

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

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

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

The Regulating District has four main revenue sources:

- i. Statutory Beneficiaries (Hudson River Area, Black River Area, NYS Share): In accordance with the Regulating District's enabling statute ([Article 15 Title 21 of the Environmental Conservation Law](#)), the Regulating District annually assesses its operation and maintenance expenses, amongst the beneficiaries of record.
- ii. Hydroelectric Site Agreements (Hudson River and Black River Areas): The Regulating District has received revenues from hydroelectric site agreements that grant certain hydroelectric generators the right to use State-owned land, head and/or water rights for the production of hydroelectric power. The Regulating District's agreement with a hydroelectric generator adjacent to the Conklingville Dam in the Hudson River Area has expired and is the subject of litigation. The agreement with a hydroelectric generator adjacent to the Stillwater Dam in the Black River Area led to the Regulating District becoming the owner of the plant. It has entered into an agreement with a new operator of this plant.
- iii. Great Sacandaga Lake Permit Fees (Hudson River Area only): The Regulating District collects an access permit fee for use of a portion of the State-owned buffer zone encompassing the Great Sacandaga Lake.
- iv. Headwaters Benefit fees (Hudson River Area only) pursuant to Section 10f of the Federal Power Act. Fees, which are set by FERC, are payable by each hydroelectric licensee (upon satisfaction of refunds, in certain cases).

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

See Attached: Budget Development Schedule

- c. a description of the principal budget assumptions, including sources of revenues, staffing and future collective bargaining costs, and programmatic goals;

See Attached: 2025-27 Budget Assumptions

- d. a self-assessment of budgetary risks;
 - i. Cyclical risks arise largely from the Regulating District’s external environment, including fiscal stress placed on sources of revenue by economic forces. Structural risks arise from statutory sources of revenue growing slower than projected expenditures.

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

See Attached: Actual Performance_2024_2025_Current_Budget_Forecast_2025-26

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

See Attached: Actual Performance_2024_2025_Current_Budget_Forecast_2025-26

- h. a projection of the number of employees, including sources of funding, the numbers of full-time and full-time equivalents, and functional classifications;
 - i. 21 employees, 20 of which are full-time and 1 part-time
 - ii. 14 represented (by CSEA Local 1000), 7 Management/Exempt
 - iii. Funding Sources are beneficiary assessment and other sources mentioned above (in 1.a.).

- i. a statement of each revenue-enhancement and cost-reduction initiative that represents a component of any gap-closing program and the annual impact on revenues, expenses and staffing;
 - i. Actions taken in the last several State fiscal years have provided financial assistance for rehabilitation work on the Conklingville, Sixth Lake, Old Forge and Indian Lake dams. Those budgets also shifted responsibility from the Regulating District to New York State for payment of real property taxes on State owned lands that reduce Regulating District spending by more than \$3 million annually.
 - ii. The Regulating District continuously takes a number of other, smaller, actions to reduce operating expenses.

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

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

- l. a statement of borrowed debt projected to be outstanding at the end of each fiscal year covered by the budget or financial plan; the planned use or purpose of debt issuances; scheduled debt service payments for both issued and proposed debt; the principal amount of proposed debt and assumed interest rate(s); debt service for each issuance as a percentage of total pledged revenues, listed by

type or category of pledged revenues; cumulative debt service as a percentage of available revenues; and amount of debt that can be issued until legal limits are met; and

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

2023-24 (actual):	\$0.780MM
2024-25 (actual):	\$7.252MM
2025-26 (projected)	\$9.454MM

A small portion of the 2024-25 projected debt, incurred via a long-term financing arrangement with the New York State Environmental Facilities Corporation (EFC), was used to finance rehabilitation at the Conklingville Dam. The Regulating District extended this arrangement from November 2, 2020 to November 2, 2022. The Regulating District converted this short-term financing arrangement with EFC to a long-term arrangement on December 6, 2022.

The vast majority of the 2025-26 projected debt, incurred via a short-term financing arrangement with EFC dated October 10, 2024, is being used to finance rehabilitation at the Indian Lake Dam.

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

2023-24 (actual):	\$0.066MM (of which, \$0.025MM is a principal payment)
2024-25 (actual):	\$0.062MM (of which, \$0.016MM is a projected principal payment)
2025-26 (projected):	\$0.105MM (of which, \$0.025MM is a principal payment)

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

2023-24 (actual):	0.96%
2024-25 (actual):	0.97%
2025-26 (projected):	1.64%

No individual source of revenue is pledged to cover the Regulating District's debt service. The Regulating District is not limited by statute in the amount of debt it may have outstanding.

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

See Attached: Engineering and Construction Budget Schedule

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



Hudson River - Black River Regulating District

Budget Development Schedule Fiscal Years 2024-25, 2025-26, 2026-27

<u>Activities/Deliverables</u>	<u>Participants</u>	<u>Target Date (Month/Year)</u>
Current Services Projected Budgets	CFO, Senior and Finance Staff	Continuous since July 2021
<ul style="list-style-type: none"> ➤ Revenue <ul style="list-style-type: none"> ○ Non-Assessment Revenue <ul style="list-style-type: none"> ▪ Water Power Agreements ▪ Headwater Benefit Fees ▪ Permit System Fees ▪ Interest ▪ Other ○ Assessments – State, Hydroelectric Providers ➤ Operating Plan <ul style="list-style-type: none"> ○ Staffing, Salary and Wages ○ Fringe Benefits, including Health Insurance, Pension ○ Real Property Taxes ○ Other ➤ Capital Plan <ul style="list-style-type: none"> ○ Engineering and Construction Spending ○ Financing 		
Budget Discussions	CFO, Finance and Senior Staff	January-May 2024
Initial Draft of budgets for next fiscal years	CFO and Executive Director	March 2024
Status Report to Board Finance Committee (Present initial Formal Draft)	CFO and Finance Committee	March 2024 Meeting
Review Statutory Provisions of Budget Dev	CFO and Finance Committee	May 2024 Meeting
Adopt Annual Budgets	Finance Committee and Board	June 2024

Fiscal Year 2024-25, 2025-26 and 2026-27 Budget Assumptions

Expenses- Operating	Salaries	Reflects newly negotiated CBA and Budget Bulletin. Actual M/C Salary Schedule +3% for final year where M/C Salary Sched not exist yet
	Pension	Weighted average of Tiers 4, 5 and 6 per OSC 2024-25 Projected Invoice = 16.7% of projected HRBRRD payroll (above 3-yr average in Enacted Budget Financial Plan. P. 58)
	Health, Dental, Vision	Active + Retiree costs based on Jan 2024 billing with 10% growth in each year per recent experience
	Social Security and Medicare	6.2% and 1.45% of payroll
	All other	3% annual growth from 2023-24 Adopted levels, except Property/Casualty Insurance, (2024-25 quoted plus 50% of Stillwater Associates Insurance expense for 2023 for Stillwater Hydro in 2024-25, *1.05 thereafter)
Expenses- Capital	Repairs to Structures and Engineering Consultant	<p>Appropriate various amounts in 5260 based on review of Hudson River Area and Black River Area staff recommendations</p> <p>Appropriate \$0 million in 2024-25 to cover acquisition cost of Stillwater Hydro as anticipate closing transaction by June 30, 2024, \$0.1 million in 2024-25 to cover cost of stop gates at Stillwater.</p> <p>Appropriate estimate of Arcadis contract in 2024-25.</p> <p>Appropriate \$0 million in Repairs to Structures as suballocate SFY 2023-24 and SFY 2024-25 Capital approps from DEC not certain.</p> <p>Link to Engineering and Construction spreadsheet for automatic updates</p>
Expenses- Debt Service	Debt Payments Principal	Actual for Conklingville via EFC. Based on revised debt service schedule provided by Fiscal Advisors & Marketing (\$0K in 2024-25 and \$30K in other years per \$1 million borrowed *\$10MM) for IL.
	Debt Payments Interest	Actual for Conklingville via EFC. Based on revised debt service schedule provided by Fiscal Advisors & Marketing (\$0K in 2024-25 and \$55K per year per \$1 million borrowed*\$10MM) for IL.
Non-Assessment Revenue- HRA	Reservoir Operating Agreement	\$0 based on Brookfield decision to abandon agreement effective June 30, 2023
	Permits	No increase in permit fees proposed for 2025-27 budget cycle
	10F	0% increase in 2024-25, increase in 2025-26 and 2026-27 in accordance with schedule
	Interest	\$1 million investable balance at 4% STIP
	Bond Proceeds	Construction, Construction Contingency and Engineering for IL based on CD Perry bid and remaining on Bergmann contract (as amended), less what spent in 2023-24, capped at total borrowing in EFC application.
Assessment Revenue- HRA	NYS	22.18% of Expenses less Non-Assessment Revenue
	Counties	Reduced based on Expenses, Non-Assessment Revenue, NYS Share
Non-Assessment Revenue- BRA	Reservoir Operating Agreement	Based on Stillwater Hydro operator procurement in 2024-25, 2025-26 and 2026-27
	Interest	\$1 million investable balance at 4% STIP
	Bond Proceeds	<p>\$0 draw from SFY 2023-24 and SFY 2024-25 Capital Approps to reimburse for cost of OF and 6th Lake Repairs to Structures and Engineering.</p> <p>\$0.1 million in Bond Proceeds from NYS Capital Projects Appropriation to cover capital project related to Stillwater Hydro ownership</p>
Assessment Revenue- BRA	NYS	\$1.25 million appropriated in recent years less 22.18% of HRA expenses
	Counties	7.18% of Expenses less Non-Assessment Revenue & NYS Share
	Hydros	92.82% of Expenses less Non-Assessment Revenue & NYS Share

**Hudson River-Black River Regulating District
Annual Public Authority Budget & Financial Plan Request 6/30/2027**

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

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

	<u>Budget FY 6/30/2025</u>	<u>Actual 6/30/2025</u>	<u>Budget FY 6/30/2026</u>	<u>Revised Forecast FY 6/30/2026</u>
Operating Revenue:				
Assessments	\$ 5,561,116	\$ 5,564,811	\$ 5,571,985	\$ 5,552,786
Water Power Service	50,000	33,662	51,500	\$ 51,500
Permit Fees	550,000	565,570	550,000	\$ 554,987
Total Operating Revenue	\$ 6,161,116	\$ 6,164,043	\$ 6,173,485	\$ 6,159,273
Operating Expenses:				
Salaries	\$ 1,869,437	\$ 1,835,382	\$ 1,947,420	\$ 1,941,357
Payroll Taxes	182,814	132,830	192,193	\$ 188,970
Pension	311,052	198,803	324,041	\$ 319,187
Health Ins & Other Employee Benefits*	1,501,571	1,062,006	1,651,728	\$ 1,444,457
Real Estate Taxes	-	-	-	\$ -
Depreciation*		427,618		\$ 470,380
Insurance	285,491	303,914	299,766	\$ 377,289
Engineering Fees	1,236,650	642,079	418,000	\$ 642,184
U.S. Geological Survey Contract	191,664	161,196	197,414	\$ 177,466
Rent	75,656	70,249	79,232	\$ 78,345
Utilities	37,236	38,378	38,353	\$ 49,142
Telephone/Data	40,342	41,331	41,552	\$ 34,662
Travel	15,029	12,646	15,480	\$ 13,779
Repairs and Maintenance	77,058	23,916	163,235	\$ 42,365
Professional Fees	94,022	50,341	97,643	\$ 68,794
Postage	6,424	9,304	6,617	\$ 12,632
Office Expense	6,302	8,760	6,491	\$ 3,393
Minor Equipment, Material and Supplies	348,583	77,302	136,927	\$ 128,462
Miscellaneous	1,281,270	77,329	190,168	\$ 156,372
Capital Improvements	7,552,847	6,497,539	37,500	\$ 913,790
Erosion Control/Maintenance	30,260	22,382	31,168	\$ 45,146
Total Operating Expenses	\$ 15,143,709	\$ 11,693,305	\$ 5,874,927	\$ 7,108,172
Non-Operating Revenues (Expenses):				
Interest and Dividend Income	80,000	249,883	80,000	\$ 243,001
Miscellaneous Income	-	-	-	\$ 73,497
Realized and Unrealized Loss on Investments				
Settlement Expense				
Bond Proceeds	10,153,346	6,497,539	-	\$ 900,497
Total Non- Operating Revenues (Expenses)	\$ 10,233,346	\$ 6,747,422	\$ 80,000	\$ 1,216,995
Debt Service	\$ 35,666	\$ 62,155	\$ 894,532	\$ 104,738
Surplus/(Deficit):	\$ 1,215,088	\$ 1,156,005	\$ (515,974)	\$ 163,358

Footnote:

*Depreciation and Other Postemployment Benefits (included in Health Ins & Other Employee Benefits) included in Actual and Revised Forecast but not included in Budget due to cash basis of accounting for budget development

Schedule	Revised: May 21, 2021	Budget Cycle '21-'24			Budget Cycle '24-'27			Budget Cycle '27-'30			Task Subtotal	Structure Total	
		Fiscal Year			Fiscal Year			Fiscal Year					
Structure/Stage of Remediation	Task	Id / Code	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030		
Conklingville Dam													
	Foundation and Concrete Repair											\$ -	
	Engineering - Phase 2 Final Design (Zone 5,6,7)	C-E-001	\$ 854,300									\$ 854,300	
	Construction - Phase 3 (Zone 5,6,7)	C-C-001		\$ 5,047,200	\$ 11,776,800							\$ 16,824,000	
	Engineering - Construction Observation	C-E-002		\$ 463,920	\$ 1,082,480							\$ 1,546,400	
	Abutments, Outlet and Tailrace Repair												
	Engineering - Phase 1 (Zone 1,2,3,4)	C-E-005		\$ 300,000	\$ 300,000	\$ 300,000						\$ 900,000	
	Engineering - Phase 2 Final Design (Zone 1,2,3,4)	C-E-006				\$ 400,000	\$ 200,000					\$ 600,000	
	Construction - Phase 3 (Zone 1,2,3,4)	C-C-002					\$ 2,000,000	\$ 3,000,000	\$ 3,000,000			\$ 8,000,000	
	Engineering - Construction Observation	C-E-007					\$ 300,000	\$ 450,000	\$ 450,000			\$ 1,200,000	
	Dow Valve Replacement												
	Engineering - Preliminary Design								\$ 600,000			\$ 600,000	
	Engineering - Final Design									\$ 300,000		\$ 300,000	
	Construction										\$ 9,000,000	\$ 9,000,000	
	Engineering - Construction Observation										\$ 900,000	\$ 900,000	
													\$ 40,724,700
	TOTAL		\$ 854,300	\$ 5,811,120	\$ 13,159,280	\$ 700,000	\$ 2,500,000	\$ 3,450,000	\$ 4,050,000	\$ 300,000	\$ 9,900,000	\$ 40,724,700	
	Foundation and Concrete Repair		\$ 854,300	\$ 5,511,120	\$ 12,859,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,224,700	
	Abutments, Outlet and Tailrace Repair		\$ -	\$ 300,000	\$ 300,000	\$ 700,000	\$ 2,500,000	\$ 3,450,000	\$ 3,450,000	\$ -	\$ -	\$ 10,700,000	\$ 29,924,700
	Dow Valve Replacement		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,000	\$ 300,000	\$ 9,900,000	\$ 10,800,000	\$ 40,724,700
			\$ 854,300	\$ 5,811,120	\$ 13,159,280	\$ 700,000	\$ 2,500,000	\$ 3,450,000	\$ 4,050,000	\$ 300,000	\$ 9,900,000	\$ 40,724,700	

Schedule Revised: May 21, 2021

Structure/Stage of Remediation	Task	Id / Code	Comment
Conklingville Dam	Foundation and Concrete Repair		
	Engineering - Phase 2 Final Design (Zone 5,6,7)	C-E-001	DEC Appropriation; Schnabel proposal 082820
	Construction - Phase 3 (Zone 5,6,7)	C-C-001	DEC Appropriation; Schnabel estimate Zone 5, 6, 7 Conceptual Design Report, January 2020
	Engineering - Construction Observation	C-E-002	DEC Appropriation; Schnabel proposal 082820
Abutments, Outlet and Tailrace Repair	Engineering - Phase 1 (Zone 1,2,3,4)	C-E-005	
	Engineering - Phase 2 Final Design (Zone 1,2,3,4)	C-E-006	DEC Appropriation; estimate 20% of Construction
	Construction - Phase 3 (Zone 1,2,3,4)	C-C-002	DEC Appropriation; estimate; 2 yrs for construction \$5M in '24-'27, \$3M in '27-'30
	Engineering - Construction Observation	C-E-007	DEC Appropriation; Estimate 15% of construction
Dow Valve Replacement	Engineering - Preliminary Design		
	Engineering - Final Design		
	Construction		
	Engineering - Construction Observation		

TOTAL

- Foundation and Concrete Repair
- Abutments, Outlet and Tailrace Repair
- Dow Valve Replacement

Facility	Budget Id/Code
Conklingville	C-E-001
	C-C-001
	C-E-002
	C-E-003
	C-C-002
	C-E-004
	C-E-005
	C-E-006
	C-E-007
	C-E-008
	C-C-003
C-E-009	
Indian Lake	I-E-001
	I-E-002
	I-C-001
	I-E-003
Stillwater	S-E-001
	S-C-001
	S-E-002
	S-E-003
	S-E-004
	S-E-005
	S-C-002
	S-E-006
S-E-007	
Sixth Lake	SL-E-001
	SL-E-002
	SL-E-003
	SL-E-004
	SL-E-005
	SL-C-001
	SL-E-006
Old Forge	OF-E-001
	OF-E-002
	OF-E-003
	OF-E-004
	OF-E-005
	OF-C-001
OF-E-006	
Hawkinsville	H-E-004
	H-C-001
	H-E-005

Contract / Consultant

C012016 Schnabel proposal 082820
C012016 Schnabel estimate Zone 6,7
C012016 Schnabel proposal 082820
C012016 Schnbel / or TBD
C012016 Schnabel estimate Zone 5,6,7
C012016 Schnbel / or TBD
Contract No. TBD HDR proposal
Contract No. TBD Ryan-Biggs Proposal
TBD
TBD
TBD
TBD

C032013 Bergmann proposal - pending
C032013 Bergmann proposal - pending
TBD
TBD

C022018 Rizzo Engineering
D012019 Atlantic Testing Laboratories
TBD - HDR pending proposal
TBD - HDR pending proposal
TBD
TBD
TBD
TBD
TBD

C062016 Acadis
C062016 Acadis
C062016 Acadis
C062016 Acadis
C062016 Acadis
TBD
C062016 Acadis

C062016 Acadis
C062016 Acadis
C062016 Acadis
C062016 Acadis
C062016 Acadis
TBD
C062016 Acadis

C012012 Kleinschmidt
C012012 Kleinschmidt
C012012 Kleinschmidt