

LONG ISLAND

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\$76M cost cited for water deal

BY DAVID M. SCHWARTZ
david.schwartz@newsday.com

A nearly \$30 million fund for open space and clean water projects plus short term borrowing to balance the budget that is being proposed by Suffolk County Executive Steve Bellone's administration will eventually cost \$76.3 million with interest payments, according to a legislative budget report.

The report warns the county also will struggle to repay a sewer stabilization fund that the county can borrow against through 2017.

Both measures are part of a proposed settlement of a dispute over the use of drinking water protection money.

"The dilemma facing the county is that this legislation seeks to fund land acquisition, water quality and sewer initiatives with funding from future general fund budgets; however, such funding is not likely to be available for some time to come, if at all," according to the June 20 memo prepared by Robert Lipp, director of the Budget Review Office. "We are hard pressed to come up with a scenario of how we will be able to make payments between 2018 and 2029."

The agreement still needs to be approved by the Suffolk County Legislature and then by voters in November. The

cost of the \$30 million fund will rise to \$43.5 million with debt repayment, plus \$32.8 million the Bellone administration has budgeted to borrow this year.

The nonpartisan Budget Review Office estimates the county would borrow a total of \$92.8 million for the next four years against the sewer rate stabilization fund to help balance its operating budget. All borrowing would be repaid between 2018 and 2029 and would be interest-free. The county has a projected \$170.3 million deficit through 2015.

Environmentalists and the Bellone administration said the deal represents the best resolution to the dispute over the county's diversion of sales tax money raised from a voter-approved one-quarter percent drinking water protection program.

Jon Schneider, deputy county executive, said the deal reinforces the county's commitment to repay money borrowed from the drinking water fund. Borrowing against the sewer fund — interest free — through 2017 is the cheapest source of money, as the county continues to find further efficiencies and waits for new revenue, such as from video lottery terminals.

Richard Amper, executive director of the Long Island Pine Barrens Society, said "It's a good deal, economically and environmentally."