

**HONORABLE BOARD OF LEGISLATORS
THE COUNTY OF WESTCHESTER**

Your Committee is in receipt of a communication from the County Executive recommending the approval of a legislative package which, if approved by your Honorable Board would authorize the County of Westchester (“County”) to proceed with Capital Project WD305 – County Water District #3 – Eastview Pumping Station (“WD305”), for the benefit of County Water District No. 3 (“District”), subject to an order issued by the Comptroller of the State of New York (“State Comptroller”) permitting the expenditure, as described herein.

The Department of Environmental Facilities (“Department”) has advised that WD305 will provide for the design, construction management, and construction for a new drinking water pumping station, the Eastview Pumping Station, to provide ultraviolet (“UV”) treated drinking water to the District. The new pumping station will obtain UV treated water from the County’s Eastview Distribution Chamber which currently receives UV treated water from the New York City Department of Environmental Protection (“DEP”) Catskill-Delaware UV Water Disinfection Facility located in Eastview. The Eastview Pumping Station will be built adjacent to the Eastview Distribution Chamber and, along with a 16-inch transmission main, will provide UV treated water to the District. The pumping station will also provide disinfection and corrosion control treatment prior to the water leaving the station. The Gate of Heaven (“GOH”) Pumping Station is currently the primary supply of drinking water for the Grasslands Campus’s 1.5 million gallon elevated water storage tower. Presently the District is in compliance with the United States Environmental Protection Agency (“EPA”) Long Term 2 Surface Water Treatment Rule for enhanced disinfection treatment because the GOH Pumping Station provides for UV treatment. However, it should be noted that additional infrastructure improvements to the District are needed to comply with New York State Department of Health (“NYSDOH”) regulations to provide the required supply redundancy, which will be accomplished by WD305.

As your Honorable Board may recall, As you may recall, your Honorable Board, by Bond Act No. 197-2017 previously authorized the County to issue bonds of the County for WD305, in the amount of \$2,400,000 to finance part of the design, construction management

and construction cost of a pumping station and transmission main or mains for the conveyance of UV-treated drinking water from the DEP UV Disinfection Treatment Facility at Eastview in the Town of Mount Pleasant to the District. I am advised that these bonds have been partially sold, and at this time, there remains a balance of \$589,228. It is now requested that your Honorable Board authorize the issuance of bonds of the County in the additional amount of \$40,000,000 to finance a portion of the cost of construction management and construction of a pumping station and transmission main or mains for the conveyance of treated water from the DEP's UV Light Disinfection Facility at Eastview in the Town of Mount Pleasant to the District, including ancillary or related work and incidental expenses. The total estimated cost for WD305 is \$42,400,000.

Design is currently being undertaken by a consultant and is expected to be completed by the third quarter of 2026. It is estimated that construction will take twenty months to complete and will begin after award and execution of the construction contracts.

The proposed Capital Budget Amendment will amend the County's current-year capital budget to increase the County share for WD305 by \$10,000,000 to a total revised appropriation of \$42,400,000. The Department has advised that scope revisions became necessary during design, including new piping at the elevated tank, incorporating variable frequency drive to ensure control of water flow, and Con Edison utility accommodation costs.

Your Committee is advised that the Department prepared a report dated December 23, 2025 ("District Report") on behalf of the District, which recommends WD305. In its report, the Department has advised that WD305 is necessary for the continued effective operation of the District and therefore is in the public interest. It will provide greater redundancy and reliability in order to ensure a continuous, uninterrupted supply of drinking water to District users in compliance with federal, state and local regulatory requirements. Based on its review, the Department has determined that WD305 is the best, most cost-effective option available to the District for this purpose. A copy of the District Report is attached hereto for your Honorable Board's review.

Your Honorable Board will recall that the District was duly established by Act No. 63-1977 (the “Act”), of the Westchester County Board of Legislators. The District is comprised of the territorial limits of the Grasslands Campus in Valhalla. The Department has advised that the District is not a typical district, as it does not consist of any private one or two family homes. The District does not include any property owned by individual private property owners, but rather it is substantially owned by the County. Accordingly, the typical District property is owned by the County and district improvements are not taxed to or paid for by private property owners or the "Typical One- or Two-Family Home" as defined in 2 NYCRR Section 85.2. Therefore, the cost to the "typical property" must be calculated over all taxable parcels in the County. The Finance Department has advised that debt issuances associated with the District capital expenses are expensed through bills to the County's General Fund and are a contributing factor to the County's tax levy. The District's operating budget is also a contributing factor to the County's tax levy.

The District provides water to over fifty separate County, State, and private facilities including, but not limited to: the Westchester Medical Center; the County Departments of Correction, Public Works and Transportation, Labs and Research and Emergency Services; The New York Medical College; and the New York State Department of Transportation. The average daily consumption rate for the District is approximately 0.75 million gallons. Consumers of District water are both County and non-County users and are billed for their water consumption and related District costs.

As your Honorable Board may further recall, Article 5-A of the New York County Law (“Article 5-A”) imposes certain legal requirements on the County before projects can move forward. One such requirement is that your Honorable Board must conclude, after holding a public hearing that the proposed action is in the public interest. In this regard, a proposed resolution authorizing legal notice for the necessary public hearing is attached hereto (“Public Hearing Resolution”), which sets a date for a public hearing and annexes a copy of the notice to be published (“Notice”), as well as directing the Clerk to publish said Notice.

Further, as your Honorable Board may recall, pursuant to Article 5-A, approval of the New York State Comptroller's Office ("State Comptroller") is required in certain instances for the issuance of bonds to finance an increase and improvement of water district facilities. Section 268.3 of Article 5-A provides, in pertinent part, that:

"Whenever it is proposed or required that the county in which a district is located shall finance an expenditure or contract for the purposes authorized in this section by the issuance of the bonds...and the cost to the typical property or, if different, the typical one or two family home...is above the average estimated cost to the typical properties

or

homes for similar types of expenditures as may be annually computed by the state comptroller, no such expenditure shall be made or contract let, unless the state comptroller, on behalf of the state, shall consent to such expenditure." (Emphasis added).

In accordance with the above-referenced section, the State Comptroller typically issues annual guidelines setting forth average estimated costs with respect to, among other things, county water districts. The guidelines designate cost thresholds for such special districts at or below which approval by the State Comptroller's Office is determined to be unnecessary. For 2026, the State Comptroller published that "there was insufficient data to calculate meaningful average estimated costs. Therefore, any type of district not listed above will be subject to applicable requirements for obtaining the State Comptroller's approval, irrespective of the cost to the typical property or home, if debt is proposed to be issued to finance the improvement." The State Comptroller's Office did not issue a 2026 cost threshold for water districts, so approval of the State Comptroller is required for WD305. A copy of the guidelines has been annexed hereto.

Your Committee is advised that in order to comply with Article 5-A, and for the purposes of the public hearing, the Department, in conjunction with the Finance Department, has calculated that the issuance of \$40,000,000 in bonds of the County for WD305 equates to an estimated annual debt payment of \$2,729,087.50. Added to the above-mentioned additional operating costs, this results in a total annual cost of \$2,849,087.50, which, if

distributed over the 259,920 taxable parcels in the County, equates to an estimated average increase in tax assessment of \$10.96 per parcel.

Further, as your Honorable Board may recall, in order to obtain the approval of the State Comptroller, State regulations require that the County submit a verified application (“Application”) in the form prescribed by 2 NYCRR Part 85 (“State Regulations”), to the Office of the State Comptroller. The State Regulations further require that your Honorable Board adopt a resolution (“State Regulations Resolution”) stating that it believes the following: the contents of the Application are accurate; that the proposed improvements are in the public interest; that said improvements will not constitute an undue burden on the property that will bear the cost thereof; and if the cost of the proposed improvements are to be assessed in whole or in part against benefited property, that all real property to be so assessed will be benefited by the proposed improvements and that no benefited property will be excluded. Should your Honorable Board, after the conclusion of the public hearing determine that the proposed increase and improvements are in the public interest, the Application and State Regulations Resolution are annexed hereto for your Honorable Board’s review and approval.

The Planning Department (“Planning”) has advised your Committee that based on its review, the actions described in this legislation have been classified as “Unlisted” under the State Environmental Quality Review Act (“SEQR”). As such, an Environmental Assessment Form (“EAF”), prepared by the Planning Department, is on file with the Clerk of the Board of Legislators. The EAF together with the attached SEQR Resolution and proposed amended Negative Declaration are provided to assist your Honorable Board in complying with SEQR. Upon review, your Committee concludes that the proposed action will not have any significant impact on the environment and recommends the adoption of the Resolution adopting the Negative Declaration. As you know, a determination of significance must be made prior to enacting the aforementioned Acts.

The Planning Department has advised that the Planning Board has previously reviewed WD305 and issued a report, and that since there is no change in the location, size or

character of the project and this is simply a change in the financing plan, no further action by the Planning Board is necessary at this time.

In order to proceed with WD305, approval of your Honorable Board is needed as follows:

1. Public Hearing Resolution – authorizing a public hearing to be held;
2. SEQR Resolution
3. Act – authorizing the County to proceed with WD305 for the benefit of the District and to implement improvements necessary, subject to an order of the State Comptroller;
4. Act - authorizing that a verified application be submitted to the State Comptroller;
5. State Regulations Resolution – as required by the State Regulations (2 NYCRR Part 85) in order to submit the verified application to the State Comptroller; and
6. Capital Budget Amendment - to amend the County’s current-year capital budget to increase the County share for WD305 by \$10,000,000; and
7. Bond Act – prepared by the law firm Norton Rose Fulbright, authorizing the issuance of up to an additional \$40,000,000 in bonds of the County to finance construction management and construction of a pumping station and transmission main or mains for the conveyance of treated water from the New York City Department of Environmental Protection’s Ultraviolet Light Disinfection Facility at Eastview in the Town of Mount Pleasant to County Water District No. 3, including ancillary or related work and incidental expenses for WD305, subject to the consent of the State Comptroller authorizing such expenditure.

Your Committee has carefully considered WD305 and based on its importance, it is recommended that your Honorable Board adopt the Public Hearing Resolution. Furthermore, in the event that your Honorable Board should, following the public hearing, conclude that the proposed actions are in the public interest, it is recommended that your Honorable Board adopt the remainder of the legislative package, noting that the Bond Act may only be enacted following adoption of the Capital Budget Amendment. It should also be noted that an affirmative vote of two-thirds of the members of your Honorable Board is required in order to amend the County's Capital Budget and to adopt the Bond Act, while a majority vote is required to adopt the remainder of the legislative package.

Dated: _____, 20____
White Plains, New York

COMMITTEE ON

c/MG/1-6-26

RESOLUTION NO. ____ – 20 ____

WHEREAS, the Westchester County Board of Supervisors, now known as the Westchester County Board of Legislators (“Board”) duly established County Water District No. 3. (“District”) in 1977 pursuant to Article 5-A of the New York State County Law (“Article 5-A”) by Act No. 63-1977; and

WHEREAS, the District is comprised of the territorial limits of the Grasslands Campus in Valhalla; and

WHEREAS, the District does not consist of any private one or two family homes. It does not include any property owned by individual private property owners, but rather it is a District wholly owned by the County. Accordingly, the typical District property is owned by the County and district improvements are not taxed to or paid for by private property owners or the “Typical One- or Two-Family Home” as defined in 2 NYCRR Section 85.2; and

WHEREAS, the Department of Environmental Facilities (“Department”) has prepared and submitted to this Honorable Board a report dated December 23, 2025, as may be amended from time to time (“District Report”), which recommends the following capital project: County Water District No. 3 – Eastview Pumping Station – WD305 (“WD305”), subject to an order issued by the Comptroller of the State of New York (“State Comptroller”) permitting the issuance of bonds of the County for such expenditure; and

WHEREAS, WD305 will provide for design, construction management, and construction for installation of the Eastview Pumping Station to provide ultraviolet (“UV”) treated drinking water to the District. The new pumping station will obtain UV treated water from the County’s Eastview Distribution Chamber which currently receives its UV treated water from the New York City Department of Environmental Protection (“DEP”) Catskill-Delaware UV Water Disinfection Facility, located in Eastview. The new pumping station will be built adjacent to the Eastview Distribution Chamber and will pump UV treated water, via a new 16-inch diameter transmission main, to the district’s water storage tank. The pumping

station will also provide disinfection and corrosion control treatment prior to the water leaving the station; and

WHEREAS, the County is currently seeking authorization of the issuance of up to \$40,000,000 in bonds of the County to finance a portion of the cost of construction management and construction of a pumping station and transmission main or mains for the conveyance of treated water from the DEP UV Light Disinfection Facility at Eastview in the Town of Mount Pleasant to the District, including ancillary or related work and incidental expenses. The Department anticipates that WD305 will involve on-going operating costs above the current operating budget for additional water treatment, power consumption, and regular equipment maintenance. The anticipated additional cost is \$120,000 annually; and

WHEREAS, the Department has advised that in order to comply with Article 5-A, and for the purposes of the public hearing, the Department, in conjunction with the Finance Department, has calculated that the issuance of \$40,000,000 in bonds of the County for the WD305 equates to an annual debt payment of \$2,729,087.50. Added to the above-mentioned additional operating costs, this results in a total annual cost of \$2,849,087.50, which, if distributed over the 259,920 taxable parcels in the County, equates to an estimated average increase in tax assessment of \$10.96 per parcel, as more fully set forth in the District Report; and

WHEREAS, in accordance with Article 5-A, this Board is required to schedule a public hearing.

NOW, THEREFORE, BE IT

RESOLVED, that a public hearing shall be held upon the proposed increase and improvement of facilities for the District, as more fully set forth in the District Report dated December 23, 2025 as may be amended from time to time; said hearing to be held in the Board of Legislators Chambers, Room 800, Michaelian Office Building, 148 Martine Avenue, White Plains, New York 10601 on the _____ day of _____, 20____ at _____ .; and be it further

RESOLVED, that the Clerk of the Board is hereby authorized and empowered take all necessary steps in furtherance hereof; and be it further

RESOLVED, that the Clerk of the Board is hereby directed to cause notice of such public hearing to be published in the official newspapers of the County of Westchester having a general circulation in the District and in the manner required by law, the first publication thereof to be not less than ten (10) or more than twenty (20) days before the date set forth above for the public hearing. Such Notice shall be substantially in the form attached hereto; and be it further

RESOLVED, that this Resolution shall take effect immediately