

2008 Budget Presentation – Department of Environmental Facilities

The mission of the Department of Environmental Facilities is to protect, preserve and conserve the water supply and the quality of watercourses within or on the borders of Westchester County and provide proper solid stream reduction and recycling, to protect the health, safety and welfare of the public. The Department is responsible for planning, operating and maintaining wastewater treatment facilities, wastewater collection systems, water filtration facilities, water distribution systems, and solid waste facilities in compliance with state and federal rules and regulators.

To achieve this mission and thereby contribute to a more sustainable society, DEF is committed to:

- Meet and where practical, exceed it's environmental, legal and regulatory requirements and other commitments;
- Prevent Pollution; and
- Continually improve.

The 2008 Budget supports the following:

- 7 Wastewater Treatment Plants; 42 Pump Stations; 13 Sanitary Sewer Districts
- 194 miles of Trunk Sewers and Force mains
- Water Districts #1 and #3
- Solid Waste Transfer Stations; Material Recovery Facility
- Treat 57 billion gallons of wastewater per year
- Supply 11 billion gallons of drinking water per year
- Dispose/Recycle 1 million Tons per year Municipal and Privately collected Solid Waste
- Recycle 950 thousand tons per year Municipally collected and Privately collected Recycled Waste

The 2008 Department of Environmental Facilities Budget consists of the Sewer Division, the Refuse Division and the Water Districts.

Sewer Division

The Sewer Division consists of two types of expenses. The first is for Capital Expenses, including debt service and debt related expenses, which are allocated directly to the District in which the expenses are incurred. The second is for operations and maintenance expenses which are now consolidated into one fund and allocated out to the 13 Sewer Districts based on the fully equalized value of each District.

One new position is requested in the Sewer Division to help to implement and maintain the various computer systems utilized by the Department. These include, but are not limited to the 7i and Scada systems utilized throughout the Department, GIS and O & M manuals used to support ISO 14001 certification for Wastewater Treatment Plants. Currently, the Department often needs to hire a consultant to provide maintenance on these and other systems. This position will enable DEF to reduce the reliance on these outside consultants. The position will also serve as a liaison between DEF and the Department of Information Technology for all technical services as needed.

The total increase in expenses in the Sewer Division is \$11.2M in 2008 as compared to 2007. The increase in Capital Expenses is \$6.4M. The majority of the increase in Capital Expenses is associated with Debt Service payments in the various Districts. This amount also includes about \$1M that in 2007 was allocated to the Consolidated Sewer District and was subsequently determined to be a Capital Expense. This was for payments such as EFC Administrative Costs (object: 4420) and Miscellaneous Budget Expenses (object: 5100).

The Consolidated Operations and Maintenance expenses in the 2008 Proposed Budget are expected to be \$4.8M higher than the 2007 Adopted Budget. This includes \$733K for the septic tank pump out reimbursement program, which will reimburse those Westchester County residents that reside in and pay taxes to a Westchester County Sewer District, but utilize septic systems. Also increasing are the cost of utilities and chemicals necessary to operate the Sewage Treatment Plants. Lastly, the expense associated with the allocation of countywide overhead costs (object: 4999 – Indirect Charges) in 2008 is \$1.9M higher than in 2007. The items listed above account for almost the majority of the increase in the Consolidated Operations and Maintenance portion of the Sewer Division

Object: 1010 – Annual Regular: The 2008 Increase in salaries is \$811K. In addition to the new position mentioned above, an amount for a possible salary adjustment due to the ongoing union contract negotiations for 2006 - 2008 has been included.

Object: 1400 – Overtime: Among other things, overtime expenses are necessary to maintain coverage during storms, to cover for vacancies and for employee absences. The 2008 Budget increase over the 2007 Adopted Budget is reflective of the actual expense being incurred in 2007 and not the budgeted expense.

Various Fringes – expenses as per Budget Office estimates for each account.

Object: 2300/2400 – Equipment: Includes items such as pumps, motors, grounds maintenance equipment, one replacement van, one replacement pickup truck, one replacement boom truck and for punch card scanning software to be used at most locations as an alternative to employees signing in and out.

Object: 3090 - Chemicals: A 15% Increase was added to the 2007 Forecast to calculate the 2008 Request. This is expected to cover the increase in costs as well as the increase in utilization - to treat any additional flows or for any new initiatives (additional odor control or to reduce the sludge volume, etc). Chemicals are used in the wastewater treatment plants primarily for disinfection of the effluent, in odor control processes and to enhance solids handling processes.

Object: 3180 – Water Service: Reflects a 15% increase in the rate charged. This matches the rate increase experienced in the Water Districts as imposed by the NYC Water Board.

Object: 3200 - Utilities: This expense is necessary for the wastewater treatment process at both the Treatment Plants and Pump Stations. The majority of the expense is for electricity, but it also includes heating fuel oil and natural gas. The percentage increase included in the 2008 Budget for utilities is as follows: electricity – 26%, fuel oil – 10%, natural gas – 10%, propane – 10%.

Object: 3240 – General Supplies: This includes any supplies necessary to operate the Treatment Plants and Pump Stations. Some examples are smaller pumps that are not included in the equipment account and any parts that are needed. The desire to perform more preventive maintenance than in the past may lead to an increase in expense in this account in the short run, but will hopefully save on more costly repairs down the road.

Object: 4110 – Travel and Meals: Like overtime, this also reflects the increase seen in the 2007 Forecast.

Object: 4200 – Repairs and Maintenance: This account is used for any repairs needed in the Department. Generally, this is used for repairs done by an outside contractor as compared to general supplies which would be used for the purchase of the supplies when the work is done “in house”. Some of these repairs can be quite large, such as the refurbishing of the rotating assembly on the centrifuges at Yonkers. A less than 1% increase is being requested over the 2007 Adopted Budget.

Object: 4280 – Insurance: As provided by Risk Management.

Object: 4310 – Non-recurring repairs: This includes a provision for the emergency repair of leaks and any other emergency work for Westchester County Wastewater Treatment Plants and Pumping Stations. The line break in North Yonkers that was ultimately charged to Capital because the expense involved was unusually large is an example of the type of unforeseen expense that would be generally be funded here. In addition, many projects that are too big for Repairs and Maintenance, but too small for the Capital Budget are budgeted in this account. Among other things, these include door and window replacement projects, bathroom repairs at the Yonkers Joint Wastewater Treatment Plant, an additional hypochlorite tank at the Peekskill Wastewater Treatment Plant and the installation of an additional means of egress from the final clarifiers at the Port Chester Wastewater Treatment Plant.

Object: 4380 – Contractual Services: most contracted expenses are charged to this account. These include maintenance contracts for generators, electric switchgear, hoists and cranes, boilers, instrumentation, and HVAC. Also included are sludge and grit removal contracts, the expense associated with digester and storage tank clean outs and a contract to work on engines at the Yonkers Plant. As mentioned above, \$733K has been included for the septic tank pump out reimbursement program in this account. The amount requested for 2008 would actually have been a decrease of over \$400K from 2007 if not for this new program.

Object: 4999 – Indirect Charges: the expense associated with the allocation of countywide overhead costs. Calculations of the expense from the Finance Department

Debt Service – expenses as per Budget Office and Finance Department

Interdepartmental Charges: expenses either provided by the respective Departments to which the charge relates or trended forward based on current/past/expected expenses.

Refuse Division

The County Refuse Disposal District consists of 3 Transfer Stations, a waste-to-energy-plant (RESCO) for Municipal Solid Waste, a recyclable materials recovery facility (MRF), an ashfill, a fleet of tractors, transfer trailers, recyclable containers and various equipment for organic yard waste processing and transport. New programs continue in the area of recycling. These include increasing the number of Household Chemical Cleanup and E-Waste Days that help to remove hazardous waste from the waste streams; increasing the number of Mobile shredder events to protect identity theft; education through tours given at the MRF and at various Schools in the County, mailings to Westchester County residents and the "Veggie Van" which runs on used frying oil. This division will continue to develop new programs to recycle materials in an effort to reduce, recycle and reuse waste and improve the quality of life in the County.

The total expense in the Refuse Division is expected to increase \$10.1M. The largest part of this increase is in the Cash to Capital account that will fund various Capital Projects – closing of cells at Sprout Brook, heavy equipment purchases and the construction of a permanent Household Materials Recovery Center. Other accounts increasing by a large percentage are postage, general supplies and overtime to meet the new and expanded programs listed above. The total tax levy for 2008 is almost \$5M lower than 2007. This is due to the appropriation of additional fund balance to cover expenses in 2008.

A total of three new positions are being requested in the Refuse District. Two positions are requested for recycling enforcement. Currently DEF has only one full time employee to ensure that all Westchester County Municipalities, Businesses and households comply with the County Source Separation Law. The additional enforcement positions would work directly with the newly established Recycling Enforcement Task Force (RETF) to ensure that the Source Separation Laws are followed. In addition, one position is requested to operate the Northern Tier Weigh Station. The site is and has been unmanned and has created significant concerns with regards to accountability and record keeping for the Municipalities that utilize that facility.

Object: 1010 – Annual Regular: The 2008 Increase in salaries is \$211K. In addition to the three new positions mentioned above, an amount for a possible salary adjustment due to the ongoing union contract negotiations for 2006 - 2008 has been included.

Object: 1400 – Overtime: In addition to the "regular" overtime necessary to provide coverage for vacancies, absences and emergencies, overtime has been incurred for the new and expanded programs in recycling. In 2008 it is expected that the Department will continue to increase the number of Household Chemical Cleanup Days, e-Waste Days, Mobile Shredder events and "Veggie Van" events. These events, when held on weekends, are generally staffed through overtime. The amount budgeted for each is as follows: Household Chemical Cleanup Days – 12 events, 12 staff members per event, estimated overtime cost \$79K; E-Waste Days - 12 events, 4 staff members per event, estimated overtime cost \$33K; "Veggie Van" events - 50 events, 1 staff member per event, estimated overtime cost \$7K; Mobile Shredder events – 52 events, 5 staff

members per event (2 staff members once the new shredder is purchased), estimated overtime cost \$66K. The Mobile Shredder expense for overtime assumes that the new shredder will be available for the last seven months of the year.

Various Fringes – expenses as per Budget Office estimates for each account.

Object: 2400 – Additional Equipment: \$300K is Budgeted for an additional mobile shredder. The existing mobile shredder has been so popular that the utilization has exceeded what was originally expected when it was purchased. Although excellent for some smaller events, such as senior centers, the capacity of this shredder has forced the Department to rent a bigger shredder for many of the larger events that are held. In addition, the smaller shredder actually requires more individuals to operate and a separate vehicle to be on site in which to store the shredded paper. The larger shredder would also allow the Department to increase the maximum number of boxes allowed per household per mobile shredder event. The larger shredder can also be used to shred outdated but confidential materials from some of the larger County Departments, including the Record Center.

Object: 3200 – Utilities: Like the Sewer Districts, the utilities in Refuse are expected to increase significantly in 2008.

Object: 3240 – General Supplies: In addition to funding the increase experienced in 2007 in this account, increases in this account are for the following purposes: \$200K for recycling bins for County facilities, \$100K for Recycling task force items - this would provide for the printing of the items that are to be mailed (post cards, fliers, "oops" stickers, etc.) as well as any other necessary supplies and \$20K for various items (recycling bins) to increase recycling in municipalities.

Object: 3700 – Postage: In 2008, it is estimated that funding will be required for three mailings to each household in Westchester for recycling items mentioned above in general supplies – “oops” stickers, post cards, fliers, etc.

Object: 4200 – Repairs and Maintenance: For all repairs at the sites in the Refuse District. Mostly these occur at the transfer stations or Sprout Brook. The increase is based on the 2006 actual and 2007 forecasted expenses.

Object: 4280 – Insurance: As provided by Risk Management.

Object: 4310 – Non-recurring repairs: \$50K to replace the concrete floor at the MRF. This will be for phase one of a three phase Project.

Object: 4320 – Rental and Taxes: Peekskill Pilot payments and transfer station rents. Expense trended forward based on 2007 payments.

Object: 4380 – Contractual Services: The expense for contractual services is expected to increase 3.9% for 2008. This includes the contract for the operation of the MRF, the hauling of MSW from transfer stations to RESCO, the handling of organics, consultant contracts for assistance with RFP's as needed, software maintenance, graphic designs and major alterations to Transfer Stations and other sites as they arise.

Object: 4420 – Technical Services: The increase in technical services is to fund any department studies that are needed. This would include preliminary work, such as

calculating estimated project costs for future Capital Projects. Also included in this account are the EFC Administrative Costs for the District.

Object: 4450 – Cash to Capital: Includes the following: \$950K for Heavy Equipment purchases Project RD013 (Haulage Vehicles Phase IV), \$2.5M to close out RD003(Sprout Brook Ash Disposal Phase 4) and \$2.1M for RD004 (Sprout Brook Cell Closure) for 2008, \$3M for the design and construction of a permanent Household Materials Recovery Center RD015 (Permanent Household Recovery Center).

Object: 4999 – Indirect Charges: the expense associated with the allocation of countywide overhead costs. Calculations of the expense from the Finance Department

Debt Service – expenses as per Budget Office and Finance Department

Interdepartmental Charges: expenses either provided by the respective Departments to which the charge relates or trended forward based on current/past/expected expenses.

Services by DEF – reflects the allocation of DEF Admin staff to the other funds in the Department.

Law Charges – Increase to show the proper distribution of law charges throughout the Department. Includes an expected increase for the RFP process underway to determine a vendor for Disposal of MSW in the County.

Water District

Water District #1 includes the Cities of Yonkers, Mount Vernon, and White Plains, the Village of Scarsdale and a small portion of New Castle. Water District #2 mostly serves the Town of Yorktown, but also includes Somers and Cortlandt. Water District # 3 serves the Valhalla Campus at Grasslands. Water District #4 was created to serve the Town/City of Rye, the Village of Port Chester and the Village of Rye Brook which are currently serviced by United Water, Westchester.

The total expense in all of the Water Districts combined is increasing \$2.2M. The majority of this increase (\$1.6M) is in the Water Service account which was increased 15.4% by the NYC Water Board in July of 2007 and is expected to increase by a similar amount in July of 2008. Other significant increases are in the Chemicals (\$179K), Equipment (\$66K), Non-recurring (\$113K) and Indirect Charges (\$120K) accounts.

