operation elevation.

Precipitation and Inflow

Precipitation was approximately 4% above historic average during the first half of the year, and approximately 34% above the historic average during the second half of 2023.

Snow surveys were conducted during the period January through April 2023. Snow-pack water content measured 62% of historic average at the end of January and 105% of historic average at the end of March.

Inflow during the period January through June 2023 was approximately 94% of historic average. Daily average inflow for the months of July through December 2023 varied from approximately 80% to 378% of historic average.

Total inflow to the reservoir was 15.57 billion cubic feet for the year ending December 2023, which was 115% of the average annual inflow of 13.53 billion cubic feet.

Table 1 - 3 detail the regulation of the Black River by the Stillwater Reservoir and present a summary of precipitation and snowfall, inflow, and regulation, respectively.

Figure 2 indicates the precipitation measured at Stillwater during the period January 1, to December 31, 2023. Figure 3 reflects the inflow to the reservoir during the period January to December 31, 2023.

Reservoir Release and Storage

A total of 15.15 billion cubic feet of water was released from the reservoir during 2023. Daily water releases occurred during approximately 95% of the year. The release of water from the reservoir was suspended for a total of approximately 20 days. The reservoir stored approximately 2.93 billion cubic feet of water during the spring refilling.

Figure 4 indicates the regulated flow of the Black River at Watertown.

Federal Energy Regulatory Commission

The Regulating District operates the Stillwater Dam subject to license exemption P-6743-NY from the Federal Energy Regulatory Commission (FERC). The Regulating District complies with its Dam Safety Program. A safety inspection of the Stillwater Dam was conducted by the Regulating District's Chief Engineer and Federal Energy Regulatory Commission project engineering Kara Borzillo, P.E. on August 8, 2023.

STATEMENT OF CONDITION AND OPERATION OF SIXTH LAKE RESERVOIR

Reservoir Operation

The elevation of Sixth Lake Reservoir on January 1, 2023 was 1,781.01 feet. During the year ending December 2023, the reservoir elevation varied from a minimum of 1779.89 feet on February 8, 2023, to a maximum of 1,786.49 feet on July 11, 2023. On December 31, 2023 the reservoir elevation was 1,781.98 feet.

Figure 5 represents the reservoir elevation during the reporting year.

Precipitation and Inflow

Precipitation was approximately 8% above historic average during the first half of the year, and approximately 11% above historic average during the second half of 2023.

Total inflow to the reservoir was 1.42 billion cubic feet for the year ending December 2023.

Figure 7 indicates the precipitation that occurred at Sixth Lake Reservoir during the period January 1, 2023 to December 31, 2023. Figure 8 reflects the inflow to the reservoir during the period January to December 31, 2023.

Reservoir Release and Storage

A total of 1.39 billion cubic feet of water was released from the reservoir during 2023. Release of water from the reservoir for augmentation occurred approximately 85% of the year. The release of water from the reservoir was suspended for a total of approximately 55 days. The reservoir stored approximately 0.16 billion cubic feet of water during the spring refilling.

Maintenance

During the year staff completed several maintenance and repair projects at the gate house.

Daily maintenance and routine inspections were performed including cleaning of debris and wildlife from trash racks, ice removal from gate intake area, daily reservoir elevation readings, and gate changes as directed by the Chief Engineer.

A dam safety inspection was conducted by the Department of Environmental Conservation Division Dam Safety and the Regulating District Chief Engineer on April 28, 2023.

STATEMENT OF CONDITION AND OPERATION OF OLD FORGE RESERVOIR

Reservoir Operation

The elevation of Old Forge Reservoir on January 1, 2023 was 1,704.00 feet. During the year the reservoir elevation varied from a minimum of 1,703.19 feet on February 8, 2023, to a maximum of 1,707.14 feet on August 6, 2023. On December 31, 2023 the reservoir elevation was 1,704.30 feet.

Figure 5 represents the reservoir elevation during the reporting year.

Precipitation and Inflow

Precipitation was approximately 4% below historic average during the first half of the year, and approximately 16% above historic average during the second half of 2023.

Total inflow to the reservoir was 3.08 billion cubic feet for the year ending December 2023.

Figure 7 indicates the precipitation that occurred at Old Forge Reservoir during the period January 1, 2023 to December 31, 2023. Figure 8 reflects the inflow to the reservoir during the period January to December 31, 2023.

Reservoir Release and Storage

A total of 3.04 billion cubic feet of water was released from the reservoir during 2023. Release of water from the reservoir for augmentation occurred approximately 89% of the year. The release of water from the reservoir was suspended for approximately 39 days. The reservoir stored approximately 0.46 billion cubic feet of water during the spring refilling.

Maintenance

During the year staff completed several maintenance and repair projects at the Black River Field Office and Stillwater Dam.

Daily maintenance and routine inspections were performed including cleaning of debris and wildlife from trash racks, ice removal from gate intake area, daily reservoir elevation readings and gate changes as directed by the Chief Engineer. Inspection, maintenance and reporting of the downstream river gauge were also performed.

The Chief Engineer and the Department of Environmental Conservation Division of Dam Safety conducted a visual inspection on July 18, 2022.

STATEMENT OF CONDITION AND OPERATION OF HAWKINSVILLE DAM

Reservoir Operation

The Hawkinsville Dam is operated as run-of-river facility. No management of the water impounded by the dam is required. The elevation of the Black River upstream of the dam is controlled by the discharge characteristics of a 300 foot long spillway. Impoundment elevation varies with the flow of the Black River. No storage capacity for flood protection or augmentation is available at the dam.

Maintenance

Routine maintenance and inspection activities occurred throughout the first half of the reporting year by the Superintendent and maintenance staff. Completion of a remediation construction project to bring the facility into compliance with Department of Environmental Conservation Dam Safety regulations was completed in December 2023. Rehabilitation included extension of the spillway, a new outlet structure, new abutments, and construction of an embankment dam on the east side of the spillway. A visual safety inspection of the facility was conducted by the Chief Engineer on December 19, 2023.

STATEMENT OF OPERATION OF BLACK RIVER AREA OFFICE

District personnel at the Black River Area Office in Watertown performed the following administrative duties in support of the Black River Administrator and field personnel at the Black River Field Office:

- On a daily basis, receive data pertaining to reservoir elevations, water releases and weather observations; then record and transmit information to the Chief Engineer
- On a weekly basis, collect precipitation data from observers at Beaver Falls, Big Moose, Black River, Chases Lake, Hooker, Highmarket, Lowville, Old Forge, Stillwater, Sixth Lake, and Taylorville; then compile and transmit the information to the National Weather Service. Coordinate any equipment repairs and supply needs of the weather observers with NWS.
- Monitor equipment function and notify USGS of any problems.
- Keep spreadsheets for historical records of: reservoir elevations, stream flow, piezometer readings, precipitation, pH data and snow depth data
- Review piezometer data received from the Black River Field Office and transmit to the Operations Engineer.
- Communicate with Stillwater Hydro facility operating personnel regarding release changes at their hydroelectric plant at the Stillwater Reservoir as directed by the Chief Engineer. Coordinate changes with the Black River Field Office personnel. Notified Brookfield Renewable Power of reservoir release changes.
- Communicate with Field Office personnel regarding gate changes requested by the Chief Engineer.

**TABLE 1
HUDSON RIVER - BLACK RIVER REGULATING DISTRICT**

PRECIPITATION ON BLACK RIVER WATERSHED

MONTH	STILLWATER RES.		SIXTH LAKE		OLD FORGE	
	MONTHLY TOTAL	HISTORIC AVERAGE	MONTHLY TOTAL	HISTORIC AVERAGE	MONTHLY TOTAL	HISTORIC AVERAGE
(INCHES)						
<u>2023</u>						
JANUARY	4.62	3.76	3.97	3.53	4.93	4.21
FEBRUARY	2.75	2.86	2.73	2.71	3.11	3.17
MARCH	2.46	3.33	3.50	3.26	3.16	3.58
APRIL	5.61	3.82	5.62	3.62	4.83	3.94
MAY	1.60	4.30	2.38	3.87	1.35	4.27
JUNE	6.77	4.90	4.77	4.33	5.37	4.56
JULY	5.51	4.55	7.17	4.67	6.98	4.60
AUGUST	12.17	4.94	5.74	4.25	8.98	4.62
SEPTEMBER	2.05	4.91	0.90	3.95	1.52	4.74
OCTOBER	7.85	5.13	4.49	4.70	4.69	5.09
NOVEMBER	3.61	4.37	3.83	3.89	4.22	4.52
DECEMBER	6.58	4.31	6.01	3.81	6.49	4.65
TOTAL	61.58	51.18	51.11	46.59	55.63	51.95
(Year: Jan. - Dec.)						

BLACK RIVER WATERSHED SNOW SURVEY

DATE	SURVEY DATA		HISTORIC AVERAGE	
	SNOW DEPTH (INCHES)	WATER CONTENT (INCHES)	SNOW DEPTH (INCHES)	WATER CONTENT (INCHES)
<u>2023</u>				
January 2 - 4	4.1	1.1	12.1	2.5
January 16 - 18	3.5	0.9	15.2	3.2
January 30 -February 1	10.9	2.5	18.1	3.9
February 13 - 15	9.6	2.8	21.4	5.2
February 27 - March 1	13.2	2.9	21.0	5.8
March 13 - 15	17.1	4.3	19.9	5.8
March 27 - 29	11.3	3.9	11.0	3.7
April 10 - 12	0.0	0.0	4.4	1.6

TABLE 2
HUDSON RIVER - BLACK RIVER REGULATING DISTRICT

INFLOW TO STILLWATER RESERVOIR

MONTH	INFLOW (B.C.F.)	HISTORIC AVERAGE INFLOW (B.C.F.) (1)	PERCENT OF AVERAGE (%)
<u>2023</u>			
JANUARY	1.56	1.20	130
FEBRUARY	0.97	0.84	115
MARCH	0.93	1.43	65
APRIL	2.48	2.40	103
MAY	1.14	1.37	83
JUNE	0.59	0.94	63
JULY	0.73	0.65	111
AUGUST	2.50	0.66	378
SEPTEMBER	0.45	0.55	82
OCTOBER	1.08	0.98	110
NOVEMBER	0.99	1.24	80
DECEMBER	2.14	1.27	169
TOTAL	15.57	13.53	115

(1) Period of Record 1986 - 2021

TABLE 3
HUDSON RIVER - BLACK RIVER REGULATING DISTRICT
REGULATION OF THE BLACK RIVER - STILLWATER RESERVOIR

MONTH	ELEVATION OF RESERVOIR WATER SURFACE (DAILY AVERAGE) (NAVD 88) (3)	MONTHLY RELEASE (AVERAGE) (C.F.S.)	WATERTOWN COMPUTED NATURAL FLOW (AVERAGE) (C.F.S.) (1)	WATERTOWN REGULATED FLOW (AVERAGE) (C.F.S.) (2)
<u>2023</u>				
JANUARY	1668.51	700	6941	7060
FEBRUARY	1664.09	677	4700	4990
MARCH	1665.61	239	4238	4130
APRIL	1676.26	143	8816	8000
MAY	1677.58	312	3744	3630
JUNE	1676.85	300	2188	2260
JULY	1676.18	326	2995	3050
AUGUST	1677.49	818	6675	6560
SEPTEMBER	1670.95	764	1840	2430
OCTOBER	1669.75	489	3655	3740
NOVEMBER	1667.02	559	4044	4220
DECEMBER	1672.00	452	9027	8680

- (1) Watertown flow minus net reservoir augmentation (release minus inflow).
(2) Black River flow at Watertown (VanDuzee Street gauge).
(3) Daily average on last day of the month

Hudson River - Black River Regulating District

STILLWATER RESERVOIR

RESERVOIR ELEVATION JANUARY 2023 - DECEMBER 2023

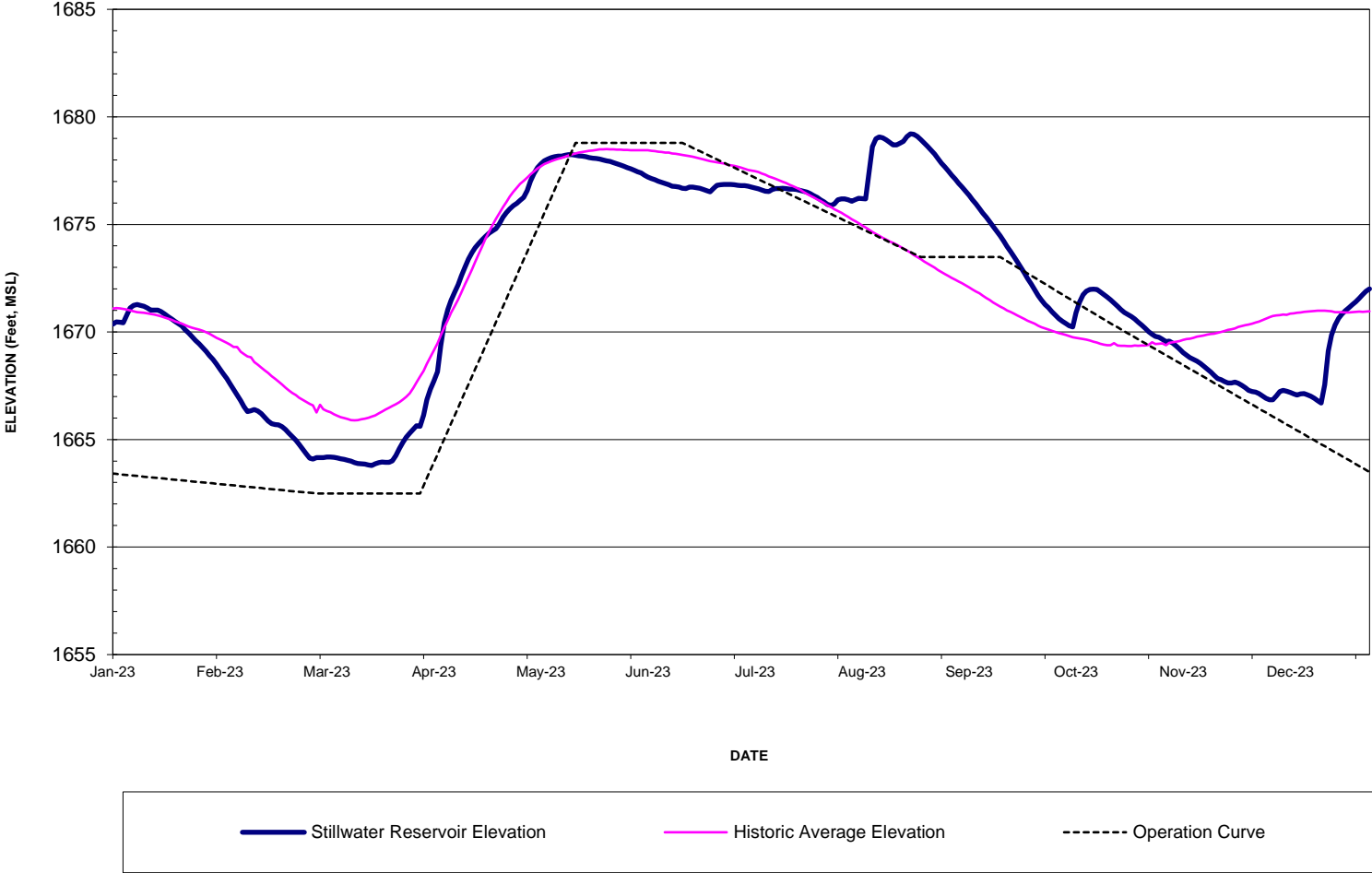


Figure 1

Hudson River - Black River Regulating District

STILLWATER RESERVOIR

PRECIPITATION JANUARY 2023 - DECEMBER 2023

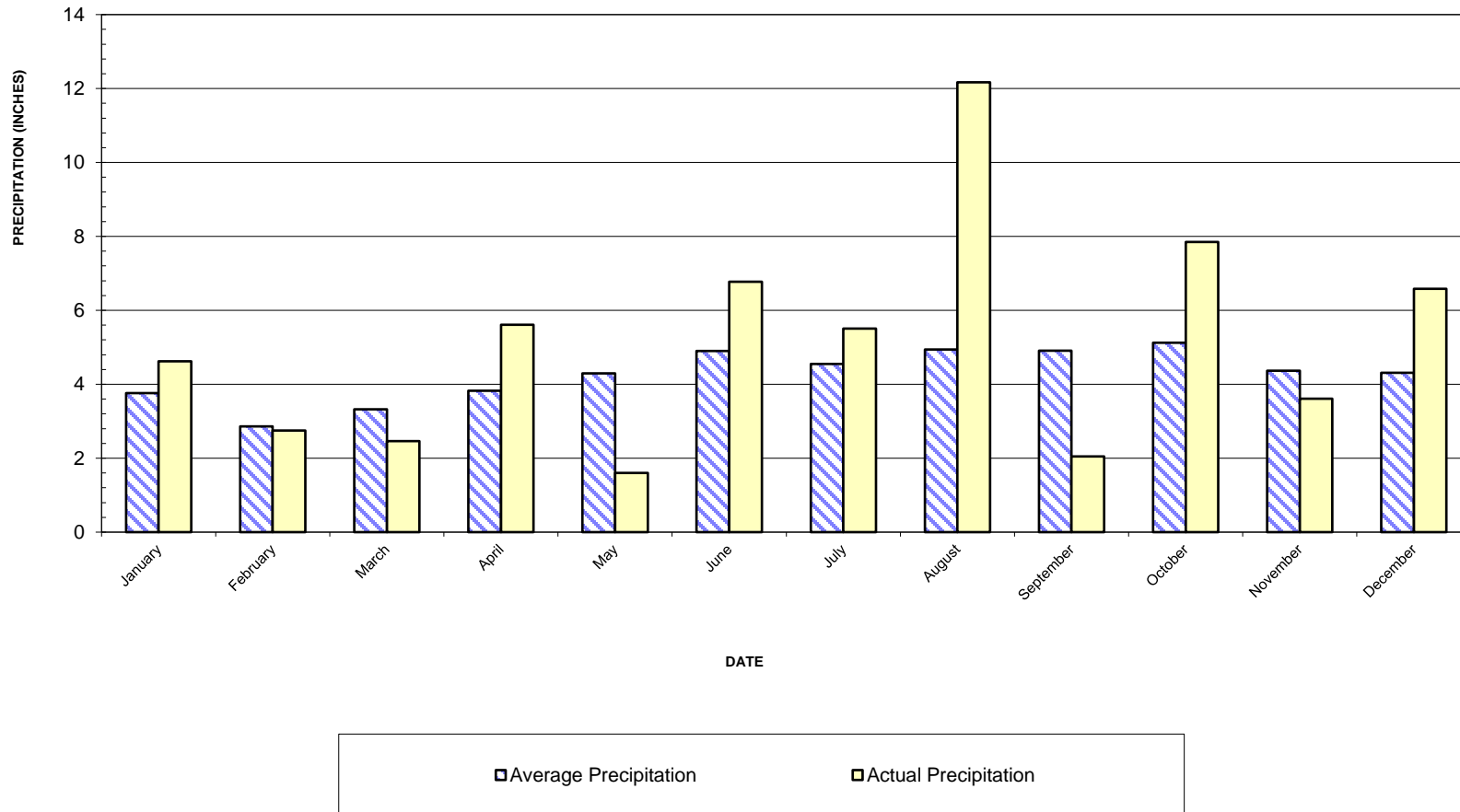


Figure 2

Hudson River - Black River Regulating District

STILLWATER RESERVOIR

INFLOW JANUARY 2023 - DECEMBER 2023

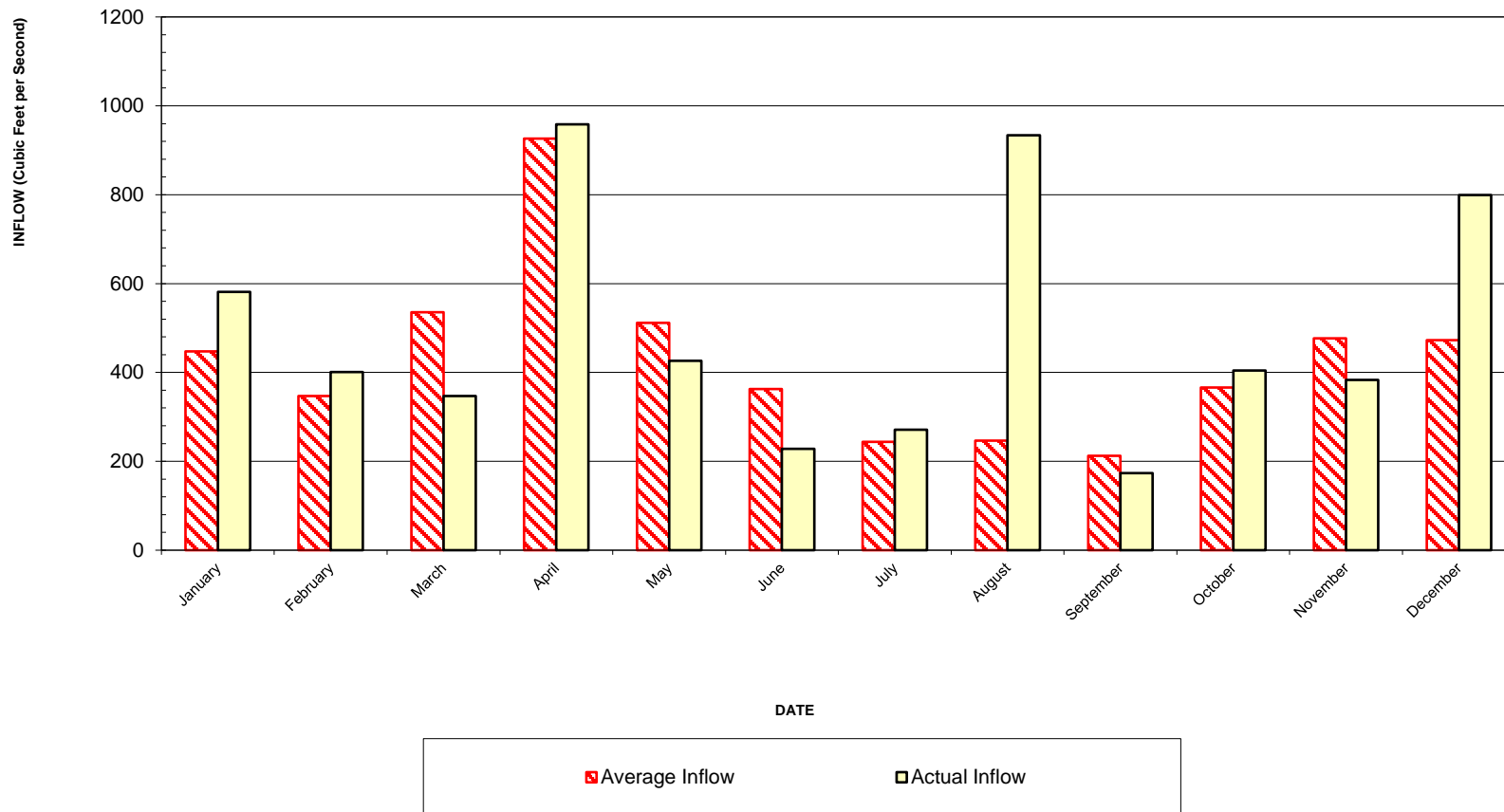


Figure 3

Hudson River - Black River Regulating District

STILLWATER RESERVOIR

BLACK RIVER FLOW AT WATERTOWN JANUARY 2023 - DECEMBER 2023

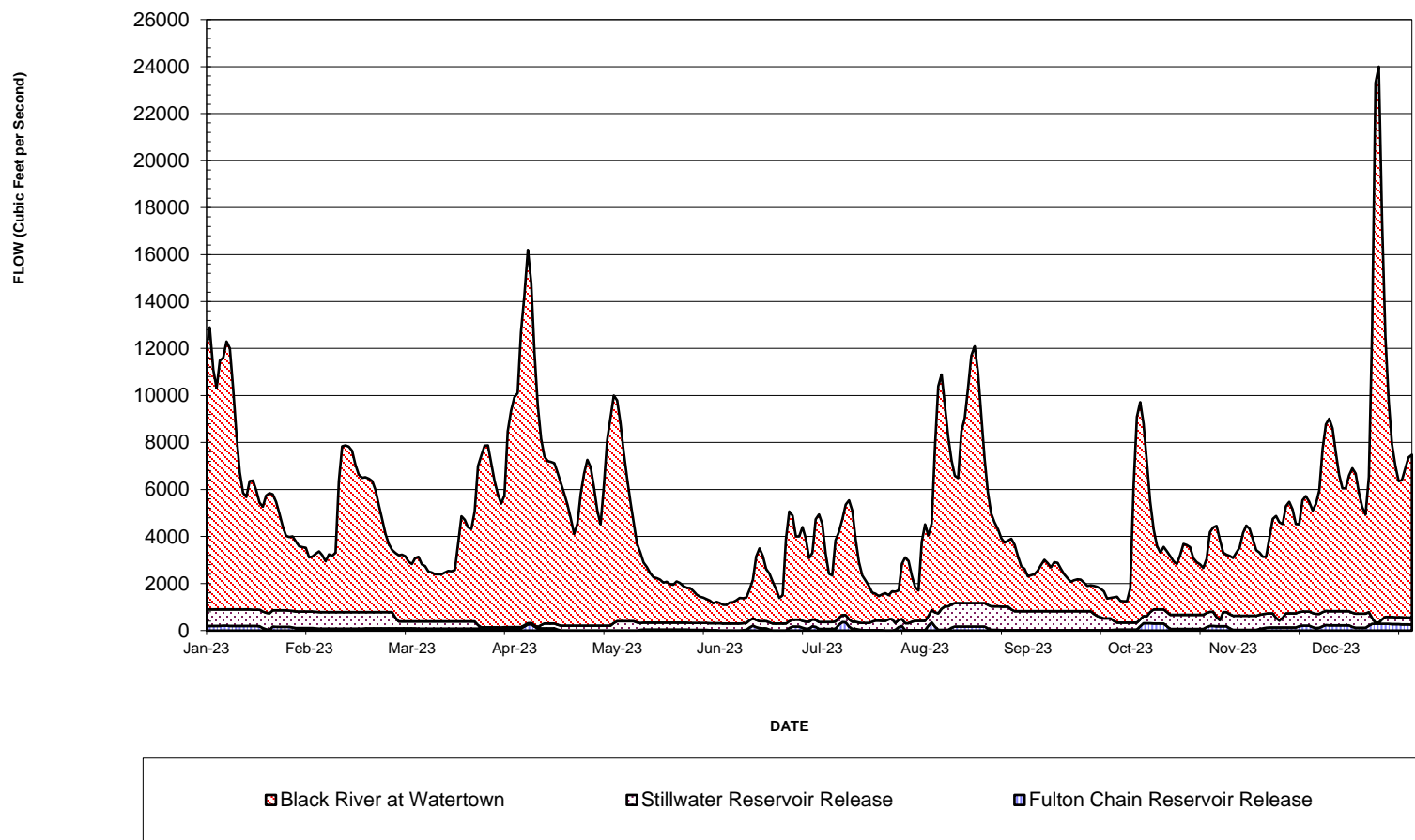


Figure 4

Hudson River - Black River Regulating District

SIXTH LAKE RESERVOIR

RESERVOIR ELEVATION JANUARY 2023 - DECEMBER 2023

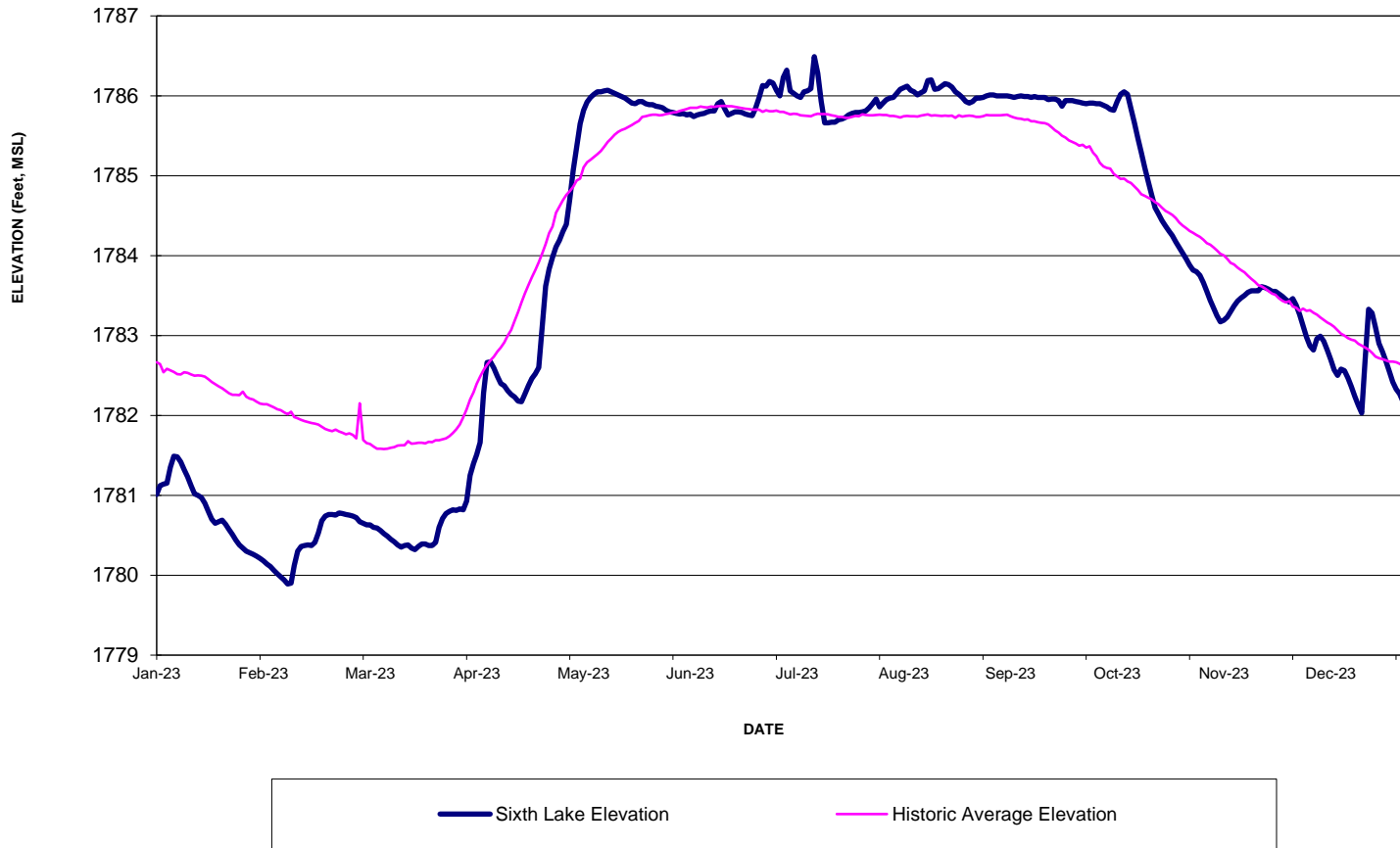


Figure 5

Hudson River - Black River Regulating District

OLD FORGE RESERVOIR

RESERVOIR ELEVATION JANUARY 2023 - DECEMBER 2023

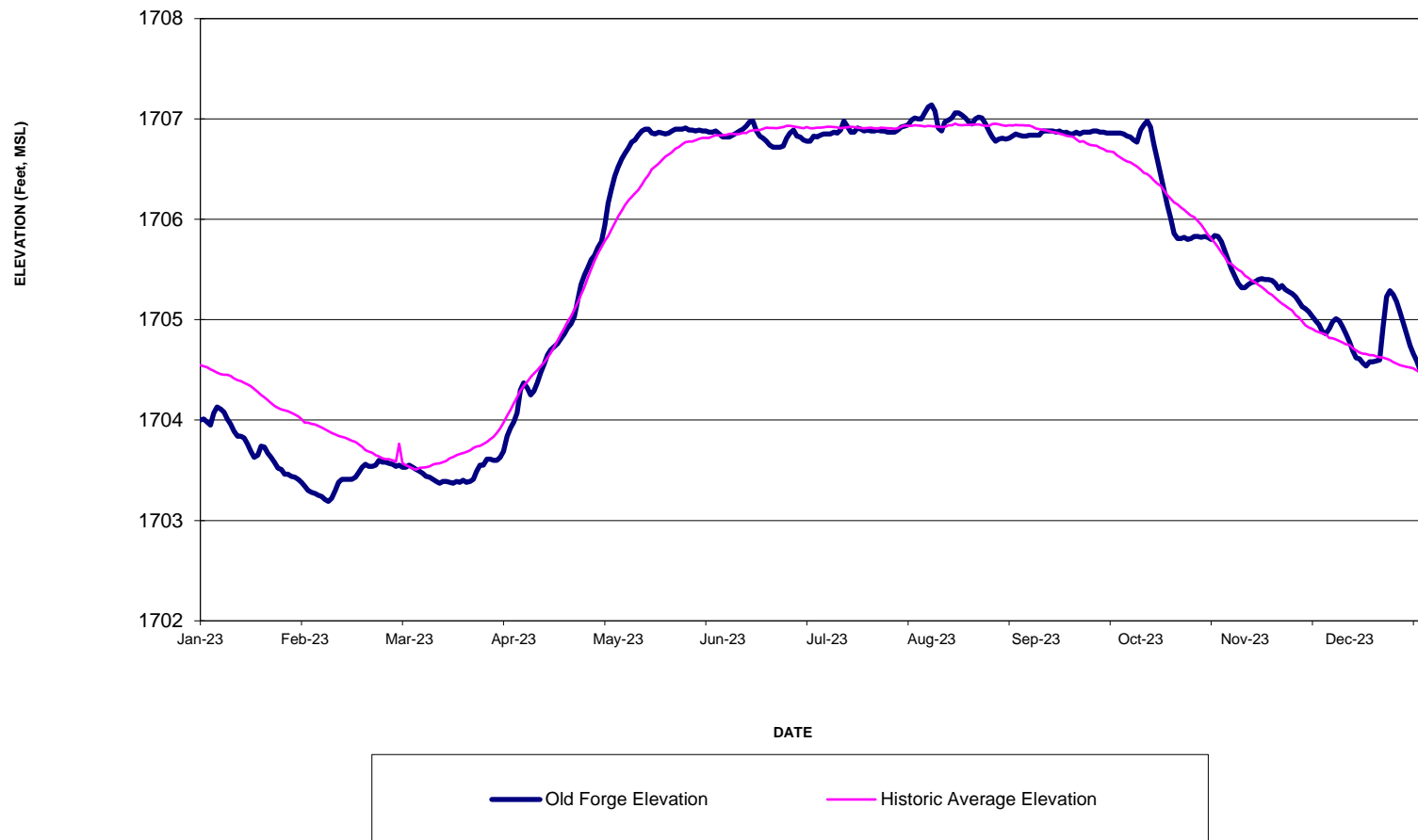


Figure 6

Hudson River - Black River Regulating District

FULTON CHAIN RESERVOIRS

PRECIPITATION JANUARY 2023 - DECEMBER 2023

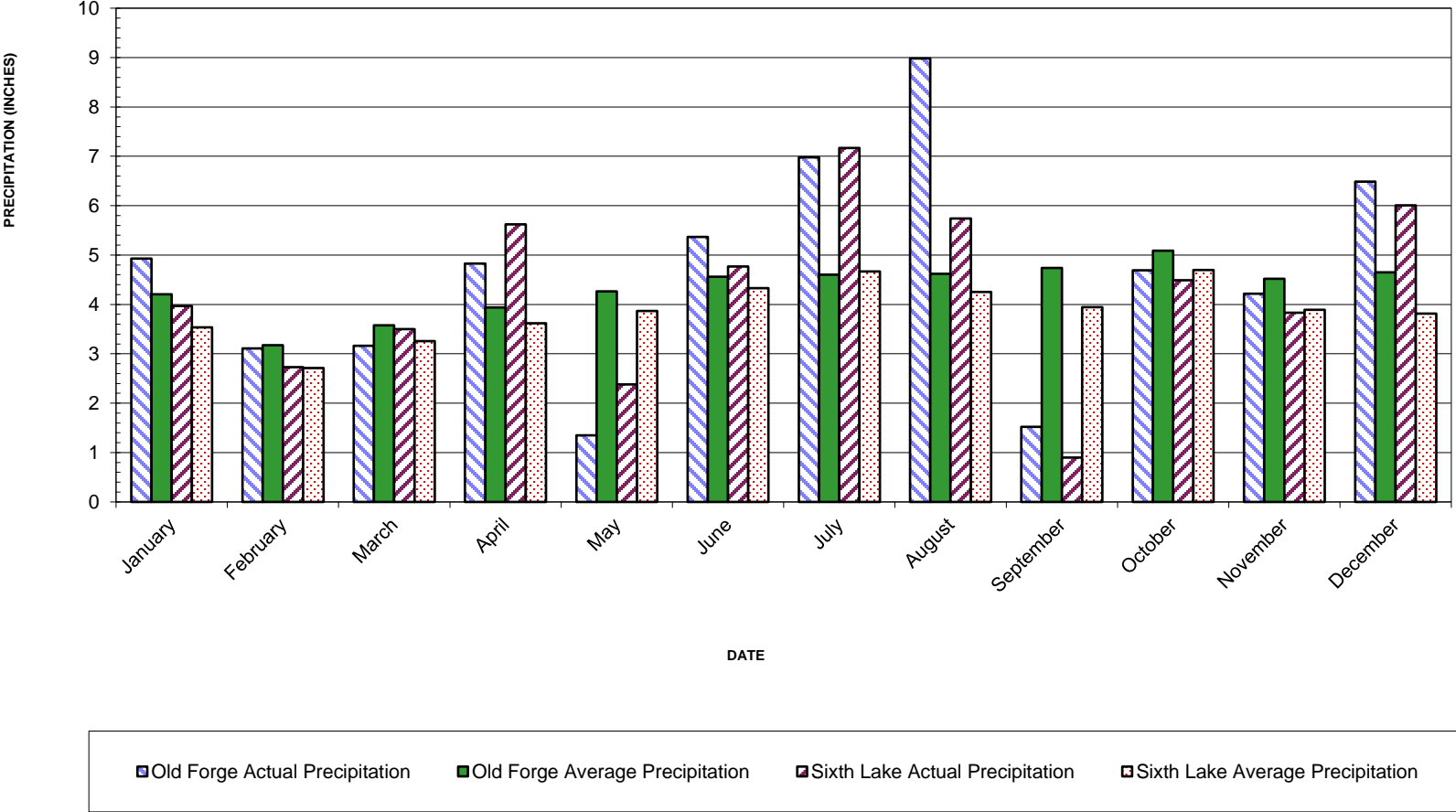


Figure 7

Hudson River - Black River Regulating District

FULTON CHAIN RESERVOIRS

INFLOW JANUARY 2023 - DECEMBER 2023

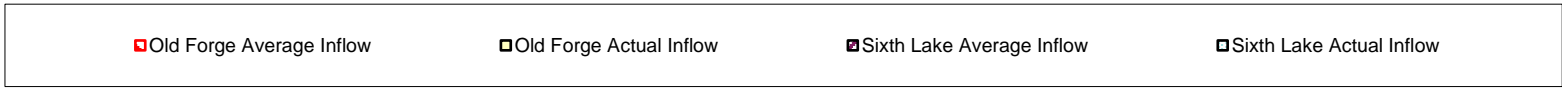
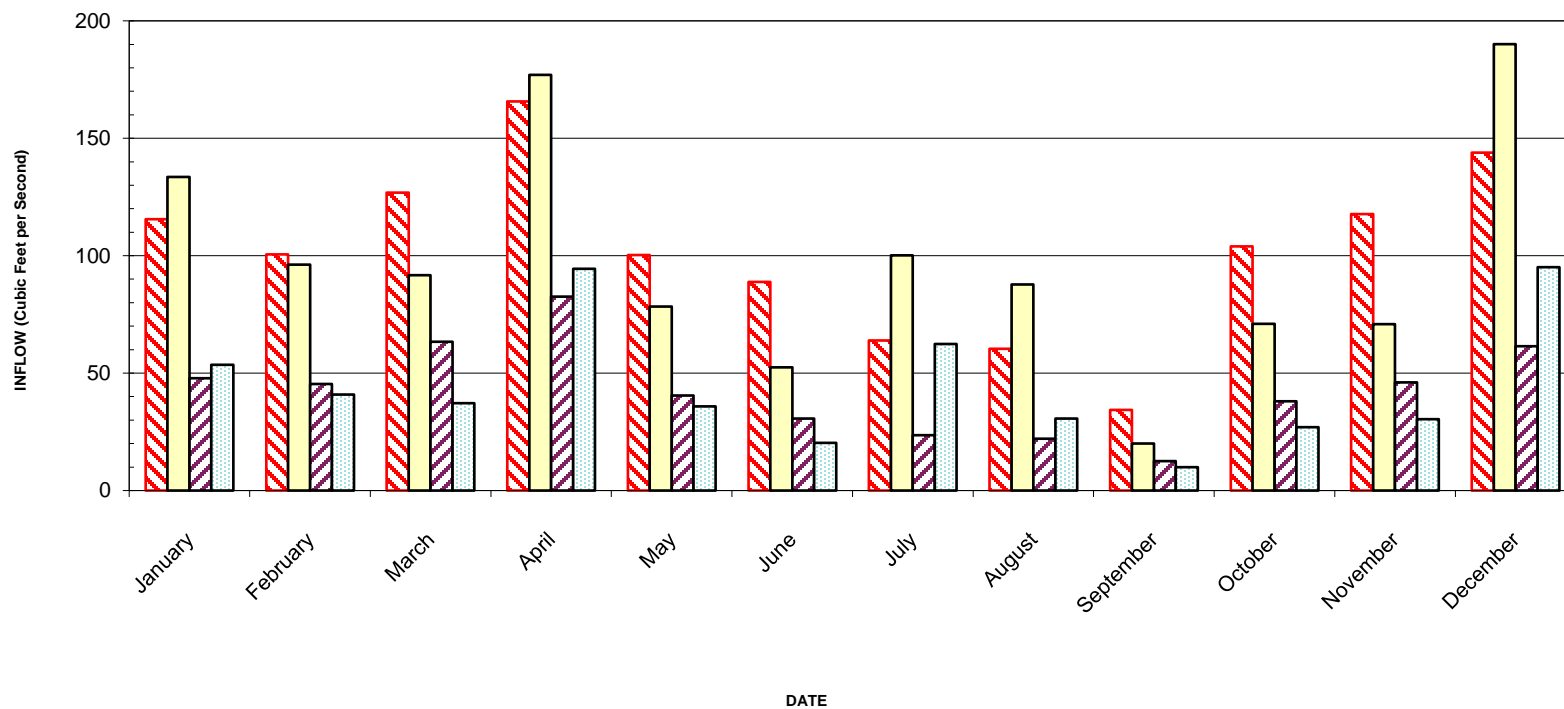


Figure 8

Net inflow including evaporation and transpiration

- 23-01-01 **RESOLUTION AUTHORIZING THE EXPENDITURE OF \$6,742 FOR NEW FLOATING DOCK LUMBER**
- 23-02-01 **RESOLUTION AUTHORIZING THE EXPENDITURE OF \$17,360 FOR NEW FLOATING DOCK HARDWARE**
- 23-03-01 **RESOLUTION TO ADOPT GENDER-BASED VIOLENCE AND THE WORKPLACE POLICY**
- 23-04-01 **RESOLUTION TO APPROVE NINTH AMENDMENT TO CONTRACT C012012 WITH KLEINSCHMIDT ASSOCIATES, PA, PC**
- 23-05-01 **RESOLUTION AUTHORIZING A FORMAL PETITION TO THE FEDERAL ENERGY REGULATORY COMMISSION SEEKING ASSISTANCE RESOLVING A DISPUTE REGARDING REASONABLE COMPENSATION FOR USE OF REGULATING DISTRICT ASSETS**
- 23-06-01 **RESOLUTION SCHEDULING DATE AND TIME AND LOCATION OF THE TUESDAY, MARCH 14, 2023 REGULAR BOARD MEETING**
- 23-07-03 **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN AGREEMENT WITH LOGICAL NET FOR INFORMATION TECHNOLOGY SERVICES**
- 23-08-03 **RESOLUTION TO ACCEPT AMENDMENT #4 TO THE HENNINGSON, DURHAM & RICHARDSON ARCHITECTURE AND ENGINEERING, P.C. (HDR) CONTRACT (C032018) CONKLINGVILLE DAM FOURTH PART 12D INDEPENDENT SAFETY INSPECTION**
- 23-09-03 **RESOLUTION TO AUTHORIZE THE PURCHASE OF A SECURITY CAMERA SYSTEM AT THE SACANDAGA FIELD OFFICE**
- 23-10-03 **RESOLUTION TO AMEND THE AGREEMENT WITH FISCAL ADVISORS & MARKETING, INC. IN CONNECTION TO THE ISSUANCE OF DEBT TO FINANCE CAPITAL PROJECTS**
- 23-11-03 **RESOLUTION TO AMEND THE AGREEMENT WITH HARRIS BEACH PLLC TO PROVIDE BOND COUNSEL SERVICES IN CONNECTION WITH THE ANTICIPATED ISSUANCE OF SERIAL BONDS**
- 23-12-03 **RESOLUTION AUTHORIZING THE EXPENDITURE OF \$11,015.00 TO PURCHASE A DUMP TRAILER FOR THE HUDSON RIVER AREA**
- 23-13-03 **RESOLUTION AUTHORIZING THE EXPENDITURE OF UP TO \$5,500 FOR MOVING EXPENSES RELATED TO THE RELOCATION OF THE HUDSON RIVER AREA OFFICE**

- 23-14-03 **RESOLUTION TO SATISFY ANNUAL REVIEW AND APPROVAL OF THE REGULATING DISTRICT'S INVESTMENT POLICY**
- 23-15-03 **RESOLUTION TO SATISFY ANNUAL REVIEW AND APPROVAL OF THE REGULATING DISTRICT'S PROCUREMENT POLICY**
- 23-16-03 **RESOLUTION TO ANNUALLY REVIEW AND APPROVE THE REGULATING DISTRICT'S DISPOSITION OF PROPERTY GUIDELINES PURSUANT TO SECTION 2896(1) OF THE PUBLIC AUTHORITIES LAW**
- 23-17-03 **RESOLUTION APPROVING A SEVENTH AMENDMENT TO THE GROUND LEASE AND WATER USAGE AGREEMENT AT STILLWATER**
- 23-18-03 **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO HIRE THE MOST QUALIFIED CANDIDATE FOR THE MAINTENANCE SPECIALIST POSITION IN THE HUDSON RIVER AREA**
- 23-19-03 **RESOLUTION TO HIRE TEMPORARY SEASONAL LABORERS TO SUPPLEMENT PERMANENT STAFF IN THE HUDSON RIVER AREA AND BLACK RIVER AREA**
- 23-20-03 **RESOLUTION APPROVING BUDGET & FINANCIAL PLAN REQUIRED PURSUANT TO SECTION 2801 OF PUBLIC AUTHORITIES LAW**
- 23-21-03 **RESOLUTION TO AWARD AUDIT SERVICES WORK TO GALLEROS ROBINSON CERTIFIED PUBLIC ACCOUNTANTS, LLP FOR FISCAL YEAR ENDING JUNE 30, 2023**
- 23-22-03 **RESOLUTION SCHEDULING DATE AND TIME OF THE REGULAR MEETING FOR MAY 9, 2023**
- 23-23-05 **RESOLUTION TO INCREASE THE PROJECT BUDGET FOR CONTRACT D012022 WITH ENVIRONMENTAL SERVICE GROUP (NY), INC. FOR ADDITIONAL WORK AT HAWKINSVILLE DAM**
- 23-24-05 **RESOLUTION SCHEDULING DATE AND TIME OF THE REGULAR MEETING FOR JUNE 13, 2023**
- 23-25-06 **RESOLUTION AUTHORIZING THE EXPENDITURE OF \$7,200 FOR SIDEWALK REPLACEMENT AT SACANDAGA FIELD OFFICE MAIN ENTRANCE**

- 23-26-06 **RESOLUTION TO APPROVE THE ANNUAL ASSESSMENT FOR THE OPERATION AND MAINTENANCE OF STORAGE RESERVOIRS IN THE BLACK RIVER AREA FOR THE THIRD YEAR (JULY 1, 2023 - JUNE 30, 2024) OF THE THREE YEAR BUDGET PERIOD BEGINNING JULY 1, 2021**
- 23-27-06 **RESOLUTION TO APPROVE THE STATE SHARE FOR THE OPERATION AND MAINTENANCE OF STORAGE RESERVOIRS IN THE BLACK RIVER AREA FOR THE THIRD YEAR (JULY 1, 2023 - JUNE 30, 2024) OF THE THREE YEAR BUDGET PERIOD BEGINNING JULY 1, 2021**
- 23-28-06 **RESOLUTION TO APPROVE THE ANNUAL ASSESSMENT FOR THE OPERATION AND MAINTENANCE OF STORAGE RESERVOIRS IN THE HUDSON RIVER AREA FOR THE THIRD YEAR (JULY 1, 2023 - JUNE 30, 2024) OF THE THREE YEAR BUDGET PERIOD BEGINNING JULY 1, 2021**
- 23-29-06 **RESOLUTION TO APPROVE THE STATE SHARE FOR THE OPERATION AND MAINTENANCE OF STORAGE RESERVOIRS IN THE HUDSON RIVER AREA FOR THE THIRD YEAR (JULY 1, 2023 - JUNE 30, 2024) OF THE THREE YEAR BUDGET PERIOD BEGINNING JULY 1, 2021**
- 23-30-06 **RESOLUTION TO AWARD THE REGULATING DISTRICT'S INSURANCE PROGRAM FOR POLICY YEAR JULY 1, 2023 THROUGH JUNE 30, 2024**
- 23-31-06 **RESOLUTION TO APPROVE INSURANCE PROPOSAL FOR POLICY YEAR JULY 1, 2023 THROUGH JUNE 30, 2024**
- 23-32-06 **RESOLUTION APPROVING A FIFTH AMENDMENT TO THE RESERVOIR OPERATING AGREEMENT AT CONKLINGVILLE**
- 23-33-06 **RESOLUTION APPROVING AN EIGHTH AMENDMENT TO THE GROUND LEASE AND WATER USAGE AGREEMENT AT STILLWATER**
- 23-34-06 **RESOLUTION SCHEDULING DATE, TIME AND LOCATION OF THE REGULAR MEETING FOR JULY 11, 2023**
- 23-35-08 **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND ENTER INTO AN AGREEMENT WITH INTERACTIVE MEDIA CONSULTING, LLC**
- 23-36-08 **RESOLUTION AUTHORIZING THE EXPENDITURE OF \$16,866.25 TO REPLACE A DUMP TRUCK BODY IN THE HUDSON RIVER AREA**
- 23-37-08 **RESOLUTION AUTHORIZING THE EXPENDITURE OF \$8,750 TO REPLACE ROOF ON THE SACANDAGA FIELD OFFICE BOATHOUSE**
- 23-38-08 **RESOLUTION TO AWARD INDIAN LAKE DAM REHABILITATION CONSTRUCTION WORK TO C.D. PERRY, LLC (CONTRACT D012023)**

- 23-39-08 **RESOLUTION TO AUTHORIZE REAPPROPRIATIONS FOR CAPITAL PROJECTS**
- 23-40-08 **RESOLUTION REGARDING A DECLARATION OF OFFICIAL INTENT PURSUANT TO SECTION 1.150-2 OF THE TREASURY REGULATIONS**
- 23-41-08 **RESOLUTION SCHEDULING DATE, TIME AND LOCATION OF THE REGULAR MEETING FOR OCTOBER 11, 2023**
- 23-42-09 **RESOLUTION AUTHORIZING STAFF TO ACCEPT AN APPLICATION FOR A PERMIT AUTHORIZING ACCESS TO STATE LANDS FORMERLY PERMITTED TO MICHAEL & LINDA BELL, AND TO ISSUE SAME UPON COMPLETION OF REQUIRED WORK**
- 23-43-09 **RESOLUTION ADOPTING AMENDED BY-LAWS OF THE HUDSON RIVER – BLACK RIVER REGULATING DISTRICT**
- 23-44-09 **RESOLUTION SCHEDULING DATE, TIME AND LOCATION OF THE REGULAR MEETING FOR OCTOBER 11, 2023**
- 23-45-10 **RESOLUTION TO APPROVE AMENDMENT #1 TO CONTRACT C062016 WITH ARCADIS OF NEW YORK TO PERFORM ENGINEERING SERVICES IN CONNECTION WITH THE OLD FORGE & SIXTH LAKE DAM RECOMMENDATION FOR REMEDIAL MEASURES**
- 23-46-10 **RESOLUTION APPROVING A CASH PAYOUT OF UNUSED ANNUAL AND SICK LEAVE AND CONTRIBUTION TO HEALTH INSURANCE PREMIUMS TO DAVID IOELE UPON RETIREMENT**
- 23-47-10 **RESOLUTION TO AMEND THE APPROVED INSURANCE PROPOSAL FOR POLICY YEAR JULY 1, 2023 THROUGH JUNE 30, 2024**
- 23-48-10 **RESOLUTION TO APPROVE A FEE PROPOSAL AND AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO CONTRACT C020223 WITH GOMEZ AND SULLIVAN ENGINEERS, D.P.C. TO DEVELOP THE FINAL DAM BREACH INUNDATION MAPPING AND A NARRATIVE OF THE BREACH ANALYSIS FOR USE IN THE CONKLINGVILLE DAM EAP**
- 23-49-10 **RESOLUTION AUTHORIZING THE EXPENDITURE OF UP TO \$49,700 FOR PURCHASE OF A REPLACEMENT PICKUP TRUCK IN THE HUDSON RIVER AREA**
- 23-50-10 **RESOLUTION SCHEDULING DATE, TIME AND LOCATION OF THE REGULAR MEETING FOR NOVEMBER 7, 2023**
- 23-51-11 **RESOLUTION TO APPROVE TENTH AMENDMENT TO CONTRACT C012012 WITH KLEINSCHMIDT ASSOCIATES, PA, PC**

- 23-52-11 **RESOLUTION TO APPROVE AMENDMENT #6 TO HDR CONTRACT C022012 TO PERFORM STILLWATER DAM BREACH ANALYSIS SITE SPECIFIC PROBABLE MAXIMUM PRECIPITATION STUDY**
- 23-53-11 **RESOLUTION TO ACCEPT AMENDMENT #5 to the HENNINGSON, DURHAM & RICHARDSON ARCHITECTURE AND ENGINEERING, P.C. (HDR) CONTRACT (C032018) CONKLINGVILLE DAM FOURTH PART 12D INDEPENDENT SAFETY INSPECTION**
- 23-54-11 **RESOLUTION TO ACCEPT HENNINGSON, DURHAM AND RICHARDSON ARCHITECTURE AND ENGINEERING, P.C., INC'S PROPOSAL TO COMPLETE 5TH PART 12D INDEPENDENT CONSULTANT SAFETY INSPECTION OF THE CONKLINGVILLE DAM**
- 23-55-11 **RESOLUTION SCHEDULING DATE, TIME AND LOCATION OF THE JANUARY 9, 2024 REGULAR BOARD & ORGANIZATIONAL COMMITTEE MEETINGS**