

WESTCHESTER COUNTY SEWER CONSOLIDATION

DRAFT

2020

GOALS OF SEWER CONSOLIDATION:

- SAVE TAXPAYER MONEY
- REALIZE OPERATIONAL EFFICIENCIES
- REDUCE COST OF CAPITAL PROJECTS THROUGH ECONOMIES OF SCALE
- IMPROVE ENVIRONMENTAL FOOTPRINT
- REDUCE SEWER BACKUPS AND OVERFLOWS
- INTERFACE WITH REGULATORY AGENCIES MORE EFFECTIVELY

“The County Board has broad authority to consolidate the County’s Sewer Districts and determine the proportionate share of capital, operating and maintenance costs to be borne by all property within the consolidated districts.”

C. Todd Miles, Bond Counsel 2/11/1987

“The local sewer collection systems in Westchester County are owned by the individual municipalities and the obligation to fix the I & I problems in the sewers rests with each municipality. The County Executive (Andy Spano) undertook the I & I Rehabilitation Program on behalf of the municipalities, resulting in significant County-wide savings. Each of the contributing municipalities became an active partner in the overall program and each executed a separate Consent Order with Westchester County.”



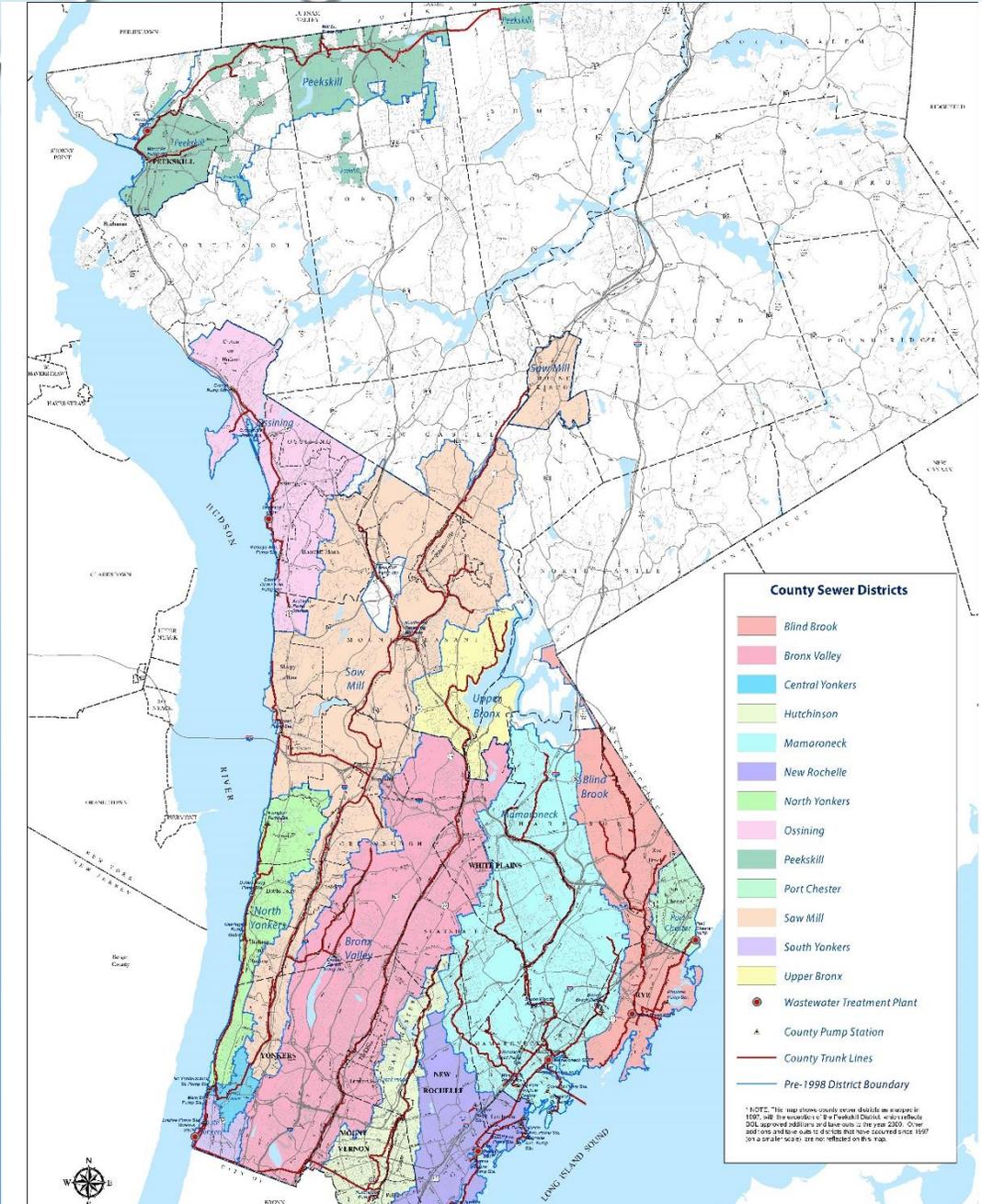
“Every problem has a solution; every challenge is surmountable.”

County Executive George Latimer, 2020

“I think that a well executed consolidation plan would be good for the County and its future.”

Former DEF Commissioner Tom Lauro, March 2020

WESTCHESTER COUNTY SEWER DISTRICTS



County Sewer Districts

- Blind Brook
- Bronx Valley
- Central Yonkers
- Hutchinson
- Mamaroneck
- New Rochelle
- North Yonkers
- Ossining
- Peekskill
- Port Chester
- Saw Mill
- South Yonkers
- Upper Bronx
- Wastewater Treatment Plant
- County Pump Station
- County Trunk Lines
- Pre-1998 District Boundary

WHY CONSOLIDATE “COUNTY ONLY” SEWER OPERATIONS?

- To set the actual tax for County sewer service the same for all comparably valued homes in all municipalities within the county. eg. 1992 Bennett Kielson study shows Pelham residents paying either \$225.36 or \$323.07 depending on the sewer district they reside in. Consolidation would equalize this.
- To share significant future capital costs in one district or at one plant with all County parcels.
- I & I best handled on a regional basis with possible economies of scale in contracting.
- Possible future capital cost savings with larger projects garnering cost savings through bidding vs. a series of smaller capital contracts.

WHY NOT CONSOLIDATE “COUNTY ONLY” SEWER OPERATIONS?

- No actual savings to be achieved through consolidation since all operations and maintenance costs are already apportioned and therefore consolidated. However, needs to be noted Capital Costs are currently not consolidated.
- Purchasing and personnel costs are already handled on a consolidated basis.
- Political and legislative difficulty of achieving consensus and approval when some communities will financially benefit at the expense of other communities who will pay more with no qualitative improvement in service.
- Finally, achieving County Consolidation is a zero-sum exercise with the exact same Gross Cost simply divided differently among the 13 districts. Analysis shows some districts will pay more and some will pay less but no true financial savings, O & M and Capital included, will be achieved. Appendix (1)

WESTCHESTER COUNTY SEWER CONSOLIDATION OPTIONS:

COUNTY ONLY:

- A. 13 County Sewer Districts and 7 County Wastewater Resource Recovery Facilities (WWRRF) consolidated in one Consolidated District:
1. O & M plus capital costs including existing and future debt service, or
 2. O & M plus capital costs, minus existing debt service but including future capital costs, or
 3. O & M only. (This is what we currently have.)

COUNTY AND MUNICIPAL:

- B. 13 County Sewer Districts and 7 WWRRF and ALL MUNICIPAL SEWER SERVICE in One Consolidated Sewer District.

Comprehensive Consolidation of all personnel, O & M, and Capital with Consolidated County Sewer District directly taxing users and relieving Municipalities of sewer expenses. Savings achieved through eventual attrition and reduced management duplication. Real opportunity for significant Capital Savings due to larger contracts and economies of scale. Improved oversight and greater infrastructure investment within larger consolidated district vs. current patchwork of uneven municipal capital investment and maintenance. Lead to greater operational and environmental benefits.

Would also result in giving the responsibility for system maintenance to the same organization that benefits from proper maintenance of the system, that is Westchester County.

- C. 13 County Sewer Districts and 7 WWRRF and SOME MUNICIPAL SEWER SERVICE in One Consolidated District. See Consortium of New Rochelle, Town of Mamaroneck, and Villages of Larchmont and Pelham Manor that already want to join together with County. See Nassau County Experience where some but not all communities have joined.

Non-joining communities will utilize County's Sewer Service and WWRRF via IMA's.

- D. Creation of Westchester County Sewer and Storm Water Authority by New York State legislative action.
- E. Public Private Partnership for all or some of the above. Again, see Nassau County experience.

ADDITIONAL CONSIDERATIONS:

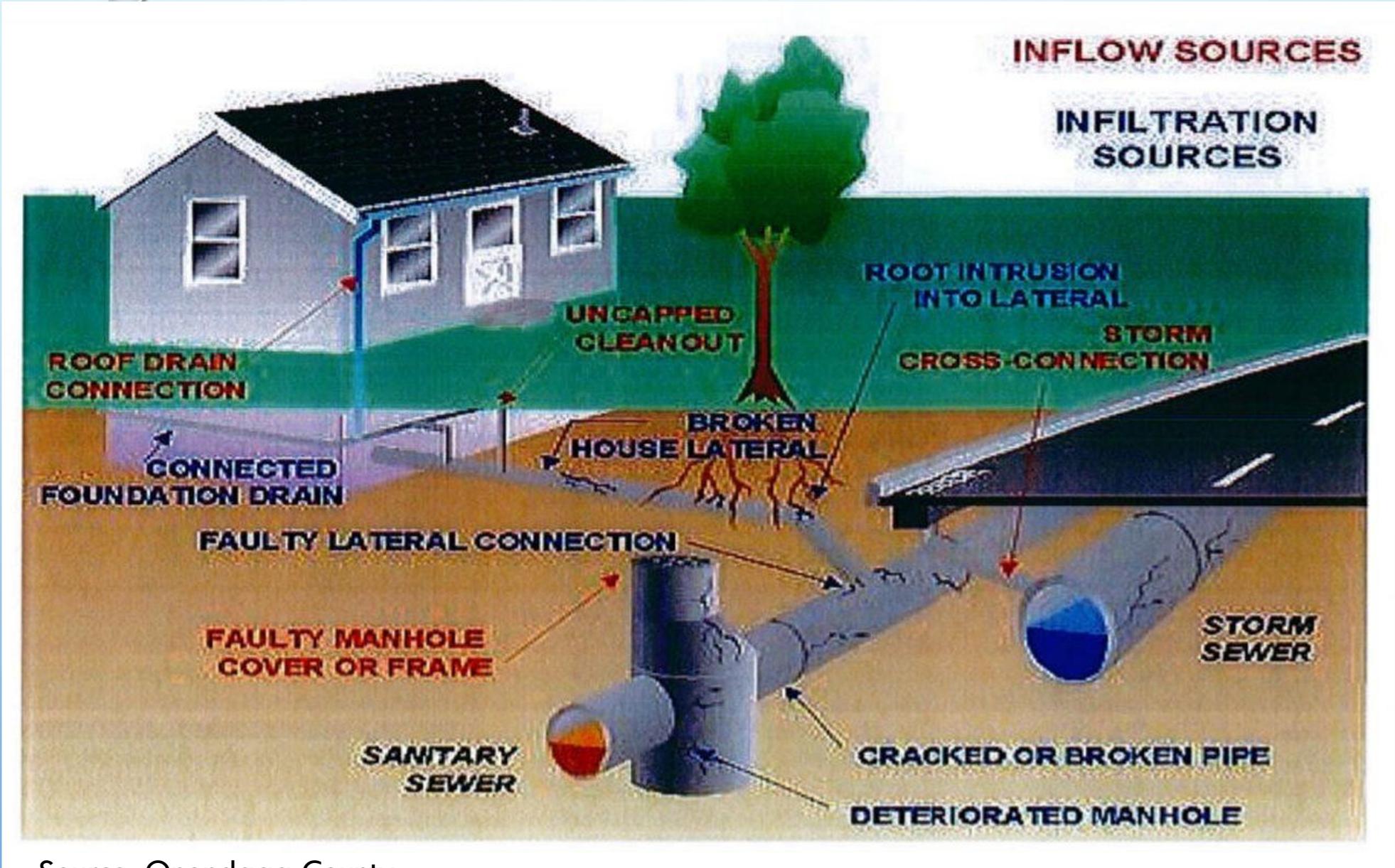
1. Non-Profits paying County Sewer Tax vs. currently not paying municipal general tax that includes sewer service. Estimates of non-profits generating 12-20% sewer usage within County with New Rochelle stating 30% in their city.
2. Municipal Development considerations within a Consolidated Sewer System regarding potential future flow. Also see Enforcement authority over “illegal connections.”
3. Consider Consolidated Sanitary Sewer Service but not Storm Water collection. Latter is too expensive and involved, and with exception of portion of Yonkers are separate collection systems. In coming years pressure might very well be brought to eliminate Combined Sewer and Storm water system in Yonkers as well.
4. Phase in Consolidation over 10-20 years to minimize short term disruptions.
5. Require Communities to 100% invest in their sewer infrastructure before transferring assets to County. i.e. Sewer system rehabilitation and flow study reports showing compliance with County Sewer Act requirement of 150 gallons per capita per day. Or have Consolidated Sewer District contract for necessary infrastructure at potentially lower cost due to economies of scale and charge-back cost to appropriate community.

ADDITIONAL CONSIDERATIONS :

6. Sewer Personnel countywide in different unions: CSEA, Teamsters, AFSCME, perhaps others. New Rochelle for example has working sewer supervisor in CSEA while other workers are AFSCME Local 663.
7. Very real Capital Savings potential: Larchmont saved approximately 30% on one sewer maintenance contract alone through Consortium. BNR Nitrogen removal contract saved Taxpayers \$237 million.
8. Legal Considerations of any Plan (IMA, County Ownership or Authority) are most central. See County Attorney John Nonna's April 30, 2018 memo, "Initial Legal Review of Options Proposed in the Consolidation Feasibility Study." Appendix (2) Good iteration of issues and potential solutions. See also potential opportunity/necessity of procuring County Easements for what are now municipal responsibilities.
9. If one or more Westchester municipalities refuse to join Consolidated District, then charge them a district fee through an IMA. This way no one community can stand in the way of County Sewer Consolidation.
10. Real practical and financial pressure on any refusing communities when they see participating communities saving on maintenance and future capital costs along with eventual tax cap relief.

ADDITIONAL CONSIDERATIONS CONTINUED:

11. Leave Septic areas of county for future consideration.
12. Taxing based on sewer/water usage vs. assessed value.
13. Reliance on CMOM (Capacity Management Operations Maintenance system) and GIS based system for most efficient and standardized operation of consolidated system as well as Asset Management System.
14. Meeting with Dolph Rotfeld, PE, BCEE, FNSPE of Dolph Rotfeld Engineering garnered “Endorsement” of Comprehensive Sewer Consolidation.
15. See NYSAC memo discussing other New York State Sewer Consolidation efforts. Need to review other Counties who have taken over Local Municipal Sewer Systems. Appendix (3)
16. See list of NY State created Sewer Authorities from Assemblywoman Amy Paulin’s office. Appendix (4)
17. See “Save the Sound” July 27, 2018 memo, “Re: Save the Sound Comments on the Westchester County-wide Shared Services.” Appendix (5)
18. Law Department could explore whether we could amend the County Sewer Act to declare any municipality lying wholly or partly within the Consolidated District to be obligated to conform to district requirements, except perhaps the NY State created Bronx Valley District.



Source: Onondaga County

INFILTRATION & INFLOW (I & I):

- ESTIMATES OF DIRECT ANNUAL COST TO WESTCHESTER COUNTY TAXPAYERS OF APPROXIMATELY \$1 MILLION TO \$16.5 MILLION PER YEAR, DEPENDING ON ANNUAL RAIN FALL AMOUNTS. (ROUGH ESTIMATE AS PROVIDED BY DEF STAFF MARCH 2020 USING RECENT RAIN FALL EXPERIENCE.)
- SEE “SAVE THE SOUND” EMAIL ON WHY CITIZENS SHOULD CARE ABOUT I & I.
- HOUSE CONNECTION OPTIONS WITH POTENTIAL COUNTY-WIDE LAW.
- COMPANY LIKE “PIPELOGIC” CONTRACTS WITH COUNTY TO INSPECT/REPAIR PRIVATE HOMEOWNER LATERALS PAID BY MONTHLY HOMEOWNER CHARGE.
- SEE EXFILTRATION WHICH IS RAW UNTREATED SEWAGE ESCAPING LATERALS AND MAKES UP AS MUCH AS 25% OF ENVIRONMENTAL PROBLEM.
- SEE FUTURE CLIMATE CHANGES REGARDING RAINFALL AND RISING GROUNDWATER/SEA LEVELS.
- OPERATIONAL IMPACTS (EFFLUENT QUALITY) TO WWRRF’S.

MT. VERNON SEWER SITUATION:

BY ALL ACCOUNTS, CHALLENGED SEWER INFRASTRUCTURE SITUATION.

NEED FOR COMPREHENSIVE ASSESSMENT.

NEED FOR SIGNIFICANT FINANCIAL INVESTMENT.

2020 POSSIBLE NEW YORK STATE FUNDING OPPORTUNITIES:

- SHARED SERVICE AWARDS
- NEW YORK STATE REGIONAL ECONOMIC DEVELOPMENT COUNCIL INITIATIVE PROGRAM GRANTS
- EFC (GRANTS AND LOANS)
- NEW YORK STATE WATER INFRASTRUCTURE IMPROVEMENT ACT AND INTER-MUNICIPAL WATER INFRASTRUCTURE GRANTS - \$275 MILLION
- POTENTIAL \$3 BILLION “RESTORE MOTHER NATURE BOND ACT” MONIES

SEWER AUTHORITY CONSIDERATIONS:

1. New York State legislation needed with myriad of legal, financial, practical and operational considerations.
2. Knowledge that the Bronx Valley district is State created in the first place while other 12 Districts are County created.
3. After preliminary discussions with Budget Department, two Funding Mechanisms are available within a State created Authority:
 - a) County imposed Sewer Tax and then pledged revenues to Authority. This way Authority has ability to issue debt. Then County petitions NYS Comptroller for Transfer of Function to adjust Tax Cap, or
 - b) Authority directly charges user fee and/or assessment.
 - c) Note that Nassau County Sewer and Storm Water Finance Authority is a financing authority only, not an operational authority.

KEY STAKEHOLDERS**:

- ALL MUNICIPALITIES IN COUNTY
- ELECTED OFFICIALS AT ALL LEVELS
- HOMEOWNERS
- NON-PROFITS
- APPLICABLE UNIONS
- BUSINESSES/MANUFACTURERS
- ENVIRONMENTAL AND OTHER CITIZEN GROUPS
- DEC, EPA, DEP, AND OTHER GOVERNMENTAL/REGULATORY AGENCIES

**IMPORTANT TO ANALYZE COST OF CONSOLIDATION RELATIVE TO FINANCIAL BENEFIT OF CONSOLIDATION. FOR EXAMPLE, SCHOOL TAXES GO UP BUT MUNICIPAL TAXES GO DOWN. COUNTY SEWER TAX GOES UP BUT ARE OFFSET BY SAVINGS FROM ECONOMIES OF SCALE ¹⁸ AND NON-PROFITS PAYING FOR SEWER SERVICE. **

NASSAU COUNTY EXPERIENCE:

- See Discussion Memo of January 24, 2020 with Nassau County Officials.
- 10 year Phase in of Consolidation starting 2003.
- Establish Nassau County Sewer and Storm Water Finance Authority.
- Entered into Public Private Partnership with Suez Long Island in 2015 to take over operations.
- Stated financial promise of \$230 million savings over 20 years, “Not likely to be achieved.”

- See Appendix (6)

SUMMARY RECOMMENDATION:

Design and Conduct Comprehensive Sewer Consolidation Study of ALL Municipal and County Operations (Task II) WITH special consideration of New Rochelle District Consortium Consolidation (Task I).

Capital Budget Amendment requested for \$1.6 Million dollars.

HOW TO PROCEED?

- COUNTY-DRIVEN (RFP) **COMPREHENSIVE SEWER CONSOLIDATION STUDY**
- SEEK POTENTIAL GRANT OPPORTUNITIES
- 1ST YEAR CONDUCT STUDY AND VISIT MUNICIPALITIES AND STAKEHOLDERS – LISTENING TOUR
- 2ND YEAR REACH CONSENSUS AND IMPLEMENT

- IMPORTANT TO DO COUNTY-WIDE CONDITION ASSESSMENT SURVEY
- ANALYZE TAX IMPACT ON “TYPICAL” HOMEOWNER IN EACH MUNICIPALITY, NOW AND IN THE FUTURE
- ANALYZE IMPACT ON MUNICIPAL TAXES AS WELL AS TAX IMPACT ON BUSINESSES AND NON-PROFITS
- HOW UTILIZE RPA - REGIONAL PLAN ASSOCIATION?
- PARALLEL OPERATIONAL PLANNING WITH SUEZ NORTH AMERICA AND PERHAPS OTHERS?

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APPENDIX (1)

County of Westchester - Sewer Districts

Table B

COMPARISON OF DISTRICT RATES* - 2006

	Population	<i>EXISTING</i> Individual Tax Rates		<i>PROPOSED</i> Single Consolidated District Tax Rates		Without Additional Capital Projects Comparison Between Rate 1 and 3		With Capital Projects Comparison Between Rate 2 and 4	
		Rate 1	Rate 2	Rate 3	Rate 4	Saved Amount	Additional Amount	Saved Amount	Additional Amount
Blind Brook	27,296	\$ 0.5910	\$ 1.2955	\$ 0.6270	\$ 1.2026	\$	\$ 0.0360	\$ 0.0929	\$
Bronx Valley	196,271	0.5755	0.6535	0.6146	1.1902		0.0391		0.5367
Central Yonkers	30,963	0.7049	0.8829	0.7181	1.2937		0.0132		0.4108
Hutchinson Valley	71,263	0.6860	0.7706	0.7030	1.2786		0.0170		0.5080
Mamaroneck	90,884	0.5860	1.2951	0.6230	1.1986		0.0370	0.0965	
New Rochelle	65,364	1.2128	3.8070	1.1244	1.7000	0.0884		2.1070	
North Yonkers	38,245	0.7536	0.9549	0.7571	1.3327		0.0035		0.3778
Ossining	39,757	1.5540	1.8480	1.3974	1.9730	0.1566			0.1250
Peekskill	45,097	1.1251	1.7428	1.0542	1.6298	0.0709		0.1130	
Port Chester	27,272	1.7777	4.7221	1.5763	2.1519	0.2014		2.5702	
Saw Mill Valley	126,308	0.8593	1.0984	0.8416	1.4172	0.0177			0.3188
South Yonkers	35,394	0.4417	0.5155	0.5075	1.0831		0.0658		0.5676
Upper Bronx Valley	7,722	0.6076	0.7978	0.6402	1.2158		0.0326		0.4180
	<u>801,836</u>								

* - Per \$1,000 Full Equalization Value (FEV)

Rate 1 - Individual Tax Rate - Without Additional Capital Projects

Rate 2 - Individual Tax Rate - With Additional Capital Projects

Rate 3 - Consolidated Tax Rate - Without Additional Capital Projects in fourth year of twenty year phased in consolidation

Rate 4 - Consolidated Tax Rate - With Additional Capital Projects in fourth year of twenty year phased in consolidation

DELIVERED ELECTRONICALLY

To: Vincent F. Kopicki, P.E.
Commissioner, Department of Environmental Facilities

From: John M. Nonna
County Attorney

Of Counsel:
Justin R. Adin
Associate County Attorney

Date: April 30, 2018

Re: Initial Legal Review of Options Proposed in the Consolidation Feasibility Study

This memorandum is submitted with respect to certain options identified by Arcadis as part of phase one of the feasibility study on the potential consolidation of the local sanitary sewer districts contained as part of the Westchester County New Rochelle Sanitary Sewer District. Specifically, this memorandum contains a preliminary legal review, from the County's perspective, of issues that might arise from the following options:¹

1. Intermunicipal Agreement ("IMA") with a Third-Party Service Agreement; where the Consortium members contract to a separate third party to complete the sewer collection system improvements that are needed, and enter into an intermunicipal agreement to share the costs of the contract. Nothing changes with County governance.
2. County Ownership of Collection System Assets. A consolidated entity is created where collection system assets are transferred to the County which is then responsible for capital and O&M.
3. Regional Sewer Authority. A consolidated entity is created where collection systems assets are transferred to a Regional Sewer Authority.

This memorandum is a preliminary legal review only, and is not intended to be a comprehensive analysis of the full legal implications of each option; nor is it intended to be an analysis of practical, financial, or other factors that might impact the feasibility thereof. It is this Office's understanding

¹ These options are taken from the list of alternatives generated by Arcadis as part of the phase one study, as narrowed by the County and the member municipalities during a scoping session held in the spring of 2017.

APPENDIX (2A)

APPENDIX (2B)

that this review is intended to help determine whether a more detailed and comprehensive analysis of any of the aforementioned options is worth pursuing as part of a second phase of the study, and that a more detailed legal analysis would accompany any further study. This memorandum should also not be taken to be an endorsement, or expression of disapproval, of any of the foregoing options.

Option 1: IMA Among the Consortium Members

The County is not aware of any legal impediments, from the County's perspective, to the Consortium Members entering into an IMA for capital and/or Operation and Maintenance ("O&M") management of their respective sewer systems. However, the County would note that the individual members would remain ultimately liable for compliance with any IMAs with the County and compliance with the County Sewer Act.

Option 2: Transfer of Assets to the County

Transferring the sewer collection systems of the Consortium Members would trigger several potential legal impediments that would need to be addressed.

Issue 1: State-level Approvals

Transferring the local systems to the County could require multiple State-level approvals. First, transfer of assets to the County could require approvals from the Department of Environmental Conservation ("DEC"). DEC approval may be required for the transfer in general, and in order to amend, as required the County's permits and consent orders issued by DEC. Transfer of assets may also require approval from the New York State Comptroller's Office, as the consolidation of expenditures to the County-level would result in the County needing to increase the district taxes to cover those additional costs. To the extent that said increase would exceed any applicable threshold limitation imposed through the Comptroller's Office, approvals from the Comptroller would be required.

Issue 2: Local Orders

A second issue that would have to be looked at is whether any of the Consortium members have permits or agreements issued by either DEC or EPA, which would require transfer and/or renegotiation for the County to assume ownership of the local collection systems. If any such agreements exist, that could create a need for additional state or federal approvals of a transfer.

Issue 3: Local Bond/Finance Issues

Transferring local collection systems to County ownership would necessarily require an examination of any local bonds or other financial obligations tied to the O&M of the local system. Even if the local obligations do not specifically have indentures mandating continued ownership of the assets, other legal issues relating thereto, including whether the municipality expects the County to assume responsibility for those obligations or whether the local obligations could be paid out of sources other than local sewer taxes/rents would need to be examined.

APPENDIX (2C)

Issue 4: Personnel Transfer Issues

Assumption of the ownership of local collection systems would presumably require the transfer of employees from the local municipalities to the County. This would require adherence to the procedures contained in the Civil Service Law, as well as the Local Civil Service Rules. Additionally, as it is likely that the positions being transferred would fall within one or more of the collective bargaining units within the County, any potential impact bargaining issues would have to be resolved.

Issue 5: Local Enforcement

The Consortium members are currently subject to IMAs with the County relating to inflow and infiltration ("I&I") issues in the local collection systems. Among the potential sources of excess I&I are illegal or poorly maintained connections at the individual household level. Therefore the legal issues that would have to be reviewed as part of a phase 2 study is the County's authority to address those potential sources of I&I, or whether the local municipalities would remain obligated to do so. Additionally, local enforcement issues could result in the need for state legislation, if the local enforcement issues would require the granting of additional authority to the County.

Issue 6: Local Controls Relating to O&M

Many of the assets for the local collection systems are sewer lines that run underneath roads or property subject to local control. As the municipality currently controls both the collection system and the land it runs under, it is capable of performing O&M work with fewer hurdles (e.g., the City of New Rochelle does not need to obtain a Road Opening Permit from itself to perform work on a sewer line). Transferring assets to the County does not necessarily transfer these access rights, and local controls could create additional time and expense issues.

Issue 7: Scalability

While the consolidation study currently relates solely to the New Rochelle Sewer District, the County operates numerous other sewer districts which could seek similar consolidation efforts. While consolidating the New Rochelle District would help identify additional issues, both legal and logistical, for future consolidations, each of the items identified above would need to be addressed, independently, for every district subject to future consolidation.

Option 3: Creation of a Regional Sewer Authority

Issue 1: State Legislation

A regional sewer authority cannot be created without state legislation. Importantly, as state legislation would be required to create an authority, that legislation could potentially be tailored to address various issues related to the consolidation/transfer of assets.²

² For example, the issue of local enforcement could be present with respect to a regional sewer authority. While this would not be an impediment for the County (and thus is not addressed herein), it is an

APPENDIX (2D)

Issue 2: State and/or Federal Level Approvals

If a regional sewer authority were to be created, and the assets of the County and the Consortium members transferred thereto, approvals would need to be obtained from DEC and the EPA relating to, *inter alia*, nitrogen removal issues. Currently, as part of the County's nitrogen removal from the sound shore sewer districts, the County utilizes a "bubble" for removal—the total reduction across the four wastewater treatment plants ("WWTP") for those districts is the relevant determination as to whether the County is meeting its obligations, as opposed to the reduction in any individual plant. To that end, the improvements made to the New Rochelle WWTP have made it one of the primary sources of nitrogen removal within the bubble. Transferring that WWTP to a regional sewer authority would require approval to continue to count the reduction in nitrogen to that plant. This could also then impose additional requirements on the new authority to maintain certain levels of nitrogen reduction.

Issue 3: County Bond Paybacks

The County has outstanding bonds which were issued for projects that benefited the New Rochelle Sewer District. These bonds would have to be reviewed to determine that there were no indentures mandating continued ownership of the assets improved. Further, assuming the assets could be transferred, those bonds would still be required to be paid back by the authority, either in full, or by periodic payments from the authority.

Issue 4: Transfer of Personnel

Transferring County assets to a regional sewer authority would likely result in the transfer of personnel from the County to the authority, which would raise the same issues delineated above.

Issue 5: Scalability

If a regional sewer authority were created, the legislation enacting the authority would likely be limited to the initial member municipalities in the New Rochelle Sewer District. In order to bring additional municipalities into the authority, the state legislation would likely have to be amended, each and every time that new local districts were absorbed into the authority. Additionally, the issues delineated above would likely apply to any future consolidation.

As denoted above, the foregoing is a preliminary review meant to identify legal issues that would arise in pursuing one or more of these options. However, this list may not be exhaustive of the legal issues, nor does it address those issues in depth. It is possible that, if any options were selected for phase 2 study, additional legal issues could be discovered during the process.

JMN/JRA

issue that would need to be considered in creating the authority, and whatever enforcement powers are required could be included in the state legislation.

APPENDIX (3)

Good afternoon Michael,

Thank you very much for your call this morning! I've reached out to NYSDEC, and Lorraine Holdridge said she would be happy to give you a call back.

It may also be helpful to connect with Nassau County. They included a \$128 million proposal in their 2017 Countywide Shared Services Initiative Plan to consolidate wastewater treatment services between Long Beach and Nassau County. The city's wastewater will be transported through an aqueduct under Sunrise Highway to Bay Park Water Reclamation Facility, where Nassau County is currently installing advanced denitrification technology. Once treated, the city's wastewater will be transported to the Cedar Creek Wastewater Treatment Plant and pumped into the Atlantic Ocean.

In 2017, Schuyler County proposed for the villages of Watkins Glen and Montour Falls to achieve cost savings by developing a joint wastewater treatment plant. In addition to decommissioning existing plants and building a new state-of-the-art facility, both villages planned to create a regional governing structure comprised of all municipal users. Cost savings of \$200,000 will be achieved primarily by reducing staffing levels.

In addition to shared facilities, counties such Chautauqua plan to address staffing problems by developing a shared pool of water and wastewater system operators. By combining staff from as many as twelve municipalities, several of which are located in neighboring Cattaraugus County, the Chautauqua Region Water & Wastewater Cooperative aims to reduce staffing costs by as much as 20 percent (or \$317,000 annually), while improving the overall quality of service.

Finally, other municipalities plan to share responsibility for water and sewer line construction. In the town of Dickinson, for example, SUNY Broome and Broome County signed a three-way agreement to install a new waterline on the SUNY Broome campus.

The town of Dickinson will perform the work, which will result in a savings of \$64,000 to the county.

If you would like me to connect you to any of these counties or get answers to specific questions, I'm happy to do so. Good luck!

Best,

Alex LaMonte

Michael Kaplowitz

From: Amy Paulin <amypaulin@gmail.com>
Sent: Thursday, January 23, 2020 3:35 PM
To: Michael Kaplowitz
Subject: Fwd: Sewer Authorities

APPENDIX (4A)

Sent from my iPhone

Begin forwarded message:

From: "Stephanie M. Amann" <amanns@nyassembly.gov>
Date: January 23, 2020 at 3:12:34 PM EST
To: Amy Paulin <amypaulin@gmail.com>
Subject: Sewer Authorities

Title (1121 - 1146) TOWN OF WILTON WATER AND SEWER AUTHORITY
6-C

Title (1147 - 1147-Z) ALFRED, ALMOND, HORNELLSVILLE SEWER AUTHORITY
6-D

Title (1175 - 1195) BUFFALO SEWER AUTHORITY
8

Title (1196-A - 1196-R) NEW YORK STATE LOCAL WATER AND SEWER AUTHORITY ACT
8-A

Title (1199 - 1199-X) Rensselaer County Water and Sewer Authority
8-D

Title (1199-AA - 1199-XX) WAYNE COUNTY WATER AND SEWER AUTHORITY
8-E

APPENDIX (4B)

Title (1199-AAAA - 1199-ZZZZ) CAYUGA COUNTY WATER AND SEWER AUTHORITY
8-G

Title (1199-AAAA*2 - 1199-YYYY*2) LIVINGSTON COUNTY WATER AND SEWER
8- AUTHORITY
G*

Title (1232 - 1232-U) NASSAU COUNTY SEWER AND STORM WATER FINANCE AUTHORITY
10-
D

APPENDIX (5)

Here's my argument for why citizens should support consolidation of our wastewater infrastructure-

- Proper assess management will save you money because we will avoid the costly repairs we make when systems fail. Instead we will make the incremental investments needed to keep these systems in good working order and avoid the major failures we see all over the county today.
- Tightening the system and radically reducing I&I will result in less rain treated at our wastewater treatment plants. This will result in:
 - Lower operation costs at the plants
 - o Less energy used at the plants, reducing greenhouse gas emissions and improving our air quality
 - o More gallons of wastewater getting primary and secondary treatment and fewer partially treated bypasses. That means cleaner effluent and cleaner waterways
- Tightening the system and radically reducing I&I will result in far fewer SSOs and partial treatment at our plants. This will result in:
 - o Cleaner rivers, streams and coast lines around the County
 - o More open beach day
 - o The possible return of recreational and commercial shell fishing to our coastal communities
 - o Fewer algal blooms in our waterways and fewer harmful algal blooms
- Consolidations also sets the stage to:
 - o Improve our rate setting practices and incentivize conserving water
 - o Allow us to use new and emerging technologies that can also address better stormwater management to reduce flooding in our communities
 - o Set the stage to consider P3 projects that benefit our communities and the environment

I'll let you know if I come up with more benefits, but I think this argument is already quite compelling. I'd summarize by saying – Consolidation will save you money, clean up our waterways, protect public health, reduce our carbon footprint, and position us to take advantage of new technologies that can address our local flooding challenges.

Spoke with Philip Wasserman OMB and Attorney Chris Connell.

In 2003 Nassau County had 27 County collection and 3 County disposal facilities in separate districts.

In 2004 Nassau County established through New York State the "Nassau County Sewer and Storm Water Finance Authority." This is a financing Authority, not an operational Authority. Operational Authority voted down in 2002 by County Legislature.

10 year phase in of Consolidation. No financial recognition of 2003 fund balances or capital assets of individual districts.

2020 now one consolidated district and 3 major treatment plants, the two biggest approximately \$75 Million annual O&M.

HOWEVER, municipalities still maintain their own municipal sewer operations.

Nassau County Landscape 2020:

- | | |
|-------------------------------------|--|
| 1. StormH2O: | 100% county |
| 2. Sewer – collection and disposal: | 1 million of 1.3 million residents |
| 3. Disposal only: | 6 villages non-contiguous with IMA's with County |
| 4. Private-muni plants: | 300,000 residents in this and Septics |
| 5. Septic systems: | |

Relationship of County Sewer Operations to Authority:

District has its own dollars borrowed for capital. Authority has a bonding cap of \$350 million with a little over \$100 million left to borrow. Very little of that is for Storm Water.

Authority used its \$250 million for refunding of existing County Sewer Bonds and new money for new sewer projects.

The County has engaged PPP with Suez Long Island to operationally run county sewer operations and treatment plants.

In 2019 Long Beach and 3 other villages entered into IMA with County. Important to make sure enabling state legislation establishing Authority includes language that boundaries can be re-defined for the sewer district.

PPP with Suez Long Island:

Term of contract 20 years for \$1.2 billion starting 2015.

Transfer assets to PPP for all operational responsibilities in January 2015. Most sewer employees transferred to Suez. Some pre-existing county employees stayed with Nassau County.

APPENDIX (6A)

APPENDIX (6B)

Reasons to contract with PPP. "Nassau County not good at managing contracts". Belief that Suez better than county at managing operations.

However, Private Sector has ROI/Profit considerations, Risk, Overhead and other charges.

No operational responsibility for Authority due to political difficulties achieving necessary capital votes. Also, challenge of Unions agreeing to operational Authority.

Stated Promise of \$230 million savings over 20 years; "not likely to be achieved"

Suez operationally seems to have good maintenance goals. Specs in contract being met. Not capturing methane. Sludge being trucked out at County Expense. Also have Nitrogen removal under consent order.

Not clear to budget folks the situation on fines, overflows, spills?

Asked for 2003 through 2020 Sewer and Storm water Budgets.

The Following is taken directly from Nassau County's Website relating to a Wastewater Facilities Planning Guide from the Spring of 2007:

"Wastewater Facilities Planning Guide

The wastewater facilities currently under the department's jurisdiction, and included in the Sewage Treatment Master Plan, consist of the Bay Park Sewage Treatment Plant, the Cedar Creek Water Pollution Control Plant, and 37 sewage pumping stations throughout the county and the respective sewer areas they serve. When complete, the Master Plan will serve as a valuable planning guide by mapping out a program of capital improvements designed to allow these wastewater facilities to operate reliably and comply with all laws / codes for the next 20-year service period. Work associated with the study is considerable, but can be broken down to nine key tasks:

Consolidation

Study / analysis of existing / future wastewater flow / loadings

Existing facility capacity

Existing facility condition

Existing facility performance

Future regulatory requirements

Future capacity requirements

Formation / screening / prioritization of capital alternatives

APPENDIX (6C)

Recommending the necessary capital projects and their target implementation schedules

Industry Technology

Included in the capital project development and screening process will be the very latest technology associated with wastewater industry in certain areas, such as advanced treatment (nitrogen reduction), biosolids reclamation / reuse, energy efficiency / recovery (green building designs), odor control, information / data management, safety, security, instrumentation, and more. Such improvements in technology will be valuable in providing the department with these necessary tools to comply with emerging and future regulations geared to enhanced environmental protection (i.e., air, land, water) and public safety / security.

Cedar Creek Aerial View Consolidation Feasibility Study

The Consolidation Feasibility Study (CFS) will focus on villages, special districts, and other areas with wastewater facilities currently outside of the county's administrative and operational jurisdiction. This CFS will study such areas to determine the potential benefits to county residents that would be achieved by the consolidation of various wastewater services (i.e., administrative, financial, technical / professional, environmental, etc.) under a larger county entity. The study includes Belgrave, Glen Cove, Port Washington, Oyster Bay, Village of Great Neck, Great Neck Water Pollution Control District, Long Beach, Jones Beach, Lawrence, Cedarhurst, and West Long Beach plants and their sewage collection/transport facilities.

Negative / Positive Aspects

Any negative impacts would also be listed. All aspects of these facilities (i.e., condition, capital improvement need, efficiency of administration / operation, present and future environmental impacts, etc.) will be evaluated against well-established / published benchmark values within the wastewater industry. Thereafter, a recommendation will be made, on a case-by-case basis, if it is cost effective and environmentally beneficial (over the usual 20-year planning period) to consolidate."