

**Testimony of Carter H. Strickland, Jr.
Commissioner, New York City Department of Environmental Protection**

**Before the
New York City Council Committee on Environmental Protection
Concerning the
FY 2013 Preliminary Budget**

**Tuesday, March 27, 2012
250 Broadway, 1:30 p.m.**

Good afternoon Chairman Gennaro and Members. I am Carter Strickland, Commissioner of the New York City Department of Environmental Protection (DEP). I am joined today by Steven Lawitts, DEP's Chief Financial Officer, Joseph Murin, DEP's Assistant Commissioner for Budget, and other senior managers. Thank you for the opportunity to testify on the Fiscal Year 2013 Preliminary Budget.

Last year, DEP released *Strategy 2011-14*, a strategic plan organized around DEP's four core functions: Customer Service; Water Supply and Wastewater Treatment; Capital Projects; and Sustainability. By focusing on these four core functions, we will keep water and sewer service affordable and provide real value for the money that we collect and invest in infrastructure. The Strategy has kept us focused on the long-term mission of the organization during a year in which we had to contend with a hurricane, a tropical storm, a fire, and a major water main break in addition to our standard operating concerns. On March 15th, we released an update that shows remarkable progress toward achieving the goals of this ambitious plan. In the first year alone, we've saved customers \$10 million through Leak Notification, secured a ban on hydraulic fracturing in the watershed, opened three of our upstate reservoirs to recreational boating, and signed a draft modified consent agreement with the New York State Department of Environmental Conservation on the *NYC Green Infrastructure Plan*.

Making sure our budget expenditures are creating significant value – in proportion to expenditures – has been a constant goal of the Bloomberg Administration. Many of our capital costs, and therefore our long-term debt service, have been linked with unfunded state and federal

mandates. We have taken a close look to make sure that future mandates will provide real benefits for the public. Where mandates do not make sense, we have argued strongly for reform and *against* projects like a 90-acre concrete cover over the Hillview Reservoir that would impose enormous capital costs for essentially no public benefit. And we have argued strongly *for* alternative approaches like the *NYC Green Infrastructure Plan* that can help us reduce combined sewer overflows (CSOs) at a lower cost while also providing the collateral benefits that come from a greener landscape.

New York City is not the only municipality challenging its regulators on the value of various environmental mandates. And to their credit regulators are responding. Two weeks ago we announced an agreement with the New York State Department of Environmental Conservation (DEC) to modify an existing consent order in a way that will save DEP's ratepayers billions of dollars and will make our city greener and more sustainable by relying upon next generation tree pits and other green infrastructure to reduce pollution. The U.S. Environmental Protection Agency (EPA) has adopted a regulatory review plan to look at the Hillview cover and other mandates, thanks to DEP's work. More recently, EPA has proposed an "integrated planning framework" in response to national concerns about potentially overlapping requirements pertaining to CSOs and stormwater discharges and other Clean Water Act obligations. The goal of integrated planning is to help municipalities prioritize and sequence their water quality programs so they get the most cost-effective results. We all know that if everything is called a priority, then nothing can be treated as a priority.

For example, on the wastewater side of our business, DEP has a multi-billion dollar program to address mandates for CSOs and treatment plant upgrades. At the same time, DEP must launch programs to address stormwater discharges from our separated sewer system, and nutrient loadings from our wastewater treatment plants, while planning for potential new requirements concerning total residual chlorine. Meanwhile, there are still New Yorkers who lack sanitary sewers and even more who lack storm sewers. Completing the full build-out of the storm and sanitary sewer system is an important priority for the City of New York, but we have had to defer many projects until mandated work on treatment facilities is complete. I am hopeful that more collaboration between federal and state regulators and municipal agencies will help

DEP maintain an affordable rate structure while investing in infrastructure that will produce the greatest benefits.

In planning documents such as *PlaNYC 2030*, the *NYC Green Infrastructure Plan*, and DEP's *Strategy 2011-2014* the Bloomberg Administration has taken on the challenge of prioritizing investments, articulating goals, and identifying ways to measure progress toward them. And we are providing results that are reflected in improved performance metrics. For example, hydrant repair backlogs and repair times are one of our critical performance indicators. In the first six months of this fiscal year we have seen a 29.7% reduction in the backlog of hydrant repairs; and a 25% reduction in the amount of time it take us to repair or replace a high-priority hydrant. We accomplished this through the creation of our H2Ostat program, which drives accountability for performance throughout the organization.

Preliminary FY 2013 Expense Budget

The projected expense budget for the current fiscal year, FY12, is \$1.064 billion. For FY13, we expect it to be \$1.02 billion. That number does not yet include a targeted 4% reduction over the FY12 baseline expenses, which will enable us to partially offset new needs, most significantly initiating staffing and operations at the Croton Filtration Plant and the Catskill/ Delaware Ultraviolet (UV) Treatment Plant, which are nearly complete. Both facilities will impose significant new costs on the expense side, for personnel services, chemicals, and energy. At the UV facility, we are now in the final stages of comparing the relative costs of operating the plant with City workers versus a private workforce.

The expense budget breaks down into the following large categories.

- The Preliminary FY 2013 budget projects \$456 million in personnel services (exclusive of fringe) to pay the salaries for our nearly 6,000 employees.
- Taxes on upstate watershed lands make up the next largest category, accounting for \$144 million or nearly 14% of the expense budget. Our upstate land holdings are

critical to protecting our drinking water quality, and the alternative – a multi-billion dollar filtration plant – would be much more costly.

- Heat, light and power – DEP's energy costs – account for over \$103 million or 10% of the FY13 expense budget. As we bring new facilities online to meet additional mandates, our power bill will rise unless we start taking aggressive steps now to become more efficient. For example, at Wards Island we are working with the New York Power Authority to replace aging centrifuges with more energy- and cost-efficient ones.
- Land-based sludge management of 1,200 tons per day is projected to cost about \$50 million in FY13, or about 5% of our projected FY13 expenses. Last December, we were able to select a new vendor, WeCareOrganics, to provide beneficial treatment of our sludge at approximately half the price of NYOFCO, the previous vendor, whose contract dates to the early 1990s. WeCareOrganics will transport up to 400 tons of sludge per day to its processing site in rural Pennsylvania where it will be treated with lime and used for either composting or mine reclamation. The rest of our sludge is used either for landfilling or land application.

I also want to note that we have initiated Operational Excellence, or OpX, which builds on *Strategy 2011-2014*, to continue to transform and improve service delivery while increasing productivity and efficiency. We anticipate that this will help constrain future operating budgets. Already we have implemented over \$4.8 million in savings initiatives. These initiatives – driven by many ideas from our front-line employees – include renegotiating contracts, changes to chemical dosing, and improvements to the wastewater treatment process.

Preliminary FY2013-FY2016 Four-Year Capital Plan

The Four-Year Capital Plan projects capital spending of \$6.1 billion between fiscal years 2013 and 2016. Eighty percent of that spending will be on projects that DEP has determined are a priority for the water and wastewater system, rather than unfunded projects mandated by the

federal government. For the first time in a decade, DEP is in control of the vast majority of its capital investment plan, and that means we can make sure that scarce public dollars go to projects that are truly needed to provide water and sewer service to 8.4 million New Yorkers. The reduction in mandated spending on current projects is attributable to the fact that we are nearing completion on several large capital projects, including the Newtown Creek wastewater treatment plant and the Croton and Cat-Del drinking water treatment plants.

- As most of the costs required to bring Newtown Creek up to full secondary treatment have already been incurred, in FY13-16 we are only projecting an additional \$39 million in spending. Mostly recently, we finished construction of a battery of tanks at Newtown Creek that will allow us to boost wet weather capacity by an additional 80 million gallons, thereby reducing CSOs. The upgrade of the plant will be completed in 2014.
- The Cat-Del UV plant provides an additional disinfection barrier for Cat-Del water, which is currently treated with chlorine before entering the in-City distribution system. We expect the plant to be operational in 2012, with a final, total construction cost of \$1.6 billion.
- The Croton filtration plant will be operational in 2013. It will enable us to supply nearly 300 million gallons of filtered water per day from the Croton watershed. Although the Croton system has been offline for the last few years, it will be of critical importance during the Delaware Aqueduct repair and as DEP manages turbidity and availability in the Cat-Del system.

One of our most important projects is City Tunnel No. 3. Although the Manhattan leg and the Manhattan shafts for City Tunnel No. 3 have been completed, we are budgeting \$324 million in FY13-16, largely to complete construction of the water mains that are connecting the shafts to the existing distribution system. Those water main projects are funded by DEP and are being designed and carried out by DDC under DEP oversight, as is the case with much of our water main and sewer work. By late 2013, DDC will complete those water mains critical to activating the Manhattan leg and we can start using that section of Tunnel 3, enabling us to

provide much-needed redundancy to City Water Tunnel No. 1, which has been in service since 1917.

The Four-Year Plan continues funding for one of the most complicated challenges to the long-term reliability of the City's water supply: the leaks in the Rondout-West Branch Tunnel section of the Delaware Aqueduct. This project includes several components, each of which is a significant project on its own: building a new tunnel to bypass one section of the Aqueduct; rehabilitating other sections of the Aqueduct; and providing for the supplemental sources necessary to accomplish the bypass and the rehabilitation. The FY13-16 budget for the project as a whole – which we call “Water for the Future” – is \$1.3 billion. We are on track to break ground on shafts for the bypass tunnel in 2013. When the Rondout-West Branch Tunnel is offline, the City will need to reduce its consumption and may need to supplement its sources with some combination of Queens wells, Nassau wells, and surface water from New Jersey suppliers. In the Four-Year Plan we are showing \$658 million for costs relating to these supplemental sources.

The Four-Year Plan also provides \$80 million for the purchase of sensitive lands in the Catskill-Delaware watershed. To date, the City or its conservation partners own or control 124,000 acres. Staff from DEP, State Department of Health, and EPA are already in discussions about another renewal of our Filtration Avoidance Determination and I look forward to a longer discussion of that topic in the future.

On the wastewater side, our CSO funding can be divided into both “grey” and “green” categories. In the Preliminary Four-Year Plan, the CSO-grey category is funded at \$458 million, CSO-green at \$187 million (that number includes FY12 spending on the green infrastructure projects underway).

We are also spending between \$50 and \$60 million per year to do hundreds of what we refer to as “state-of-good-repair” projects within our wastewater system. For budget purposes, we don't categorize these “good repair” projects as CSO-related, but many of the projects involve fixing structures or devices that will lead to more flow going more consistently to our

treatment plants in wet weather. These good repair projects tend to be the kind of small but numerous tasks that were postponed because we could not do them in-house and taken individually, the tasks were too small to bid out. However, we found that we could devise a general scope of work for these smaller tasks and bid them out as “job-order contracts” or “JOCs.” The JOCs provided us with the right contracting mechanism to help us better maintain our system.

For the purposes of the budget, the “grey CSO” projects include modifications within the collections system such as bending weirs, parallel sewers, high level sewer separation, wet weather stabilization upgrade at 26W; as well some dredging to mitigate the past-effects of years of discharges from outfalls near the Flushing Marina.

On the green side, FY13 begins a period of area-wide implementation of green infrastructure projects that we are very excited about. The Office of Green Infrastructure has already been on the ground meeting with residents, civic groups and elected officials in areas where the first wave of projects will be built. We are initially targeting water bodies such as Flushing Bay, the Gowanus Canal, Newtown Creek, Bronx River, Hutchinson River, and Jamaica Bay. As we ramp up the green infrastructure program, we expect that you and your constituents will see even more of our team and our agency partners, including the Department of Parks and Recreation, DDC, and the Department of Transportation, as we build out bioswales. These are essentially street tree pits designed to capture curb runoff during rain storms. They will not only manage stormwater, but also provide urban greening, improve air quality, and help mitigate urban heat island effect. We are also working with schools, NYCHA, and other agencies to retrofit city-owned building in these priority areas with green roofs and rain gardens.

The Preliminary Four-Year Plan shows \$790 million in FY13-16 for investments in the sewer system. Because Queens and Staten Island are the two boroughs with the greatest need, those two boroughs account for most of the spending on drainage projects.

In Queens, the Preliminary Four-Year Plan includes \$899 million of spending for FY13-16. Significant projects include: \$50 million for dredging Flushing Bay; \$100 million for rehabilitating wells in the former Jamaica Water service area; \$71 million for regulators in Queens; \$56 million for main sewage pump work at the Bowery Bay wastewater treatment plant, and \$179 million for sewers. Sixty-four million dollars is just for sewers in southeast Queens; and \$22 million of that is for high-level storm sewers in southeast Queens.

In Staten Island, the Preliminary Four-Year Plan projects \$333 million in capital spending, \$232 million of which is for sewers. We are in the middle of the construction of a new, \$250 million water tunnel (or “siphon”), which is funded with \$125 million from DEP and the remaining from the Port Authority. This project will provide critical redundancy in Staten Island’s water supply. We are continuing the \$248 million remediation of the closed Brookfield Avenue Landfill, a joint City and State-funded project. We are also continuing to build-out the Staten Island Bluebelt, the award winning, ecologically sound, and cost-effective plan for stormwater management for approximately one-third of Staten Island. For FY13-16, DEP budgeted \$70 million for obtaining more lands for the mid-Island Bluebelts.

In the Bronx, the Preliminary Budget projects \$276 million of capital spending in FY13-16, including \$50 million for the installation of centrifuges at Hunts Point wastewater treatment plant, \$30 million for the reconstruction of the Throgs Neck Pump Station, and \$58 million for upgrade of various water main projects.

In Manhattan, the Preliminary Budget projects \$513 million in capital spending, including \$269 million to complete ten shaft connections to City Water Tunnel No. 3, as well as the water mains that will connect those shafts to the existing Manhattan water distribution system. This work is critical to turning on the Manhattan leg of City Water Tunnel No. 3 by 2013. In addition, \$50 million is provided for the installation of new centrifuges at Wards Island wastewater treatment plant.

In Brooklyn, the Preliminary Budget includes \$541 million of commitments in FY13-16, of which \$73 million is for sewer and water main work in the Coney Island area. In addition,

\$122 million is budgeted for work at the 26th Ward plant, plus \$50 million for new centrifuges at 26th Ward.

Our investments in the automated meter reading (AMR) system have tapered off as we approach substantial completion of the program. As of March 25, 2012, we have installed 796,978 remote-read devices, and replaced 426,328 meters. AMR has allowed DEP to reduce the number of estimated bills by over 50% since 2009 and provided more accurate billing and consumption information on a near real-time basis. Over 155,000 customers have taken advantage of this information with our new online tool, which allows them to manage their water use and customer accounts more effectively. For some customers whose older meters were not accurately measuring consumption, the new meters have resulted in higher bills. Many customers, however, have signed up for our Leak Notification Program, and we estimate that early detection and correction of leaks has saved our customers \$10 million. We will continue to invest in new meters for large customers. We project to spend \$100 million between FY13-16 on the larger meters that allow us accurately track consumption on our largest customers. The Four-Year Plan also shows \$60 million for a voucher program to incentivize replacement of inefficient toilets.

Earlier in the statement we noted that in the FY13-16 Preliminary Four-Year Plan we are projecting that mandated investments will only account for 20% of our spending, as opposed to the FY02-11 period when 70% of our spending was for mandated programs, a fact reflected in capital budgets and the water rate increases required to fund them, and continuing debt service. The reduction of mandates is welcome news but the current situation could change if we do not critically assess any new obligation, especially capital-intensive ones, that may be suggested or demanded by our regulators. We cannot return to a period when our capital budgets do not reflect the priorities of New Yorkers.

At the moment DEP is concerned that EPA is considering a complete cessation of CSOs into the Gowanus Canal as part of the Superfund cleanup, even though the site was put on the National Priorities List because of contaminated sediment from historic industrial processes unconnected to the sewer system. Under the Clean Water Act and the CSO program

administered by the State, DEP has considered whether CSOs could be reduced to near zero and concluded that it would be infeasible and that tanks or tunnels could cost billions without a substantial increase in water quality. Needless to say, a billion-dollar construction project in this area of Brooklyn would also create daunting traffic and construction-related impacts for well over a decade. Accordingly, DEP selected our current \$136 million Gowanus Facilities Plan, which will reduce CSOs by 34% plus another 10% from High-Level Storm Sewers and green infrastructure. We are in active discussions with the EPA right now, and strongly disagree with the position that an enormous City-funded construction project is a necessary prerequisite to an EPA-led Superfund cleanup.

In summary, DEP continues to work hard to provide the very best water and sewer services to the people of the City of New York as we continue to find ways to cut expenses and streamline operations. I also want to take this opportunity to thank the Speaker and the members of the City Council for your support, especially with regard to lien sale reauthorization, which allows DEP to ensure that those who can afford to pay do without shifting the burden onto those who do pay.

That completes my prepared statement. I look forward to answering any questions that you have.

**Testimony of Gene DeMartino
Vice President of Local 376, District Council 37
NYC Construction Laborers, Highway Repairers
and Watershed Maintainers
March 27, 2012**

Good afternoon Chairman Gennaro and members of the New York City Council Committee on Environmental Protection. My name is Gene DeMartino and I'm the President of Local 376, District Council 37. I want to thank the members of the City Council for allowing me to speak today about DEP's proposal to privatize the new Ultra Violet Filtration Plant in Croton.

My Local, along with DC 37, believes it would be a serious mistake for the City to allow a private contractor to take over operations of the UV Plant. If that were to happen, it would put our City's water supply at risk. My Local represents Watershed Maintainers who work in the upstate watershed, which includes the 18 Maintainers who are currently being trained to operate the new UV Plant, and I can guarantee you that a private contractor cannot and will not provide the same level of quality and safety that my members currently provide.

If a private contractor takes over operations of the UV plant, the contractor will inevitably cut corners in order to make a profit. There will be less oversight inside the Plant and fewer repairs done on the equipment, which will ultimately put the safety and quality of the City's drinking water at risk.

In contrast, Watershed Maintainers are public servants who are dedicated to doing the job and doing it right. If something needs to be repaired or replaced, my

members don't worry about whether or not the cost will cut into their profit; they do what's right to protect the interest of the public. A private contractor worried about their profits will not do the same.

Another safety concern that privatizing the plant would create is to allow employees with questionable backgrounds to be hired to work inside this crucial facility. City workers are subjected to thorough background checks before they are hired, which helps ensure that no one with a criminal background comes to work for the City. The same will not be true if a private contractor is given control of the operations. Given the importance of the City's water supply, we cannot take the risk of having questionable employees in control of our water supply.

Lastly, there is no guarantee that the City will save money by privatizing the UV Plant. In fact, it will likely cost the City more money over the long term. You can be sure that once a private contractor has control of the operations, they will begin charging the City more and more for the services. This happens time and again when the City contracts out services to private contractors, with the City Time scandal being the most recent and well-known example. I therefore ask the City Council not repeat this same mistake with regards to the UV Plant.

In closing, I want to urge the City Council to reject any attempts by DEP to privatize the new UV Filtration Plant. Privatizing the Plant will put our water supply at risk and will not save the City any money.

Thank you very much for your time.

**Testimony delivered on behalf of Lillian Roberts
Executive Director, District Council 37
Before the
Environmental Protection Committee
of the New York City Council
March 27, 2012**

Good Afternoon. My name is Henry A. Garrido. I am the Associate Director of District Council 37. I would like to thank the members of the City Council for allowing me to testify today.

Today we are here to speak about the proposed privatization of the Ultra Violet Filtration Plant in the Catskills, NY. District Council 37 was notified by the Commissioner of Labor Relations, James Hanley, of the potential privatization of the UV plant pursuant to new provisions of Local Law 35 in early March, 2012. All cost analysis related to the privatization of the plant were performed by the City pursuant to the law. However, it's clear that the proposed privatization of the UV plant needs to be examined by the City Council beyond the cost of maintaining the facilities. The City Council should review the proposal for its implication to public safety and the ability to deliver quality product to New York City consumers.

DC 37 opposes the contracting out of maintaining the water treatment in this facility because:

1. It compromises the security and the integrity of our water system.
2. It fails to save the city money
3. It puts the water supply at risk.
4. It allows a private company to potentially hold the City hostage to private for-profit providers who will concentrate more on their bottom line and less in quality control.
5. It undermines New York's Civil Service and Merit system.

Over the past century the water supply system in New York City has been considered one of the best in the world. But the actions of the Department of Environmental Protection are putting that reputation, as well as our supply of drinking water, at risk. Right now the Department of Environmental Protection (DEP) is training employees, many of them our members, to operate this state of the art facility. DEP should continue using the same employees, many who volunteer to work at this plant, to provide filtration services for the billions of gallons of water used by eight million residents of New York City.

Let's step back and look at a little history. During both World Wars soldiers were posted at all reservoirs and at important points along the aqueduct to prevent sabotage. Since 9/11 DEP has trained

and deployed hundreds of security personnel to guarantee the safety of the water system. But when it comes to the major component of the entire water system DEP is contemplating using a private company. It was pointed out in one of our white papers that over 500 employees of private contractors have been brought up on charges. But DEP is willing to entrust a vital water supply filtration system to a private company in light of a miserable track record the City has with managing contractors. Let's look at an example of a contract similar to what is being proposed by DEP for the UV plant. The City contract with Sverdrup Corporation to manage and operate the Flushing Combine Sewer Overflow facility shows how these private interests operate. A two year contract to Sverdrup was signed by the City under the premise that the facility needed to have the final kinks worked out and to have the operation up and running before handing it over to City employees. What happened over the two years was a mismanagement of the facility with no regard to safety standards and little maintenance performed leaving a multimillion facility run down and in need of immediate repair. Failure of this facility would have resulted in sewage runoff being dumped into Long Island Sound. Failure of the Catskill UV Filtration Plant would at a minimum leave the water supply at risk for pollutants and bacteria. At worst it would have endangered the water supply to the City. And now DEP is contemplating letting our drinking water be controlled by a yet to be named unknown contractor.

What most contractors do when taking over a facility like the Ultra Violet Filtration in the Catskills is to cut back on maintenance, allowing major capital components to wear out much sooner. The contractor is never liable for replacing major components, the City is on the hook for those costs. So whatever savings projected, and we believe no saving can be realized through this scheme, is wasted by having the City replace worn out parts. This is not a good business practice, especially when it happens at a facility involving something as important as clean drinking water.

Other jurisdictions entrusting the water supply to private operators have had bad outcomes. United Water Works was put in charge of the water supply for five New Jersey counties. In 2008, a job action by United Water Works employees threatened to shut down the water system. Unlike City employees, private contractor's employees do not fall under the Taylor Law restricting employees from striking. The main reason the Taylor Law was put in place was to avoid any interruptions of services that would endanger the health and welfare of the residents of the City. But DEP is willing to bypass this important protection that New York City has garnered for itself in order to hire a private contractor. The whole action puts the City at risk to blackmail by either private company or by the company's employees. In either scenario the citizens of New York City lose.

The final set of reasons against privatizing any services of the City holds true in this case, and in almost any other situation, that a private contractor is being put in charge of public services. The lack of vetting of employees, including federal background checks and monitoring of any future criminal activity would allow questionable workers at facilities that are crucial to the City. It has been shown

that many contractors have had corrupt employees or corrupt subcontractors. Lawsuits based on actions of these corrupt contractors leave the City on the hook for some if not all of the costs attributed to litigation. Contractors tend to provide shoddy repairs, less oversight and leave facilities in poor condition. And since contractors are required to pay prevailing wages with health benefits, and retirement costs and all contractors are allowed a 15% to 20% profit margin, the proposed savings are really a fiction pushed by DEP. In both the short and long run privatization efforts have demonstrated higher costs with more risk to both the facilities they operate and to the public they serve.

DC 37 along with Local 375, Local 376, and Local 1322 believe that letting this contract to privatize a vital service such as water filtration is a bad policy for the City. It will cost more in the short and long haul. It takes accountability out of the hands of our elected officials and gives it to private contractors who only care about the bottom line. It prevents the City from having control over the essential services putting all New York City residents at risk. Please reject this RFP and start putting the people of New York City first over the profit driven motives of private contractors who will, in the end, cost the City more and deliver less.

Testimony of Al Ambrosino
Vice President of Local 1322, District Council 37
NYC Department of Environmental
Protection Supervisory Employees
March 27, 2012

Good afternoon Chairman Gennaro and members of the New York City Council Committee on Environmental Protection. My name is Al Ambrosino and I'm the Vice President of Local 1322 at District Council 37. We represent Supervisors in DEP, both upstate and downstate. I want to thank the members of the City Council for allowing me to speak today about DEP's proposal to privatize the new Catskill-Delaware ultraviolet disinfection facility

I'm here today to express my Local's opposition to DEP's plan to privatize the Catskill-Delaware ultraviolet disinfection facility. Privatizing this plant would be an absolute mistake and I urge the City Council to stop it from happening.

If the operations of the UV Plant were turned over to a private contractor, typically the "lowest bidder", we all know what will happen. The private contractor will cut back on staffing, replace worn down equipment less often, and scale back on maintenance and repairs. They will do this because that is how they will make the contract profitable. But these cut backs will in the end jeopardize the safety and quality of the City's drinking water supply. For that reason alone, this proposal should be rejected.

But even if the private contractor did not cut back on staffing, maintenance and repair, the City would still be better off having City workers do the job. As I said before, my Local represents Supervisors of Watershed Maintenance, and I can tell you, the primary concern of these Supervisors and other City employees is to make sure the water that flows downstream to the City is clean, safe, and drinkable. The interest of the public is their foremost concern.

If you have any doubts about that, I ask you to look no further than the incredible job that my members and other DEP employees did during Hurricane Irene and its aftermath. DEP employees worked day and night during that emergency to ensure that the City's water supply was protected.

In contrast, I can assure you that a private contractor and private employees will not have the same level of public concern. Their primary concern will be to make a profit. That might be fine in most areas of the economy, but when it comes to the City's water supply, that kind of motivation will put our water at risk.

The last point I'd like to make is that our Local does not believe that this proposal will result in any cost savings for the City. I'm sure there will be many private contractors who say they can do the work for less, but once they get their foot in the door, they will inevitably begin to charge the City and the public more and more to increase their profits.

In closing, I want to urge the City Council to reject the proposal by DEP to privatize the Catskill-Delaware ultraviolet disinfection facility. We should not entrust our water supply to a private contractor who will end up providing dangerously lower quality at much higher costs. Thank you very much for your time.

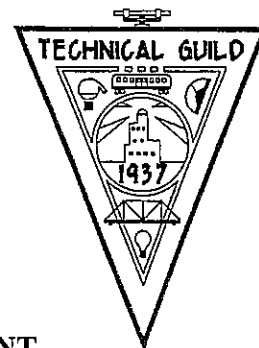
Civil Service Technical Guild

LOCAL 375, DC 37, AFSCME, AFL-CIO

125 Barclay Street, 6th Fl., New York, NY 10007-2179

Telephone: (212) 815-1375

Fax: (212) 815-7533



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TESTIMONY OF BEHROUZ FATHI, PRESIDENT CIVIL SERVICE TECHNICAL GUILD LOCAL 375, DC 37, AFSCME, AFL-CIO

TO THE COMMITTEE ON ENVIRONMENTAL PROTECTION OF THE COUNCIL OF THE CITY OF NEW YORK

Tuesday March 27, 2012

Good Afternoon. My name is Behrouz Fathi, and I am President of Local 375 of District Council 37, the Civil Service Technical Guild. I would like to thank Chairman James F. Gennaro for this opportunity to testify about the Department of Environmental Protection plan to contract with a private corporation for the operation, management, and maintenance of the Catskill-Delaware Ultraviolet Light Disinfection Facility.

Civil Service Technical Guild, Local 375, DC 37, AFSCME, representing 7,000 Engineers, Architects, Scientists, and other technical professions strongly and urgently request a reversal of this extremely ill-advised, irresponsible and reckless course of action, which places the health, safety, welfare and finances of the people of New York at risk.

The New York City Department of Environmental Protection has issued a solicitation for private companies to operate and maintain the Catskill-Delaware Ultraviolet Light Disinfection Facility.

The plant is the largest of its kind in the world which cost more than \$1.6 Billion. The plant's capacity will be over two million gallons per day and will supply drinking water to more than 9 million residents each day. Presently, the water is disinfected with chlorine, and to meet the federal requirement this plant will provide a secondary level of UV disinfection.

We believe the risks associated with privatizing represent a serious threat to the health and safety of the City's water supply. DEP already has many civil servants who are tested, experienced, and capable of operating, maintaining, and managing this type of facility.

The privatization of the UV Plant will result in the displacement of city employees. The employees at DEP are experienced in monitoring requirements and reporting of water quality and they are experienced with flow control operations of the plant. Right now, experienced civil servants are in charge of oversight and responsibility for management, operation, and maintenance of the water system. There is no reason to change who operates these facilities when our members have proven dependable and reliable. When it comes to water supply that is what you need, dependable and reliable.

An example of the type of employees represented by Local 375 currently working at filtration facilities:

- Mechanical Engineers are in charge of Programmable Logic Control, (PLC), collect technical data for Scan Control and Data Acquisition, (SCADA). They are also in charge of all Heating Ventilation and Air Conditioning (HVAC) for all DEP Plants.
- Electrical Engineers set up and run the Computer Maintenance Management System (CMMS).
- Industrial Hygienists assist in the development of a safe water purification system.
- Instrument Specialists are responsible for all instruments at the plant including the UV Transmittants, flow meters, 13,000 UV bulbs, and also perform the calibration of the intensity servers (measuring UV intensity in a unit).

The skilled, reliable, and committed professional workforce is being trained to staff the UV water treatment facility at this moment. Each of these workers has been tested by several years of public service, ensuring their commitment to protecting the health, safety, welfare of the general public. Our Local is certain that an in-house staff will out-perform any private operator in terms of cost, service, security, environmental protection and commitment to the interests of the public. It is the best interest of the City to serve public interest rather than to serve needs of a profit driven multinational corporations.

Providing clean drinking water to the residents of New York is a sacred public trust and one of the most critical public services. Compromising this mission by having a corporation, whose commitment to the bottom line and responsible to share-holders and executives rather than to the public is a serious mistake.

Our demand to reverse this proposed privatization is based on the strong belief that a public civil service work force provides the following advantages:

- A more stable and secure professional staff. Private operators tend to have a transient workforce. This safeguards the public by having an experienced workforce that over time will guarantee a more efficient operation of the facility. Public funds will be saved because fewer mistakes and better results is one of the advantages a committed workforce that has and gains institutional knowledge.

- **Greater transparency of operations.** There are no guarantees that incidents, accidents and security breaches that may occur would be reported by a private company. A Public Sector workforce has the legal obligation to be responsible to the City, not the secondary responsibility after the corporation.
- **More reliable service, better cost control and stable operating costs than a privatized operation.**
- **Avoiding embezzlement and inflated costs which have always been a problem when the City contracts out.**

Thank you for your consideration of this critical important issue.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Carter Strickland

Address: 59-17 Jutta Blvd, Flushing

I represent: DEP

Address: Same

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**THE COUNCIL
THE CITY OF NEW YORK**

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Date: 3/27/12

(PLEASE PRINT)

Name: Al Ambrosino

Address: _____

I represent: Vice President of Local 1322 DC37

Address: 125 Barclay St. NY, NY 10007

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(PLEASE PRINT)

Name: Henry Garrido

Address: _____

I represent: Associate Director of DC 37

Address: 125 Barclay St. NY, NY 10007

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**THE COUNCIL
THE CITY OF NEW YORK**

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Date: 3/27/12

(PLEASE PRINT)

Name: Behrouz Fathi

Address: _____

I represent: President of Local 375, DC 37

Address: 125 Barclay St. NY, NY 10007

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