

GREAT SACANDAGA LAKE : River regulator to bill counties for flood control

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The Hudson River Black River Regulating District is preparing to bill five Capital Region counties a combined total of about \$4 million for flood-control benefits to help the regulating district pay its taxes and operating bills amid a funding crisis.

Regulating district Executive Director Glenn LaFave said the regulating district has the right to charge municipalities downstream of the Conklingville Dam for the 100-year flood protection the dam provides them. The regulating district operates the dam, the construction of which created the Great Sacandaga Lake.

LaFave said in the past HRBRRD assessed municipalities like the city of Albany for the flood-control benefit, but the revenue from the assessment was only about 5 percent of the regulating district's total funding. Now the regulating district plans to bill Albany, Rensselaer, Saratoga, Warren and Washington counties for the floodcontrol benefits.

"It's viewed that the counties receive the benefit. In the past we charged cities and towns. This whole thing is a change from the past," LaFave said. The regulating district is trying to use the floodcontrol benefits charges to make up for revenues lost when a U.S. appeals court ruled in November 2008 that the district could no longer pass on the cost of its operating budget and local property taxes to downstate hydroelectric plants licensed by the Federal Energy Regulatory Commission. The ruling eliminated about 80 percent, or \$4 million, of revenues for the regulating district's \$5.4 million annual Hudson River-area operating budget for its 2009-10 fiscal year.

With most of its revenues gone, LaFave said the regulating district could run out of cash to pay its employees by June. HRBRRD has already delayed indefinitely the payment of about \$1.5 million in school taxes it owes for the 2009-10 school year to the districts of Broadalbin-Perth, Edinburg, Hadley-Luzerne, Mayfield, Northville and Wells.

LaFave said the regulating district staff has conducted a reapportionment of the flood-control benefits for its current 2009-2010 fiscal year that would require Albany County to pay 38.38 percent of the flood-control charge, Rensselaer County 17.55 percent, Saratoga County 33.69 percent, Warren County 6.53 percent and Washington County 3.85 percent.

The HRBRRD board has hired Washington, D.C.-based consulting firm American Economics Group to perform a permanent reapportionment study. The study isn't expected to be completed until June and likely won't be used until the regulating district sends out floodcontrol bills for its 2010-11 fiscal year, which starts in July.

In the meantime, LaFave said, regulating district officials hope to have flood-benefits bills for the 2009-10 fiscal year sent out by late March or April. He said before the bills can be sent the district is required to conduct an appeals hearing, which he thinks will be held March 16.

If HRBRRD is able to issue floodcontrol bills, the district will attempt to gain short-term financing through a Tax Anticipation Note and then use the TAN to solve its short-term cash problems, LaFave said.

State Sen. Hugh Farley, RNiskayuna, said the Legislature is set to consider a bill to allow the HRBRRD to use money in its Black River-area reserve fund to help pay its Hudson River-area school taxes.

The state Comptroller's Office ruled in November that the HRBRRD couldn't use money in its Black River area fund to pay the money it owed for taxes in its Hudson River area.

Farley said the officials at the Comptroller's office have endorsed the concept of the bill and are helping to write the legislation. He said he believes it has enough support in the Assembly and the Senate to pass.

"If Comptroller wants to take the bill and put it in, in his name, that's fine with me. I just want to get the job done," Farley said. "The HRBRRD is very supportive of this. They want to pay the taxes."

Northville Superintendent Kathy Dougherty, one of the leaders of the Committee of Great Sacandaga Lake School District Superintendents, said she recently met with members of Gov. David Paterson's administration and they supported the legislation.

"It looks like this is a very good possibility. This will be a shortterm solution," she said.

The regulating district is the single largest taxpayer in Northville, Broadalbin-Perth and Edinburg, owing those districts \$326,000, \$256,000 and \$234,000, respectively.

LaFave said there is a little more than \$3 million in the HRBRRD's Black River area reserve and if the legislation passes the regulating district would like to borrow \$2.6 million from the fund. He said he thinks it's likely his board of directors would use the money to pay off the district's 2009-10 school taxes, but he said funding the regulating district's operations will also be a priority.