



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

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

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

As a public benefit corporation of the State of New York, the Regulating District uses no public, taxpayer-generated funds, federal or state, to finance its operations. Instead, the Regulating District has three main revenue sources:

- i. Statutory Beneficiaries (Hudson River and Black River Areas): In accordance with the Regulating District's enabling statute ([Article 15 Title 21 of the Environmental Conservation Law](#)), the Regulating District annually assesses its operation and maintenance expenses, including property taxes, amongst certain statutorily-defined beneficiaries.
- ii. Hydroelectric Site Agreements (Hudson River and Black River Areas): The Regulating District receives revenues from hydroelectric site agreements that grant certain hydroelectric generators the right to use State-owned land, head and/or water rights for the production of hydroelectric power. The Regulating District is presently a party to two such agreements; one at the Conklingville Dam in the Hudson River Area and the other at the Stillwater Dam in the Black River Area.
- iii. Great Sacandaga Lake Permit Fees (Hudson River Area only): The Regulating District collects an access permit fee for use of a portion of the State-owned buffer zone encompassing the Great Sacandaga Lake.
- iv. Headwaters Benefit fees (Hudson River Area only) pursuant to Section 10f of the Federal Power Act. Fees have not been established as of this reporting.

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

**See Exhibit 1 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;
  - a. Principal Budget Assumptions
    - i. Revenue Sources limited to Statutory Beneficiaries, hydropower agreements (\$958K) and the Districts Permit System (\$423K).
    - ii. Staffing: Static environment
    - iii. Ongoing CSEA Collective Bargaining agreement for Current Budget Cycle, 2.25 or less General Salary increases for each of next three years.
    - iv. Programmatic Goals – N/A
- d. a self-assessment of budgetary risks;
  - i. Risks are largely a function of our enabling legislation, which requires a 3-year plan. Despite the stability of operations, two of the District’s largest statutory beneficiaries have commenced Article 78 proceedings against the District challenging the authority to apportion costs. There is a pending settlement with one of the two. Effect of a negative ruling could seriously impact the Districts ability to operate.
- e. a revised forecast of the current year’s budget;

**See Attached: Actual Performance\_2010\_2011\_Current\_Budget\_Forecast**

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

**See Attached: Actual Performance\_2010\_2011\_Current\_Budget\_Forecast**

- h. a projection of the number of employees, including sources of funding, the numbers of full-time and full-time equivalents, and functional classifications;
  - a. 19 employees
  - b. 18 fulltime – 1 part time
  - c. 9 CSEA Union (clerical/blue collar)
  - d. 10 Management/Exempt
  - e. Funding Source is primarily Beneficiary assessment
- 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; - **Board reduced Hudson River Area workforce by 60%:**

- **Laid off 11 fulltime employees - \$510K annual savings**

- 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; - **See attached Funds Summary**
- 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 – No Debt. - **N/A**
- m. a statement of the annual projected capital cost broken down by category and sources of funding, and for each capital project, estimates of the annual commitment, total project cost, expected date of completion and the annual cost for operating and maintaining those capital projects or capital categories that, when placed into service, are expected to have a material impact on the operating budget. – **See attached Capital Plan**

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

**Hudson River-Black River Regulating District  
Budget Development Schedule  
Fiscal Years 2009-10, 2010-11, 2011-12**

<u>Activities/Deliverables</u>	<u>Respon</u>	<u>Target Date(MMM/YY)</u>
Strategic Budget Planning Session	Finance Com/ED/Sr. Staff	Nov - 08
➤ Budget vs. Actual vs. Need		
➤ Determine Revenues		
○ Assessments		
○ Water Power		
○ Interest		
○ Est. Permit System Costs		
➤ Capital Plan	Ops Com/ED/Sr. Staff	Nov - 08
○ Engineering & Construction		
➤ Reserve Utilization		
➤ Major non-capital line items		
○ Salaries, Legal Services, Other Consulting, Contingencies		
Finalize Budget Development Schedule	ED/Sr. Staff	Nov - 08
Adopt Budget Development Schedule	Board	Dec – 08 Board Mtg
Distribute Budget Worksheets to Sr. Staff	CFO	Dec - 08
Submit Budget Worksheets to CFO	Sr. Staff	Jan - 09
Sr. Staff /Finance Chair Budget Workshop	Finance Chair/ED/Sr. Staff	Jan - 09
Review Capital Budget	Ops Comm/CFO/Staff	Feb - 09
Produce 1 <sup>st</sup> Budget Draft	CFO	Feb - 09
Continue to Refine Budget	Sr. Staff	Feb - 09
Review Refined Budget Draft	Finance Chair/ED/Sr. Staff	Feb - 09
Status Report to Boards Finance & Audit Comm. (Present initial Draft)	CFO	Mar – 09 Board Mtg
Produce Final Budget Draft	CFO	Mar - 09
Produce “Recommended Budget”	CFO	Mar - 09
“Recommended Budget” to Board	ED/CFO	Mar - 09
Finance Committee/Board Workshops	ED/CFO	Apr – 09 Fin Com Mtg
Produce Board’s Proposed Budget	CFO	May - 09
Public Presentation of Proposed Budget To Finance Committee & Full Board	CFO	May – 09 Board Mtg
Redraft, if necessary	Board	May - 09
Adoption of 3 Year Budget	Board	Jun – 09 Board Mtg

**Hudson River-Black River Regulating District  
Budget - 3rd Year - 2011-12**

**Approved Budget - 6/09/2009**

	General Board	Permit System	Hudson River Area	Black River Area	Total District
	2011-12	2011-12	2011-12	2011-12	2011-12
<b>PERSONNEL SERVICES &amp; EMPLOYEE BENEFITS (CODE I)</b>					
Salaries - Permanent	598,959	179,892	746,945	299,304	1,825,100
Salaries - Temporary	0	0	0	0	0
Salaries - Longevity	5,000	2,397	11,131	2,400	20,928
Salaries - Buyback	1,500	1,936	8,053	1,262	12,751
Salary Contingency	8,984	0	0	11,413	20,398
Pension & Retirement	67,272	11,632	53,140	28,496	160,540
Health Insurance	223,285	96,163	410,742	122,327	852,517
Dental Insurance	30,618	5,082	26,451	9,284	71,435
Vision Care	9,341	1,086	5,464	1,804	17,694
Social Security	38,095	11,153	46,311	18,557	114,116
Medicare	8,909	2,608	10,831	4,340	26,688
Worker's Compensation	15,813	7,609	29,591	9,663	62,676
Salaries - Vacant Positions	0	0	0	0	0
<b>Total Personnel Services &amp; Benefits</b>	<b>\$ 1,007,776</b>	<b>\$ 319,559</b>	<b>1,348,658</b>	<b>\$ 508,849</b>	<b>\$ 3,184,843</b>
<b>CAPITAL EXPENDITURES (CODE II)</b>					
Computer Equipment	3,200	3,440	18,360	3,200	28,200
Office Equipment	1,600	89	931	500	3,120
Vehicles	0	0	0	0	0
Other Equipment	3,500	0	2,500	10,371	16,371
Capital Improvements	0	0	0	64,300	64,300
<b>Total Capital Expenditures</b>	<b>\$ 8,300</b>	<b>\$ 3,529</b>	<b>21,791</b>	<b>\$ 78,371</b>	<b>\$ 111,991</b>
<b>MATERIAL AND SUPPLIES (CODE III)</b>					
Computer Supplies	500	45	215	950	1,710
Computer Software	4,149	0	0	0	4,149
Tools	0	748	2,111	1,305	4,164
Office Supplies	11,116	440	4,707	2,975	19,239
Other Materials & Supplies	2,963	2,299	16,565	2,501	24,328
Vehicles Gas & Oil	13,510	1,442	16,293	6,146	37,392
Vehicles Repairs & Parts	7,494	338	4,064	1,912	13,809
Equipment Repairs & Parts	1,280	1,211	6,730	899	10,120
Erosion Control	0	0	68,120	810	68,930
<b>Total Materials &amp; Supplies</b>	<b>\$ 41,012</b>	<b>\$ 6,523</b>	<b>118,806</b>	<b>\$ 17,498</b>	<b>\$ 183,839</b>
<b>CONTRACTUAL EXPENSES (CODE IV)</b>					
Utilities	5,496	2,638	26,110	9,477	43,721
Postage	5,809	2,672	383	1,289	10,153
Printing	57	3,560	187	0	3,804
Advertising	1,203	0	620	0	1,823
Repairs to Structures	0	0	525,000	139,268	664,268
Rent	42,000	0	0	14,376	56,376
Insurance	91,704	8,516	40,991	39,256	180,466
Dues, Subscriptions & Information Service	8,961	89	804	180	10,034
Computer Consultant	38,400	0	150	900	39,450
Accounting Audit & Consulting	15,000	0	0	0	15,000
Insurance Consultant	16,000	0	0	0	16,000
Public Relations Consultant	1,000	0	0	0	1,000
Engineering Consultant	0	0	0	44,000	44,000
Legal Services and Consultants	1,500	0	325,000	15,000	341,500
Consultant/Benefic & Constit	0	0	0	0	0
Consultant Fees/Access Permit	0	0	0	0	0
Surveying Services	0	0	0	0	0
Training & Education	4,952	538	2,587	1,589	9,666
Travel & Meetings	43,116	157	756	2,036	46,064
Public Relations - Newsletter	0	0	0	0	0
Public Relations - Public Information	26,200	0	0	0	26,200
Public Relations - Informational Meetings	0	0	0	0	0
Debt Payments - Principal	0	0	0	0	0
Debt Payments - Interest	0	0	0	0	0
Premises Maint, Repairs, Cleaning	0	946	5,438	4,602	10,986
Contingencies	10,748	8,308	39,990	9,645	68,691
Records Archival	150	0	0	0	150
Uniforms	0	283	3,416	873	4,572
Gauge Observers - USGS Contract	0	0	48,950	54,670	103,620
Gauge Observers	0	0	0	3,567	3,567
Telephone	10,980	1,189	9,084	5,397	26,650
OGS Tie Line	250	0	0	0	250
Equipment Rental	3,305	268	1,292	98	4,963
Maintenance Service Contracts	2,710	322	1,550	466	5,048
Computer Communications	0	1,252	16,960	3,750	21,962
NYS Service Fees	6,500	0	1	0	6,501
Bank Service Charges	0	0	0	0	0
GateKeeper	0	0	0	0	0
Gauge Observers	0	0	0	0	0
<b>Total Contractual</b>	<b>\$ 336,040</b>	<b>\$ 30,738</b>	<b>\$ 1,049,268</b>	<b>\$ 350,439</b>	<b>\$ 1,766,485</b>

Approved Budget - 6/09/2009

	General Board 2011-12	Permit System 2011-12	Hudson River Area 2011-12	Black River Area 2011-12	Total District 2011-12
<b>TAXES (Code V)</b>					
Property Taxes			2,757,889	55,884	2,813,773
<b>Total Taxes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,757,889</b>	<b>\$ 55,884</b>	<b>\$ 2,813,773</b>
<b>CAPITAL RESERVES (CODE VI)</b>					
Reserve for Legal Services	0	0	0	0	0
Reserve for Engineering Services	0	0	0	0	0
Reserve for Major Repairs	0	0	0	0	0
Reserve for Assessment Stabilization	0	0	0	0	0
Reserve for Taxes	0	0	0	0	0
<b>Total Additions to Reserves</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>SUB-TOTAL AREA</b>	<b>\$ 1,393,129</b>	<b>\$ 360,349</b>	<b>\$ 5,296,413</b>	<b>\$ 1,011,041</b>	<b>\$ 8,060,931</b>
<b>GENERAL BOARD ALLOCATION - (0500)</b>	<b>-1,393,129</b>	<b>75,289</b>	<b>1,106,599</b>	<b>211,241</b>	<b>0</b>
<b>TOTAL Regulating District</b>	<b>\$ -</b>	<b>\$ 435,638</b>	<b>\$ 6,403,012</b>	<b>\$ 1,222,282</b>	<b>\$ 8,060,931</b>
<b>INCOME</b>					
Water Power			1,045,393	61,898	1,107,291
Interest			55,000	85,000	140,000
Permits		435,638	0	0	435,638
Miscellaneous			0	0	0
Sale of Surplus			5,000	800	5,800
Appr. From Assessment Stabilization			0	0	0
From Unappropriated Fund Balance			0	0	0
<b>Total Non-Assessment Income</b>	<b>\$ -</b>	<b>\$ 435,638</b>	<b>\$ 1,105,393</b>	<b>\$ 147,698</b>	<b>\$ 1,688,729</b>
<b>Fixed Total Assessment</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,403,458</b>	<b>\$ 857,784</b>	<b>\$ 6,261,242</b>
<b>Total Income</b>	<b>\$ -</b>	<b>\$ 435,638</b>	<b>\$ 6,508,850</b>	<b>\$ 1,005,482</b>	<b>\$ 7,949,971</b>
<b>Net</b>		<b>\$ -</b>	<b>\$ 105,838</b>	<b>\$ (216,799)</b>	<b>\$ (110,961)</b>

**Hudson River-Black River Regulating District  
Annual Public Authority Budget & Financial Plan Request 6/30/2011**

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;

			Forecast		Proposed FY 6/30/2013
	Budget FY 6/30/2010	Actual 6/30/2010	Projected FY 6/30/2011	Budget FY 6/30/2012	
<b>Operating Revenue:</b>					
Assessments	\$ 6,261,242	\$ 6,261,242	\$ 6,261,242 (1)	\$ 6,261,242	\$ 5,362,876
Water Power Service	1,043,728	1,073,290	1,230,000	1,114,787	1,107,538
Permit Fees	393,421	412,861	410,000	428,142	423,000
<b>Total Operating Revenue</b>	<b>\$ 7,698,391</b>	<b>\$ 7,747,393</b>	<b>\$ 7,901,242</b>	<b>\$ 7,804,171</b>	<b>\$ 6,893,414</b>
<b>Operating Expenses:</b>					
Salaries	\$ 1,748,063	\$ 1,751,161	\$ 1,509,338	\$ 1,879,176	\$ 1,359,407
Payroll Taxes	192,704	131,212	115,464	143,757	198,018
Pension	146,561	134,201	188,503	160,540	153,390
Health Ins & Other Employee Benefits	858,611	2,018,137 (2)	2,076,848 (2)	1,145,126	899,105
Real Estate Taxes	2,584,334	2,470,276	2,456,050	2,696,648	2,696,648
Depreciation		273,460			
Insurance	169,398	167,653	165,000	180,466	174,843
Engineering Fees	136,000	70,227	72,000	75,684	123,000
U.S. Geological Survey Contract	106,918	108,804	103,370	107,050	107,050
Rent	56,376	54,212	56,000	56,376	56,376
Utilities	40,800	40,956	40,325	42,234	42,234
Telephone	25,739	38,878	30,565	26,186	26,186
Travel	42,353	32,600	35,210	44,169	44,169
Repairs and Maintenance	616,120	58,100	13,000	664,000	35,800
Professional Fees	677,982	500,857	331,221	402,000	402,415
Postage	9,381	10,963	11,241	9,759	9,759
Office Expense	94,144	67,943	35,000	49,074	49,074
Minor Equipment, Material and Supplies	98,304	62,646	19,711	25,492	25,492
Miscellaneous	140,703	100,000	27,000	144,247	490,046
Capital Improvements	635,240	7,426	14,000	140,047	140,047
Erosion Control/Maintenance	68,869	7,930	500	68,899	68,899
<b>Total Operating Expenses</b>	<b>\$ 8,448,600</b>	<b>\$ 8,107,642</b>	<b>\$ 7,300,346</b>	<b>\$ 8,060,930</b>	<b>\$ 7,101,958</b>
<b>Non-Operating Revenues (Expenses):</b>					
Interest and Dividend Income	140,000	\$ 150,588	36,000	140,000	120,000
Miscellaneous Income	3,800	5,435	-	5,800	-
Realized and Unrealized Loss on Investments					
Settlement Expense		-			
Unappropriated Funds					
<b>Total Non- Operating Revenues (Expenses)</b>	<b>\$ 143,800</b>	<b>\$ 156,023</b>	<b>\$ 36,000</b>	<b>\$ 145,800</b>	<b>\$ 120,000</b>
<b>Debt Service</b>		\$ -	\$ -		
<b>Surplus/(Deficit):</b>	<b>\$ (606,409)</b>	<b>\$ (204,226)</b>	<b>\$ 636,896</b>	<b>\$ (110,959)</b>	<b>\$ (88,544)</b>

**Footnote:**

- (1) Receipt of Hudson River Area assessments is pending litigation challenging Districts authority to apportion counties
- (2) Includes Annual OPEB and Net OPEB pursuant to GASB 45



Appendix - E  
Funds Summary

HRBRRD - Funds Summary as of 03/31/2011		
	<i>Footnote (1)</i>	
Hudson River Area	Fund Balance 03/31/2011	
Restricted Reserves		Comments
Sentinel Funds - Assm Stablz.	\$ -	
Sentinel Funds - Major Repairs		
Sentinel Funds - General	-	
Sentinel Funds - Outside Legal Services	-	
Sentinel Funds - Engineering Services	-	
Sentinel Funds - Taxes	-	
<b>Total Restricted Reserves - HR</b>	<b>\$ -</b>	Liquidated to forestall cash flow crisis
Sentinel Funds - General Reserve		
<b>Total Sentinel Funds - HR</b>	<b>\$ -</b>	Liquidated to forestall cash flow crisis
NYS STIP - Carry-Over Surplus (3)	\$ -	
<b>Total Restricted &amp; General Reserves - HR</b>	<b>\$ -</b>	
NYS - STIP - General	\$ 198,541.00	
General Fund - Checking	250,949.00	
Money Market	898.00	
<b>Total General Funds</b>	<b>\$ 450,388.00</b>	
<b>Total Funds - HR Area</b>	<b>\$ 450,388.00</b>	
	<i>Footnote (1)</i>	
	Fund Balance 03/31/2011	
Restricted Reserves		
Sentinel Fund - Reserve Major Repairs	\$ 472,738.62	
Sentinel Funds - Assm Stablz.	312,067.53	
Sentinel Funds - Outside Legal Services	31,206.76	
Sentinel Funds - Engineering Services	18,724.06	
Sentinel Funds - Taxes	31,206.76	
<b>Total Restricted Reserves - BR</b>	<b>\$ 865,943.72</b>	
Sentinel Funds - General Reserve	\$ 1,864,807.64	
<b>Total Sentinel Funds - BR</b>	<b>\$ 2,730,751.37</b>	Increase in Fund Value
STIP - Carry-Over Surplus (3)	\$ 645,490.00	
<b>Total Restricted &amp; General Reserves - BR</b>	<b>\$ 3,376,241.37</b>	
NYS - STIP - General	\$ 94,093.00	
General Fund - Checking	197,766.00	
<b>Total General Funds</b>	<b>\$ 291,859.00</b>	
<b>Total Funds - BR Area</b>	<b>\$ 3,668,100.37</b>	
<b>Total Regulating District</b>	<b>\$ 4,118,488.37</b>	

Footnotes:

(1) Units as of 03/31/2011, priced at \$9.19 per share

**TABLE 2  
MAINTENANCE PROJECT BUDGET  
July 2009 through June 2012**

Line No.	Project No.	Location	Description - Task	Start Date	2009-2012 Est. Cost	Carry-over Funding	2009-2012 Est. Budget	By Area	Construction Amount	Engineering Amount	By Area	Amount
1		Indian Lake Dam / Reservoir	Engineering - repair/rehabilitate fill gates, trashracks, seal stone dam	Jul-09	\$ 76,000		\$ 76,000	<b>HRA-Conk</b>			<b>HR Area</b>	
2		Indian Lake Dam / Reservoir	Construction - repair/rehabilitate fill gates, trashracks, seal stone dam	Apr-10	\$ 291,120	\$ 5,000	\$ 286,120	2009-2010	\$ 708,980	60,000	2009-2010	\$ 1,180,860
3		Indian Lake Dam / Reservoir	Remove accumulated debris by diving contractor	Aug-09	\$ 30,000		\$ 30,000	2010-2011	\$ -	123,000	2010-2011	\$ 15,000
4	09-003-CD	Conklingville Dam / Sacandaga Reservoir	Construction - Storage for equipment / bulkhead gates	May-10	\$ 166,980	\$ 50,000	\$ 116,980	2011-2012	\$ 525,000		2011-2012	\$ 525,000
5		Conklingville Dam / Sacandaga Reservoir	Spillway concrete waterproofing (in-house)	Jul-09	\$ 5,000		\$ 5,000		<b>\$ 1,233,980</b>	<b>\$ 183,000</b>	<b>Total</b>	<b>\$ 1,720,860</b>
6	09-002-IL	Indian Lake Dam / Reservoir	Construction - replace structure	Apr-10	\$ 146,760	\$ 24,000	\$ 122,760	<b>HRA-IL</b>			<b>BR Area</b>	
7		Indian Lake Dam / Reservoir	Replace beams (in-house)	Aug-09	\$ 16,000		\$ 16,000	2009-2010	\$ 454,880	76,000	2009-2010	\$ 40,000
8		Stillwater Dam / Reservoir	Repair gate seals	Jul-09	\$ 16,000		\$ 16,000	2010-2011	\$ 15,000		2010-2011	0
9		Stillwater Dam / Reservoir	Repair/Replace Shaft - Gate No. 3	Sep-09	\$ 4,000		\$ 4,000	2011-2012	0		2011-2012	\$ 181,936
10	09-001-BRFO	Stillwater Reservoir	New Garage	Jul-09	\$ 64,300		\$ 64,300		<b>\$ 469,880</b>	<b>\$ 76,000</b>	<b>Total</b>	<b>\$ 221,936</b>
11		Sacandaga Field Office	Construction - new roof	Apr-10	\$ 32,000	\$ 15,000	\$ 17,000	<b>HRA-SFO</b>				
12		Conklingville Dam / Sacandaga Reservoir	Reconfigure roof and entrance (in-house)	Jun-10	\$ 12,000		\$ 12,000	2009-2010	\$ 17,000			
13		Stillwater Dam / Reservoir	Engineering - North dam abutment extension	Apr-12	\$ -		\$ -	2010-2011	0			
14		Stillwater Dam / Reservoir	Construction - North dam abutment extension	Dec-12	\$ -		\$ -	2011-2012	0			
15		Conklingville Dam / Sacandaga Reservoir	Engineering - Patch/repair/replace deteriorated concrete possible strengthening	Jan-11	\$ 123,000		\$ 123,000		<b>\$ 17,000</b>			
16		Conklingville Dam / Sacandaga Reservoir	Construction - Patch/repair/replace deteriorated concrete, strengthening	Dec-11	\$ 600,000	\$ 75,000	\$ 525,000	<b>BRA-SW</b>				
17		Old Forge Dam / Reservoir	Engineering - concrete repair, spillway walkway, repair aux. outlet gate	Mar-11	\$ 44,000		\$ 44,000	2009-2010	\$ 20,000			
18		Old Forge Dam / Reservoir	Construction - concrete repair, spillway walkway, repair aux. outlet gate	Jan-12	\$ 117,636		\$ 117,636	2010-2011	0			
19		Conklingville Dam / Sacandaga Reservoir	Engineering - Monitoring	Sep-09	\$ 60,000		\$ 60,000	2011-2012	\$ 64,300			
20		Conklingville Dam / Sacandaga Reservoir	Construction - Concrete d/s of ice sluice	Jul-09	\$ 200,000	\$ 75,000	\$ 125,000		<b>\$ 84,300</b>			
21		Conklingville Dam / Sacandaga Reservoir	Install warning siren system	May-10	\$ 365,000		\$ 365,000	<b>BRA-HV</b>				
22	08-003-Hawk	Hawkinsville Dam	Assess benefit/cost of remediation & removal	Jul-09	\$ 50,000	\$ 30,000	\$ 20,000	2009-2010	\$ 20,000			
23		Hawkinsville Dam	Construction - hydraulic / structural modifications	Dec-10	\$ 375,000	\$ 375,000	\$ -	2010-2011	0			
24		Conklingville Dam / Sacandaga Reservoir	Rip-rap erosion control	annual	\$ -		\$ -	2011-2012	0			
25		Conklingville Dam / Sacandaga Reservoir	Install rock, remove trees and install road	May-10	\$ 65,000		\$ 65,000		<b>\$ 20,000</b>			
26		Indian Lake Dam / Reservoir	Replace Roof Shingles, Repair Doors, Paint Soffit	Jul-10	\$ 15,000		\$ 15,000	<b>BRA-HV</b>				
27		Conklingville Dam / Sacandaga Reservoir	Install monitoring equip for Piezometers and Tailrace	Jul-09	\$ 20,000		\$ 20,000	<b>BRA-OF</b>				
								2009-2010	0			
								2010-2011	0			
								2011-2012	\$ 117,636	44,000		
								<b>\$ 117,636</b>	<b>\$ 44,000</b>			
								<b>Total</b>	<b>\$ 1,942,796</b>	<b>\$ 303,000</b>	<b>Total</b>	<b>\$ 2,245,796</b>

Engineering costs include engineering monitor

**Total: \$ 2,894,796 \$ 649,000 \$ 2,245,796**

**Total: \$ 1,942,796 \$ 303,000 \$ 2,245,796**



Board of Hudson River-Black River Regulating District  
350 Northern Boulevard, Albany, New York 12204 Phone (518) 465-3491  
FAX (518) 432-2485

May 25, 2011

State of New York  
Office of the State Comptroller  
Thomas P. DiNapoli, State Comptroller  
110 State Street  
Albany, New York 12236

Dear Mr. DiNapoli:

The United States Court of Appeals ruling of November 2008 that preempted the Regulating District's authority to assess FERC licensed hydro power companies responsible for approximately 82% of the District's Hudson River Area continues to result in an ongoing structural deficit of approximately \$38K per fiscal month. Based on current estimates, that deficit will render the Hudson River Area cash depleted on or about fiscal May 2012.

Also as previously reported, in an effort to forestall a fiscal default, the Board approved an apportionment of cost upon the five (5) counties within its petition area receiving flood prevention benefits which was immediately challenged in Supreme Court. On April 1 of this year, the Supreme Court ruled in the Regulating District's favor moving the litigation to a likely appeal by the counties. That appeal process will take approximately nine months to a year for a final decision to be rendered.

In an effort to fund ongoing Hudson River Area operations during this period of litigation, the District continues to assess all of its statutory revenue options. The limited nature of these revenue sources will make it extremely challenging to come up with a funding solution in the short to intermediate term.

If you require additional information, please free to contact the District's representative at the Governor's office or myself.

Sincerely,

  
Richard J. Ferrara  
Chief Fiscal Officer