

Village of



Mamaroneck

OFFICE OF
TREASURER

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August 8, 2025

To: Mayor and Board
Kathleen Gill, Village Manager
Dennis Delborgo, Asst. Village Manager

From: Laura Vasami, Treasurer

Re: Water rate increase

On March 10th David Birdsall from Westchester Joint Water Works gave a presentation to the Board of Trustees noting the need for an additional water rate increase of 15% – 20%. The main driver of this increase being the upcoming debt service cost related to the \$205 million water filtration plant.

Factors determining the requested water rate increase:

- Debt service related to the \$205m water filtration plant construction at Rye Lake (the cost of which will be offset by a \$30 million EFC grant).
- Debt service for related water system capital projects
- Increasing operational costs driven by regulatory requirements, technology upgrades and continuing supply chain driven costs
- Increasing NYC upstate water rates
- To maintain the Water Fund surplus (fund balance) for contingencies

The debt service related to the filtration plant will consist of VOM share of the \$145 million EFC loan, related fees, and any unfunded project related expenses.

Estimated Annual Water Fund Debt Service costs:

Current Water Fund Debt Service	\$ 1,253,379
EFC 30Yr Loan @ 2.8%	\$ 2,000,000
BAN/Bond (30 Yr) @4%	<u>\$ 600,000</u>
Estimated Annual Debt Service	<u>\$ 3,853,379</u>

As of 5/31/2025, the Water Fund has an approximate fund balance of \$3 million. The proposed rate increase will help to maintain a healthy fund balance to be used for contingencies and to offset the need for bonding of future water fund projects.

I agree with Mr. Birdsall that a rate increase of 20% is needed at this time to support the ongoing improvements to the water system infrastructure in the Village. By using short-term financing and spreading the debt issuance over the course of the project term, the 20% increase should be sufficient to cover the Water Fund expenses. In August 2030, Bond Series 2019 will fully mature and reduce the Water Fund debt service payment by \$300k.

I continue to work with our bond council to determine the best method of funding these costs, either by long- or short-term funding or the use of fund balance. The funding or a portion thereof will begin toward the end of this calendar year.

VILLAGE OF MAMARONECK

WJWW ESTIMATED 5-YR CAPITAL PROJECT COSTS

PROJECT DESCRIPTION		TOTAL PROJECT COST (WJWW)	VOM SHARE %	VOM SHARE \$
<u>FILTRATION PLANT & CONSENT AGREEMENT PROJECTS</u>				
H21.8340.0360.0001	A-1364 RYE LAKE FILTRATION FACILITY	205,000,000.00	27.70%	56,785,000.00
H25.8340.0360.0004	SUPPLEMENTAL ENVIRONMENTAL PROJECT (KENSICO RESERVOIR)	1,200,000.00	27.70%	332,400.00
H25.8340.0360.0003	LEAD SERVICE LINE REPLACEMENT	5,700,000.00	27.70%	1,578,900.00
H25.8340.0360.0001	A-1398 WJWW QUARRY HEIGHTS	1,100,000.00	27.70%	304,700.00
TOTAL FILTRATION & CONSENT AGREEMENT PROJECTS		<u>213,000,000.00</u>		<u>59,001,000.00</u>
<u>FEES ASSOCIATED WITH EFC LOAN</u>				
DIRECT EXPENSE FEE	ONE-TIME FRONT-END FEE OF 1% OF PRINCIPAL (\$145 MILLION)	1,450,000.00	27.70%	401,650.00
ADMINISTRATIVE FEE	ONE-TIME FRONT-END FEE OF 1.1%	1,595,000.00	27.70%	441,815.00
BOND ISSUANCE FEE	ONE-TIME FRONT-END OF .84%	1,218,000.00	27.70%	337,386.00
ANNUAL ADMIN FEE	11% OF PRINCIPAL - ANNUAL VOM SHARE AVG \$29.4K YR	3,185,000.00	27.70%	882,245.00
TOTAL EFC LOAN FEES		<u>7,448,000.00</u>		<u>2,063,096.00</u>
TOTAL FILTRATION PLANT PROJECTS & LOAN FEES		<u>220,448,000.00</u>	0.28	<u>61,064,096.00</u>
<u>EFC GRANT & LONG TERM LOAN FUNDING FOR FILTRATION PLANT</u>				
NYS IMG GRANT - FILTRATION PLANT CONSTRUCTION		(30,000,000.00)	27.70%	(8,310,000.00)
NYS EFC LONG-TERM LOAN - FILTRATION PLANT CONSTRUCTION		<u>(145,000,000.00)</u>	27.70%	<u>(40,165,000.00)</u>
TOTAL EFC GRANT & LOAN - FILTRATION PLANT		<u>(175,000,000.00)</u>	27.70%	<u>(48,475,000.00)</u>
REMAINING BALANCE TO FUND - BOND OR FUND BALANCE		<u>45,448,000.00</u>		<u>12,589,096.00</u>
<u>WJWW OPEN & 5-YEAR CAPITAL PROJECTS - VOM SHARE</u>				
H23.8340.0360.0006	A-1386 WJWW RYE LAKE TURBIDITY CURTAIN & BOOM REPAIR			259,200.00
H24.8340.0360.0001	A-1384 ACORN LANE NEW RO			81,600.00
H24.8340.0360.0002	A-1400 WAVERLY AVE WATER MAIN			104,720.00
H24.8340.0360.0004	A-1397 PARK LN WATER STORAGE TANK #2			707,200.00
H24.8340.0360.0005	A-1403 KENNEL BOOSTER MODIFICATIONS			44,640.00
H25.8340.0360.0002	A-1405 WJWW KENILWORTH PUMP STATION PHASE 3			55,800.00
EST 5-YEAR CAPITAL	WINGED FOOT TANK ACCESS			139,500.00
EST 5-YEAR CAPITAL	JOINT SYSTEM PROJECTS EMERGENCY / CONTINGENCY - VOM SHARE			2,492,000.00
EST 5-YEAR CAPITAL	LOCAL PAVING RELATED - VOM SHARE			815,000.00
EST 5-YEAR CAPITAL	LOCAL SYSTEM PROJECTS WATER MAIN REPLACEMENTS - VOM SHARE			<u>8,225,000.00</u>
TOTAL OPEN & 5-YEAR CAPITAL WJWW PROJECTS				<u>12,924,660.00</u>
TOTAL OPEN & 5-YEAR CAPITAL INCLUDING LOAN FEES				<u>25,513,756.00</u>