



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

Following the 2008 decision of the U.S. Court of Appeals which preempted the Regulating District's authority to assess FERC licensed hydro power companies responsible for approximately 82% of the District's revenue, the District assessed its costs to 5 Hudson River Area continues. 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 the 5 counties that receive flood protection.
- 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 been set by FERC, but not yet paid pending refund negotiations.

- 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. Annual revenue sources limited to Statutory Beneficiaries (\$2.99MM), hydropower agreements (\$1.21MM) and the Districts Permit System (\$423K).
    - ii. Staffing: Static environment
    - iii. Ongoing CSEA Collective Bargaining agreement for Current Budget Cycle has gone to arbitration.
    - 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\_2013\_2014\_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\_2013\_2014\_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. 20 employees
    - b. 19 fulltime – 1 part time
    - c. 11 CSEA Union (clerical/blue collar)
    - d. 9 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; - **2010 Headcount reduction remains largely in place.**

- 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 – 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.

Hudson River-Black River Regulating District  
Budget - 3rd Year - 2014-15

Approved Budget - 6/12/2012

	General Board	Hudson River	Black River	Total District
	2014-15	Area	Area	2014-15
	2014-15	2014-15	2014-15	2014-15
<b>PERSONNEL SERVICES &amp; EMPLOYEE BENEFITS (CODE I)</b>				
Salaries - Permanent	627,986	465,217	327,236	1,420,438
Salaries - Temporary	0	0	0	0
Salaries - Longevity	2,500	5,000	2,400	9,900
Salaries - Buyback	1,500	4,360	1,262	7,122
Salary Contingency	12,560	0	0	12,560
Pension & Retirement	131,360	119,870	58,383	309,613
Health Insurance	230,569	366,764	151,086	748,419
Dental Insurance	25,723	28,246	15,288	69,257
Vision Care	5,809	8,460	3,735	18,004
Social Security	39,962	28,843	20,289	89,094
Medicare	9,346	6,746	4,745	20,836
Worker's Compensation	9,397	13,607	10,506	33,510
Salaries - Vacant Positions	0	0	0	0
<b>Total Personnel Services &amp; Benefits</b>	<b>\$ 1,096,711</b>	<b>1,047,112</b>	<b>\$ 594,929</b>	<b>\$ 2,738,753</b>
<b>CAPITAL EXPENDITURES (CODE II)</b>				
Computer Equipment	3,200	3,500	4,700	11,400
Office Equipment	1,600	0	3,107	4,707
Vehicles	0	25,000	24,000	49,000
Other Equipment	3,500	6,650	3,000	13,150
Capital Improvements	0	0	0	0
<b>Total Capital Expenditures</b>	<b>\$ 8,300</b>	<b>35,150</b>	<b>\$ 34,807</b>	<b>\$ 78,257</b>
<b>MATERIAL AND SUPPLIES (CODE III)</b>				
Computer Supplies	500	367	950	1,817
Computer Software	4,149	564	0	4,713
Tools	0	1,349	1,285	2,634
Office Supplies	2,876	2,504	1,092	6,471
Other Materials & Supplies	266	7,238	2,483	9,988
Vehicles Gas & Oil	4,154	5,275	9,735	19,163
Vehicles Repairs & Parts	533	4,055	4,972	9,559
Equipment Repairs & Parts	533	4,255	886	5,673
Erosion Control	0	63,901	797	64,699
<b>Total Materials &amp; Supplies</b>	<b>\$ 13,009</b>	<b>89,508</b>	<b>\$ 22,200</b>	<b>\$ 124,718</b>
<b>CONTRACTUAL EXPENSES (CODE IV)</b>				
Utilities	4,219	27,990	9,344	41,553
Postage	192	5,577	1,273	7,041
Printing	213	2,861	0	3,074
Advertising	426	1,484	0	1,910
Repairs to Structures		0	10,000	10,000
Rent	42,000	0	15,980	57,980
Insurance	26,821	154,883	38,654	220,358
Dues, Subscriptions & Information Service	3,461	1,295	177	4,934
Computer Consultant	7,957	150	886	8,993
Accounting Audit & Consulting	18,500		0	18,500
Insurance Consultant	1,100			1,100
Public Relations Consultant	0	0	0	0
Engineering Consultant	0	80,000	50,000	130,000
Legal Services and Consultants	1,500	0	0	1,500
Consultant/Benefic & Constit	0	0	0	0
Consultant Fees/Access Permit	0	0	0	0
Surveying Services	0	0	0	0
Training & Education	6,500	2,434	1,589	10,523
Travel & Meetings	11,609	412	2,013	14,034
Public Relations - Newsletter	0	0		0
Public Relations - Public Information	9,000	0		9,000
Public Relations - Informational Meetings	0	0		0
Debt Payments - Principal			0	0
Debt Payments - Interest			0	0
Premises Maint, Repairs, Cleaning	0	6,384	4,602	10,986
Contingencies	7,800	7,500	0	15,300
Records Archival	150		0	150
Uniforms		668	897	1,565
Gauge Observers - USGS Contract	0	53,820	60,137	113,957
Gauge Observers		0	3,512	3,512
Telephone	4,365	4,717	8,194	17,276
OGS Tie Line	250	0		250
Equipment Rental	3,522	810	98	4,430
Maintenance Service Contracts	1,000	1,639	459	3,098
Computer Communications	7,185	6,299	3,059	16,543
NYS Service Fees	0	0		0
Bank Service Charges	0	0	0	0
GateKeeper	0	0	0	0

Approved Budget - 6/12/2012

	General Board	Hudson River Area	Black River Area	Total District
	2014-15	2014-15	2014-15	2014-15
Gauge Observers	0	0	0	0
<b>Total Contractual</b>	<b>\$ 157,770</b>	<b>\$ 358,921</b>	<b>\$ 210,876</b>	<b>\$ 727,566</b>
<b>TAXES (Code V)</b>				
Property Taxes		2,653,443	48,042	2,701,485
<b>Total Taxes</b>	<b>\$ -</b>	<b>\$ 2,653,443</b>	<b>\$ 48,042</b>	<b>\$ 2,701,485</b>
<b>CAPITAL RESERVES (CODE VI)</b>				
Reserve for Legal Services	0	0	0	0
Reserve for Engineering Services	0	0	0	0
Reserve for Major Repairs	0	0	0	0
Reserve for Assessment Stabilization	0	0	0	0
Reserve for Taxes	0	0	0	0
<b>Total Additions to Reserves</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>SUB-TOTAL AREA</b>	<b>\$ 1,275,790</b>	<b>\$ 4,184,134</b>	<b>\$ 910,854</b>	<b>\$ 6,370,779</b>
<b>GENERAL BOARD ALLOCATION - (0500)</b>	<b>-1,275,790</b>	<b>1,047,711</b>	<b>228,079</b>	<b>0</b>
<b>TOTAL Regulating District</b>	<b>\$ -</b>	<b>\$ 5,231,845</b>	<b>\$ 1,138,933</b>	<b>\$ 6,370,779</b>
<b>INCOME</b>				
Water Power		1,176,578	66,639	1,243,217
Interest		20,000	500	20,500
Permits		421,702	0	421,702
Miscellaneous		0	0	0
Sale of Surplus		5,000	15,000	20,000
Appr. From Assessment Stabilization		0	0	0
From Unappropriated Fund Balance		0	0	0
<b>Total Non-Assessment Income</b>	<b>\$ -</b>	<b>\$ 1,623,280</b>	<b>\$ 82,139</b>	<b>\$ 1,705,419</b>
Less Chargeable to the State		\$ 800,380		\$ 800,380
<b>Fixed Total Assessment</b>	<b>\$ -</b>	<b>\$ 2,994,100</b>	<b>\$ 1,170,934</b>	<b>\$ 4,165,033</b>
<b>Total Income</b>	<b>\$ -</b>	<b>\$ 5,417,760</b>	<b>\$ 1,253,072</b>	<b>\$ 6,670,832</b>
<b>Net</b>		<b>\$ 185,914</b>	<b>\$ 114,139</b>	<b>\$ 300,054</b>

**Hudson River-Black River Regulating District  
Budget Development Schedule  
Fiscal Years 2012-13, 2013-14, 2014-15**

<u>Activities/Deliverables</u>	<u>Respon</u>	<u>Target Date (MMM/YYYY)</u>
Strategic Budget Planning Sessions		
➤ Staffing/Head Count Plan around Mission	ED/Fin Chair/Sr. Staff	Nov - 2011
➤ Determine Revenues		
○ Assessments		
○ Water Power		
○ Interest		
○ Est. Permit System Costs		
○ Other		
➤ Capital Plan	ED/Fin Chair/Sr. Staff	Nov - 2011
○ Engineering & Construction		
○ Debt issuance		
➤ Reserve Utilization		
➤ Major non-capital line items		
○ Salaries/Benefits, Legal Services, Other Consulting, Data/Voice		
Finalize Budget Development Schedule	ED/Sr. Staff	Nov - 2011
Adopt Budget Development Schedule	Finance Committee	Dec – 2011 Board Mtg
Distribute Budget Worksheets to Sr. Staff	CFO	Dec - 2011
Submit Budget Worksheets to CFO	Sr. Staff	Jan - 2012
Finalize Capital Budget	Finance Chair/CFO/Staff	Feb – 2012
Produce 1 <sup>st</sup> Budget Draft	ED/CFO	Feb - 2012
Continue to Refine Budget	Sr. Staff	Feb - 2012
Review Refined Budget Draft	Finance Chair/ED/Sr. Staff	Feb – 2012
Status Report to Boards Finance Committee (Present initial Draft)	CFO	Mar – 2012 Fin Comm. Mtg
Produce Final Budget Draft	CFO	Mar - 2012
Adopt Proposed Budget	Finance Comm./ED/CFO	May – 2012 Fin Comm. Mtg
Adoption of 3 Year Budget	Board	Jun – 2012 Board Mtg

**Hudson River-Black River Regulating District  
Annual Public Authority Budget & Financial Plan Request 6/30/2014**

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

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

	Budget FY 6/30/2013	Actual 6/30/2013	Forecast Projected FY 6/30/2014	Budget FY 6/30/2015	Budget FY 6/30/2016
<b>Operating Revenue:</b>					
Assessments	\$ 5,006,616	\$ 7,770,641 (3)	\$ 4,965,413 (3)	\$ 4,965,413 (3)	\$ 4,991,960 (3)
Water Power Service	1,171,851	1,166,069	1,294,419	\$ 1,243,217	1,331,751
Permit Fees	414,478	429,558	411,000	\$ 421,702	421,702
<b>Total Operating Revenue</b>	<b>\$ 6,592,945</b>	<b>\$ 9,366,268</b>	<b>\$ 6,670,832</b>	<b>\$ 6,630,332</b>	<b>\$ 6,745,413</b>
<b>Operating Expenses:</b>					
Salaries	\$ 1,380,655	\$ 1,217,342	\$ 1,211,373	\$ 1,450,020	\$ 1,450,020
Payroll Taxes	137,591	131,352	118,715	\$ 143,440	143,440
Pension	287,854	249,625	288,000	\$ 309,613	309,613
Health Ins & Other Employee Benefits	780,117	1,347,992 (1)	1,168,189 (1)	\$ 835,680	835,680
Real Estate Taxes	2,592,358	2,761,541	2,715,265	\$ 2,701,485	2,728,901
Depreciation		224,750		\$ -	
Insurance	207,567	173,003	173,183	\$ 220,358	220,358
Engineering Fees	538,000	39,847	100,000	\$ 130,000	230,000
U.S. Geological Survey Contract	117,255	107,078	122,000	\$ 117,469	117,469
Rent	57,980	51,875	56,000	\$ 57,980	57,980
Utilities	39,178	27,874	32,455	\$ 41,553	41,553
Telephone	27,803	38,928	49,000	\$ 26,634	26,634
Travel	13,194	13,875	11,354	\$ 14,034	14,034
Repairs and Maintenance	333,070	11,763	13,198	\$ 10,000	10,000
Professional Fees	46,694	194,287	86,905	\$ 39,093	39,093
Postage	6,640	5,506	8,169	\$ 7,041	7,041
Office Expense	35,587	14,707	38,000	\$ 36,242	36,242
Minor Equipment, Material and Supplies	53,663	31,290	30,000	\$ 63,117	63,117
Miscellaneous	13,125	6,186,516 (2)		\$ 24,064	24,064
Capital Improvements	126,150	0	13,869	\$ 78,257	78,257
Erosion Control/Maintenance	60,749	784	500	\$ 64,699	64,699
<b>Total Operating Expenses</b>	<b>\$ 6,855,230</b>	<b>\$ 12,829,935</b>	<b>\$ 6,236,175</b>	<b>\$ 6,370,779</b>	<b>\$ 6,498,195</b>
<b>Non-Operating Revenues (Expenses):</b>					
Interest and Dividend Income	20,000	\$ 1,476	1,500	20,500	1,500
Miscellaneous Income	160,000	7,843		20,000	-
Realized and Unrealized Loss on Investments					
Settlement Expense		-			
Unappropriated Funds					
<b>Total Non- Operating Revenues (Expenses)</b>	<b>\$ 180,000</b>	<b>\$ 9,319</b>	<b>\$ 1,500</b>	<b>\$ 40,500</b>	<b>\$ 1,500</b>
<b>Debt Service</b>		\$ -	\$ -		
<b>Surplus/(Deficit):</b>	<b>\$ (82,285)</b>	<b>\$ (3,454,348)</b>	<b>\$ 436,157</b>	<b>\$ 300,053</b>	<b>\$ 248,718</b>

**Footnote:**

- (1) Includes Annual OPEB and Net OPEB pursuant to GASB 45
- (2) Includes Bad Debt expense for Hudson River Area Assessment write-offs
- (3) Reflects Consent Agreement with the 5 Counties dated March 13, 2013



# RESERVOIR FACILITY MAINTENANCE, REPAIR, ENGINEERING & OPERATION BUDGET 2012 - 2015

Hudson River Area

Revised 2/10/12

Category	Item	2012-2013	2013-2014	2014-2015	Comments
Training/Education	Engineering Staff Training	\$ 6,000	\$ 6,000	\$ 6,000	
	Professional Licenses	\$ 300	\$ 300		Rob F & Mike M
Construction/Capital Improvement	Dow Valve Replacement	\$ 300,000	\$ 400,000		Hold for '15-'18 - Bond pursuant to LFL Art. 2, Title 1, 11.00 (2) as bid in 2010 ~\$700,000
	Ice Sluice Remediation	\$	\$ 200,000		
	Warning Sirens	\$	\$		Supplement 09-12 Warning Siren budget of \$365,000
Maintenance/Repair	SFO				
	Conklingville				
	Indian Lake				
Engineering Studies	Conklingville	\$ 100,000			Additional investigation - FERC
	Supplemental Geotechnical Engineering				
	Embankment Core Remediation Evaluation		\$ 80,000		Construction in 2016-2017
	Extension of Breach Analysis Model	\$ 110,000			Additional to C092007 G & S proposed \$103,085 ( \$ 2011)
Miscellaneous Equipment	Indian Lake	\$ 50,000			
	Engineering Assessment - Indian Lake				
Security	Conklingville				
Safety	Conklingville				
	Conklingville				
FERC	Conklingville				
Annual Total		\$ 566,300	\$ 606,300	\$ 86,000	
Budget Total				\$ 1,258,600	

**RESERVOIR FACILITY MAINTENANCE, REPAIR, ENGINEERING & OPERATION BUDGET 2012 - 2015**

**Black River Area**

Revised 2/10/12

Category	Item	2012 - 2013	2013 - 2014	2014 - 2015	Comments
Training/Education					
Construction/Capital Improvement	Stillwater				
	Purchase hydro plant	\$ 8,000			Defer to 2015-2018 Cycle
	Refueling Station		\$ 5,000		1-250 gal gas, 1 -250 gal diesel; containment, pumps; fire supression
	DCP				
	Security Surveillance Camera	\$ 2,000	\$ 5,000		real-time observation
	Resurface Box Culvert Bridge -Necessary Dam Rd		\$ 5,000		resurface/seal concrete roadway
	Sixth Lake				
	Engineering Assessment	\$ 50,000	\$ 10,000		CDM Proposal \$94,000 for S.L. & O.F.
	E.A. Remedial Measures - final design				
	E.A. Remedial Measures - construction		\$ 5,000	250,000	piezometer, weir, discharge capacity - to DEC Regs
	DCP				
	Security Surveillance Camera	\$ 2,000			real-time observation, non capitalized item
	Old Forge				
	Engineering Assessment	\$ 6,000	\$ 10,000		\$50K total (\$44K budgeted in 10-11 cycle)CDM Proposal \$94,000 for S.L.
	E.A. Remedial Measures - final design				
	E.A. Remedial Measures - construction		\$ 5,000	200,000	concrete repair & resurfacing, replace 24" gate
	DCP				
	Security Surveillance Camera	\$ 2,000			real-time observation, non capitalized item
Maintenance/Repair	Hawkinsville				
	Remediation	\$ 60,000	\$ 60,000		refine remediation option and removal option
			\$ 50,000		final design
	Stillwater				
	Repair Deteriorated Concrete at Gates 1, 2 & 3	\$ 10,000			(est. \$1.5 M total construction cost) + \$100,000 construction review
	Repair Deteriorated Concrete at Gates 4 & 5		\$ 8,000		to comply with DEC Reg. (supplements 09-12 carryover of \$365,000
					Move out to July 2015
	Sixth Lake				
	Repair Gatehouse roof	\$ 10,000			contracted work
	Trash Rack Cleaning	\$ 5,000	\$ 5,000		
	Old Forge				
	Trash Rack Cleaning	\$ 5,000	\$ 5,000		
	Hawkinsville				
Engineering Studies	Stillwater				
	Dam Breach Analysis	\$ 150,000			
	Inundation Mapping		\$ 50,000		
	Ind. Consultant Review of Liquefaction Study	\$ 12,000			Kleinschmidt Assoc. proposed \$9,400 (\$ 2011)

**RESERVOIR FACILITY MAINTENANCE, REPAIR, ENGINEERING & OPERATION BUDGET 2012 - 2015**

**Black River Area**



Revised 2/10/12

Category	Item	2012 - 2013	2013 - 2014	2014 - 2015	Comments
	Sixth lake				
	Old Forge				
	Hawkinsville			\$ 50,000	
	Engineering Assessment -				
Miscellaneous Equipment	Stillwater				
Security	Stillwater	\$ 3,000	\$ 3,000	\$ 3,000	internet connection at facilities /annual, non capitalized items
Safety	Stillwater	\$ 2,000			real-time observation, non capitalized item
FERC	Stillwater				
Annual Total		\$ 327,000	\$ 211,000	\$ 513,000	
Budget Total			\$	\$ 1,051,000	