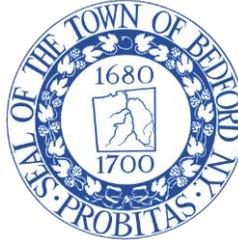


**TOWN OF BEDFORD
OFFICE OF THE SUPERVISOR**

Chris Burdick
Supervisor
Lee V. A. Roberts
Deputy Supervisor
Bea Rhodes
Confidential Secretary to the Supervisor



TOWN BOARD
Mary Beth Kass
Don B. Scott
MaryAnn Carr

To:	Town Board
From:	Chris Burdick
Date:	July 28, 2016
Re:	Review and Update on Sewer Proposal for Business Districts of Bedford Hills and Katonah

The following is a review and update of the proposal

- Capital Costs One of the primary reasons for dramatically scaling down the scope of the proposed sewer district is the accompanying reduction in capital costs for the collection system from approximately \$65,000,000 in today's dollars to approximately \$21,300,000. The possible support of district property owners to proceed (and vote favorably in a referendum on the matter) may be due in large measure to the majority of the capital costs being provided by sources other than sewer district bonds, the debt service on which would be passed onto those owners. As you know, the Town has requested the Westchester County allocate \$9,250,000 from the County's Water Quality Improvement Program Funds. I am pleased to report that Board of Legislators Chairman Michael Kaplowitz has indicated expedited consideration of Bedford's request. Our own Francis Corcoran, who chairs one of the BOL committees to which the request will be referred, strongly favors it and will work for its approval. We are in discussions with NYC Department of Environmental Protection (DEP) for obtaining \$8,000,000 or more in funds which otherwise would have been applied to Conceptual Upgrade Plan (CUP) projects at Katonah Elementary School, St. Mary's School and Bedford Park Apartments. The balance of approximately \$4 million would be raised through sewer district bonds and perhaps a grant from the Environmental Facilities Corporation (Round 3, NYS Water Infrastructure Improvement Act Grant). Of further key importance is that the proposal is predicated on the NYS Department of Corrections and Community Supervision (DOCCS) conveying to the Town at no cost its wastewater treatment plant (WWTP) serving the Bedford Hills Correctional Facilities.
- Agreement between DEP and Town of Bedford As you know, we are under considerable time constraints primarily due to DEP's understandable need to know whether Bedford's sewer plan is realistic and shows support, given that DEP's participation and funding would necessitate suspending its CUP projects mentioned above. Those projects have progressed considerably, one of which had been scheduled to be bid out this summer. Together with staff and counsel, I will be meeting with Assistant DEP Commissioner David Warne, members of his staff and his counsel on August 22 to discuss terms of an agreement. Some of the items for that meeting: (a) whether the \$8 million may be increased; (b) operation and maintenance costs for KES, St

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Mary's and Bedford Park Apartments; (c) progress payments for the \$8 million; and (d) O&M agreement for the WWTP.

3. Agreement between DOCCS and Town of Bedford We are actively working with DOCCS staff on the possible terms of an agreement for the conveyance of the WWTP and for the rate which would apply to DOCCS upon the Town operating the WWTP initially for DOCCS and upon completion of the collection system for the district. A possibility which would enable DOCCS to agree to a more favorable rate structure would be for the Town to agree to the conveyance of the WWTP on its operation on behalf of DOCCS following the approval of the NYS Comptroller, the passage of a referendum by the property owners in the sewer district and entering into construction agreements for the construction of the collection system. The construction is estimated to take between 18 months and two years, during which DOCCS would be the sole user of the WWTP and would be paying all costs associated with its operation. In the third year of operation when the collection system is in operation, DOCCS would pay its prorata share of the cost of the entire system (both WWTP and collection system). DOCCS might also pay for certain additional operational costs unique to the correctional facilities.
4. Community Response As previously mentioned, thus far we have had strong support from those who would be in the sewer district, i.e., the property owners in the business districts of Bedford Hills and Katonah. We have followed up with a survey which Lenny Cohen (our PACE Law Intern) has been tracking and will separately report upon.
5. Approvals, Permits

Accompanying this memorandum is a preliminary and expanding list of approvals required.