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March 27, 2025

To: EOHWC Board of Directors

From: Executive Board

Re: Administrative & Capital Costs of EOHWC

As I am sure you are aware, the new SPDES General Permit (GP-0-24-001) issued by the NYSDEC includes a requirement for the East of Hudson municipalities to continue the stormwater retrofit program (Years 11-15) in order to reduce phosphorus loading to the New York City Reservoirs. To meet the 5-year phosphorus reduction goals of the Permit we estimate that \$32.825 million in funding will be needed, that can be used unrestricted, for design and construction of stormwater retrofits.

For Years 1 through 5 and Years 6 through 10 our 18 member municipalities have very successfully been working together to pool our resources and our obligation to achieve “bubble compliance”. We were supported in our endeavors to reduce phosphorus to the NYC Reservoirs by funding provided by NYCDEP.

We have received a commitment from the NYSDEC/NYCDEP for \$10 million in funding which we anticipate is about one-third of the funding that will be needed to meet the Years 11-15 phosphorus reduction goals of the SPDES MS4 General Permit. However, the funding is restricted to costs that result in a completed stormwater retrofit projects that incur a total project cost exceeding \$50,000. The costs for projects that are not completed, and general administrative costs¹ must be borne by the EOHWC, and ultimately our member municipalities.

But this is nothing new. To date the Corporation has been utilizing Water Quality Improvement Funds provided by Putnam County and Westchester County for years 6 through 10 to cover the administrative costs of the Corporation. There are some funds remaining which we have requested amendments to the agreements to allow the use of the remaining funds for Years 11 through 15. We have also requested an additional \$1.5 million from Putnam County and \$2 million from Westchester County from the Water Quality Improvement Funds received in 1997. Combined, these funds should meet the administrative costs for the 5 year cycle - if the Counties agree to provide these funds. Westchester County has already made the initial commitment to provide the additional assistance, while Putnam County is still evaluating our request.

However, we must plan for the eventuality that the additional funds from the NYCDEP and Counties will not be timely, or will not come at all. We feel it important to keep you apprised about the potential implications should the EOHWC not receive all, or a portion of this funding. The clock is

¹ The administrative costs include salaries and benefits not associated with a specific project, audits, rent, office supplies and equipment.

ticking. The new MS4 Permit places the Town's already in Year 2 of the five year program to provide additional stormwater retrofits. This memo and the attached tables are not a bill. This is for information only.

Attached are two tables. These tables show the contribution that would be expected from each municipality participating in the EOHWC if we are to continue to use the EOHWC to address the SPDES General Permit (GP-0-24-001) phosphorus reduction requirements.

Table 1, the first column shows the annual contribution that would be needed from each municipality to cover the administrative costs to operate the Corporation. Based on the EOHWC's part operating costs, this amount has been estimated to be \$660,000.00. The second column includes an additional \$100,000 to cover the additional cost of projects that aren't completed and therefore ineligible to be paid for using the \$10 million in NYCDEP funds.

Table 2 shows the 5-year and annual expense to the municipalities for the capital improvements i.e., stormwater retrofit projects, and the administrative costs once the NYCDEP \$10 million has been exhausted. We anticipate this to occur somewhere around the end of Year 2. Table 2 factors in an inflation rate of 3.5% annually.

We request that you share this information with your Town/Village Boards and Comptrollers so you can properly prepare for these expenses, should the Corporation be unable to obtain any other sources of funding.

Table 1
Annual Municipal Contributions for Administrative Costs

<u>Municipality</u>		<u>Administrative Costs</u>	<u>Administrative & Incomplete Project Costs</u>
Brewster	-	\$729.18	\$839.66
Carmel	-	\$61,863.04	\$71,236.23
Kent	-	\$58,625.62	\$67,508.29
Patterson	-	\$53,291.77	\$61,366.28
Putnam Valley	-	\$5,510.64	\$6,345.59
Southeast	-	\$54,762.38	\$63,059.71
Putnam County	-	\$42,629.84	\$49,088.91
Bedford	-	\$51,782.63	\$59,628.48
Cortlandt	-	\$13,794.49	\$15,884.56
Lewisboro	-	\$45,419.75	\$52,301.52
Mount Kisco	-	\$17,302.66	\$19,924.28
New Castle	-	\$31,409.28	\$36,168.26
North Castle	-	\$1,061.97	\$1,222.87
North Salem	-	\$32,938.65	\$37,929.35
Pound Ridge	-	\$14,868.34	\$17,121.12
Somers	-	\$64,605.01	\$74,393.65
Yorktown	-	\$68,260.03	\$78,602.46
Pawling, Town	-	\$39,514.97	\$45,502.08
<u>Pawling, Village</u>	<u>-</u>	<u>\$1,629.76</u>	<u>\$1,876.70</u>
		\$660,000.00	\$760,000.00

Table 2
Municipal Contributions for Capital & Administrative Costs
(Adjusted Annually for 3.5% Rate of Inflation)

<u>Municipality</u>		<u>5-Year Cost</u>	<u>Annual Cost</u>
Brewster	-	\$27,182.65	\$5,436.53
Carmel	-	\$2,306,162.72	\$461,232.54
Kent	-	\$2,185,476.51	\$437,095.30
Patterson	-	\$1,989,638.28	\$397,327.66
Putnam Valley	-	\$205,428.60	\$41,085.72
Southeast	-	\$2,041,460.74	\$408,292.15
Putnam County	-	\$1,589,177.42	\$317,835.48
Bedford	-	\$1,930,379.94	\$386,075.99
Cortlandt	-	\$514,238.11	\$102,847.62
Lewisboro	-	\$1,693,180.97	\$338,636.19
Mount Kisco	-	\$645,017.60	\$129,033.52
New Castle	-	\$1,170,891.41	\$234,178.28
North Castle	-	\$39,588.65	\$7,917.73
North Salem	-	\$1,227,904.05	\$245,580.81
Pound Ridge	-	\$554,269.81	\$110,853.96
Somers	-	\$2,408,379.43	\$481,675.89
Yorktown	-	\$2,544,633.07	\$508,926.61
Pawling, Town	-	\$1,473,059.52	\$294,611.90
<u>Pawling, Village</u>	-	<u>\$60,755.14</u>	<u>\$12,151.03</u>
		\$24,603,824.62	\$4,920,764.92