

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON ENVIRONMENTAL PROTECTION

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250 Broadway, 14th Floor

B E F O R E: JAMES F. GENNARO  
Chairperson

COUNCIL MEMBERS:  
James F. Gennaro  
G. Oliver Koppell  
Peter F. Vallone, Jr.  
Brad S. Lander  
Stephen T. Levin  
Leroy G. Comrie, Jr.

## A P P E A R A N C E S

Carter Strickland, Jr.  
Commissioner  
NYC Department of Environmental Protection

Steven Lawitts  
Chief Financial Officer  
NYC Department of Environmental Protection

Joseph Murin  
Assistant Commissioner for Budget  
NYC Department of Environmental Protection

Joe Singleton  
Deputy Commissioner for Customer Service  
NYC Department of Environmental Protection

Al Ambrosino  
Vice President  
Local 1322  
District Council 37

Henry Garrido  
Associate Director  
District Council 37

Behrouz Fathi  
President  
Local 375  
District Council 37

2 CHAIRPERSON GENNARO: A very good  
3 afternoon, I'm Council Member Jim Gennaro, Chair  
4 of the Committee on Environmental Protection.  
5 This is a hearing on the Committee on  
6 Environmental Protection on the Fiscal 2013  
7 Preliminary Budget and the Fiscal Year 2012  
8 Preliminary Mayor's Management Report. Welcome  
9 everybody today.

10 Today, we'll hear testimony from  
11 DEP--you can see their leadership is assembled  
12 here--about its expense and capital preliminary  
13 budget and general agency operations. The capital  
14 plan is of particular interest to the committee as  
15 it represents 22 percent, by our reckoning, of the  
16 City's total \$33.1 billion February plan for  
17 Fiscal 2012-2015, for the total of \$7.8 billion,  
18 an increase of about \$84.5 million from the  
19 September commitment plan.

20 This committee plans to discuss a  
21 variety of important issues with DEP today,  
22 including an update on the planned Delaware  
23 Aqueduct bypass tunnel and preparations to  
24 minimize service impacts. I'd like to say God  
25 bless you to whoever sneeze. The wall of church

and state is just crumbling before us here. You like that, huh?

MALE VOICE: [off mic].

CHAIRPERSON GENNARO: We'll see where the hearing goes regarding that. Where was I? An update on the whole Delaware tunnel thing, replacing centrifuges, the green infrastructure plan, of great concern to me, including how projects will be maintained and updates on the status of mandated projects, such as the Croton water filtration plant.

Now, we're going to hear testimony from DEP. I'd like to recognize that we're joined by Council Member Vallone, Council Member Lander, Council Member Koppell and we'll be joined by other Council Members.

I would also like to thank the Commissioner. This was a hearing that was previously scheduled and I had a very pressing family situation that was not able to let me have the hearing and the Commissioner and his team very graciously agreed, on a dime, to come on this date. I certainly do appreciate that. I'm sorry to see that the Commissioner has a bit of a boo-

2 boo on his leg. I do hope that heals really  
3 quickly. So thank you for that.

4 The way we'll proceed; the way we  
5 always do, we'll ask the counsel to the committee  
6 to swear in the panel and then we'll proceed with  
7 your good testimony, Commissioner.

8 SAMARA SWANSTON: Gentlemen, would  
9 you please raise your right hand? Do you swear or  
10 affirm to tell the truth, the whole truth and  
11 nothing but the truth today?

12 CARTER STRICKLAND: [off mic].

13 STEVEN LAWITTS: [off mic].

14 JOSEPH MURIN: [off mic].

15 CHAIRPERSON GENNARO: Thank you.

16 Thank you, Commissioner. Just for my colleagues,  
17 the way I think this is going to go, I'm very glad  
18 that you're all here today. Normally, I may ask a  
19 couple of questions at the outset, but I think I'm  
20 going to just ask one question to start off the  
21 questioning, once the commissioner is done with  
22 his testimony. But then I'd like to hear from  
23 colleagues, because I have a lot of respect for  
24 your time and I'm happy to let you get your  
25 questions in early. I'm very grateful that you're

here and you have something very constructive to add, so I'll just ask one short question and then you folks can all go on the record and ask your questions and I'll follow up.

Thank you to you, Commissioner, for being here. It's a great partnership that this committee and this Council has with DEP. I welcome you here today. Without further ado, I ask you to state your name for the record and to begin your testimony.

CARTER STRICKLAND: Good afternoon, Chairman Gennaro. I am Carter Strickland, Commissioner of the New York City Department of Environmental Protection. I'm joined today by Steve Lawitts, DEP's Chief Financial Officer; Joe Murin, DEP's Assistant Commissioner for Budget and other senior managers at the agency. 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 and record breaking rainfall separately, 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 our 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, or DEC, on the New York City Green Infrastructure Plan.

Making sure our budget expenditures are creating significant value in proportion to

1  
2 expenditures has been a constant goal of the  
3 Bloomberg Administration. Many of our capital  
4 costs, and therefore our long-term debt service,  
5 have been linked with unfunded state and federal  
6 mandates. We have taken a close look to make sure  
7 that future mandates will provide real benefits  
8 for the public.

9                 Where mandates do not make sense,  
10 we have argued strongly for reform and against  
11 projects like a 90-acre concrete cover over the  
12 Hillview Reservoir that would impose enormous  
13 capital costs for essentially no public benefit.  
14 And we have argued strongly for alternative  
15 approaches like the New York City Green  
16 Infrastructure Plan that can help us reduce  
17 combined sewer overflows, or CSOs, at a lower cost  
18 while also providing the collateral benefits that  
19 come from a greener landscape.

20                 New York City is not the only  
21 municipality challenging its regulators on the  
22 value of various environmental mandates. And to  
23 their credit regulators are responding. Two weeks  
24 ago we announced an agreement with the New York  
25 State 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, or EPA, has adopted a regulatory review plan to look at the Hillview cover and other mandates, thanks to DEP's work and advocacy. More recently, EPA has proposed an "integrated planning framework," as they call it, 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 multibillion 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 in our wastewater treatment plant effluent. 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 New York City 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 more critical performance indicators. In the first six months of this fiscal year we have seen a 29.7 percent reduction in the backlog of hydrant repairs; and a 25 percent 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 and at the line manager level.

Moving on to the Preliminary FY 13 expense budget, the projected expense budget for the current fiscal year, FY 12, is \$1.064 billion. For FY 13, we expect it to be \$1.02 billion. That number does not yet include a targeted 4 percent reduction over the FY 12 baseline expenses, which will enable us to partially offset new needs, most significantly initiating staffing and operations at some new facilities which include the Croton Filtration Plant and the Catskill/ Delaware

Ultraviolet 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 13 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 percent 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 percent of the FY 13 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. And we are working on other projects, such as reusing digester gas at other plants.

Land-based sludge management of 1,200 tons per day is projected to cost about \$50 million in FY 13, or about 5 percent of our projected FY 13 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 for chemicals and other materials, changes to chemical dosing, and improvements to the wastewater treatment process.

Let me turn now to the Preliminary FY 13-16 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 expansion and upgrade, the Croton and Cat-Del drinking water treatment plants and other elements.

As most of the costs required to bring Newtown Creek up to full secondary treatment have already been incurred, in FY 13-16 we are only projecting an additional \$39 million in spending. That's compared to a \$5 billion overall project cost. 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.

A related project which I don't have in my testimony is the Manhattan pump station which we are nearing completion on.

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 the next year, 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--more about that later--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 FY 13-16, 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 for nearly 100 years, 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 several miles long under the Hudson River; rehabilitating other sections of the Aqueduct; and providing for the supplemental sources necessary to accomplish the bypass and the rehabilitation.

The FY 13-16 budget for the project as a whole, which we call "Water for the Future" project, is \$1.3 billion. I'm sorry, it's \$2.1 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 related to these supplemental sources during the 6 to 20 months that we will need to have the Delaware Aqueduct offline.

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. The staff from DEP, the State Department of Health and EPA is already in discussions about another renewal of our Filtration Avoidance Determination, that's going to take place in 2012 and bring us through 2017, 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, meaning traditional tanks and sewer improvements, is funded at \$458 million. CSO-green at \$187 million and that number includes FY 12 spending on the green infrastructure projects that are already 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, essentially at our 14 treatment plants. For budget purposes, we don't categorize these "good repair" projects as CSO-related, but many of these 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 26 Ward Plant; as well some dredging to mitigate the past-effects of years of discharges from outfalls near the Flushing Marina.

On the green side, FY 13 begins a period of area-wide implementation of green infrastructure projects that we are very excited about. The Office of Green Infrastructure, which we started just a year ago, 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. We're doing that because we do not meet water quality in those areas or we believe that water quality improvements can be made quickly.

2 As we ramp up the green  
3 infrastructure program, we expect that you and  
4 your constituents will see even more of our team  
5 and our agency partners, including the Department  
6 of Parks and Recreation, the Department of Design  
7 and Construction, and the Department of  
8 Transportation, as we build out bioswales. A  
9 question was made earlier about maintenance. We  
10 do have a five-year memorandum of understanding  
11 with the Parks Department to maintain and I'm  
12 happy to answer more questions about that later.

13 Bioswales are essentially street  
14 tree pits designed to capture curb runoff during  
15 rain storms. They will not only manage  
16 stormwater, but also provide urban greening,  
17 improve air quality, and help mitigate the urban  
18 heat island effect. We are also working with  
19 schools, New York City Housing Authority, and  
20 other agencies to retrofit city-owned buildings in  
21 these priority areas with green roofs and rain  
22 gardens.

23 The Preliminary Four-Year Plan  
24 shows \$790 million in FY 13-16 for investments in  
25 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 FY 13-16. 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 of that amount \$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 FY 13-16, DEP budgeted \$70 million for obtaining more lands for the mid-Island Bluebelts, moving out from the south.

In the Bronx, the Preliminary Budget projects \$276 million of capital spending in FY 13-16, 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 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 FY 13-16, 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 wastewater plant, plus \$50 million for new centrifuges at 26th Ward.

Our investments in the automated meter reading, or 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 percent 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 FY 13-16 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 FY 13-16 Preliminary Four-Year Plan we are projecting that mandated investments will only account for 20 percent of our spending, as opposed to the FY 02-11 period when 70 percent of our spending was for mandated programs, a fact reflected in capital budgets and the water rate increases required to fund them, as well as our

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 percent plus another 10 percent 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 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 along with the senior staff of the agency. Thank you.

CHAIRPERSON GENNARO: Thank you, Commissioner. Thank you for your comprehensive statement and as I said before, for your willingness to--for those who may have come in since I said this earlier--this hearing was supposed to be held earlier and you were gracious enough to hold it today.

Let me say that we've been joined by Council Member Comrie from Queens and it's a pleasure to have him with us here today. I have several members who have signed up to pose questions to the commissioner. I just want to do one question just to kind of get it out of the way. It's been occupying my mind for quite a while now.

With regard to the agency's very good work in 2009 and in 2011 regarding the work it put forward to the state regarding fracking. Back in 2009, there was a very good submission by DEP that I think bore a lot of fruit with regard to the new state administration and we got some of

2 the things that we were looking for. Your 2011,  
3 2012, it was December 2011/January 2012, that work  
4 that you did that was a subject of a hearing last  
5 week--yes, please give the foot a rest.

6 CARTER STRICKLAND: I beg your  
7 pardon.

8 CHAIRPERSON GENNARO: You know this  
9 pen is really good for signing casts too; I  
10 thought I'd just mention that in case there was an  
11 offer coming regarding that.

12 This does certainly tie into budget  
13 and finance it's not just a fracking thing. So  
14 DEP did its 2009 submission, it did its 2011  
15 submission and now what's going to happen with  
16 regard to the most recent submission is DEP is  
17 going to get everything it posed or maybe it'll  
18 get some of that or maybe it'll get none of it.

19 I think it's important in some sort  
20 of formal way for DEP to put forward a financial  
21 document, tying it back to money and finances  
22 about what the exposure would be to the rate  
23 payers of the City of New York. Let's just say we  
24 were to get absolutely everything that we asked  
25 for. We got the seven mile buffer for like, you

know, the super critical tunnels, we got the two mile exclusion plus the five mile special consideration zone or whatever the term was used to describe that five mile.

That would create a host of subsurface investigations that would have to be conducted. We don't know where that money would come from. DEP's own paper that it put forward did indicate that going with the two mile and five mile configuration does to some degree open up that part of DEP infrastructure to some level of risk and were that to happen, then there would be a cost to be born. I think that has to be fully quantified, some kind of cost, some kind of contingency, some sort of numbers should be out there in sort of like the public governmental domain to talk about the price tag and the risk and the costs of those risks or the possible costs of those risks, you know, should DEP get absolutely everything it's looking for in its most recent submission.

If it doesn't get anything well then presumably there would be even more costs. I think that has to be put forward in some sort of

1  
2 thoughtful best way. I think the state needs to  
3 see that and that should be part of the decision  
4 making. Because everyone is very much focused on  
5 all like the technical issues and what kind of  
6 contamination can happen and what if, you know, we  
7 get the micro seismic and what if we get the  
8 induced seismic and what about this and what about  
9 that. All of those issues have a potential price  
10 tag associated with them. This could potentially  
11 be sort of like the true cost of the state  
12 following through on this.

13 I strongly suspect that the state  
14 is not going to come up with numbers, this is not  
15 their concern. But I think somebody has to do it  
16 and I think it has to be us. Certainly the  
17 comment period is over, but perhaps some kind of  
18 appendix or whatever that would speak in great  
19 detail to what the potential costs could be. If  
20 it makes it easier for you to do it if I formally  
21 ask you to do it, then maybe that helps. I think  
22 that the finances are not so much, haven't been so  
23 much a part of this back and forth with the state  
24 through their process.

25 I think that needs to be there and

2 I think this--I mean I haven't fully formulated  
3 what I'm going to do with all the information that  
4 we had from our last hearing but I think someone  
5 really needs to do this. It could be DEP, it  
6 could be the Water Board and the Water Finance  
7 Authority, but I think someone has to speak to the  
8 financial interest of the city and what we could  
9 be looking at with regard to the potential  
10 consequences of this activity. I think there has  
11 to be a price tag or our best reasonable guess at  
12 some sort of price tag and some discussion of  
13 where the money would come from if a price tag  
14 needed to be paid.

15 This is kind of oblique to the  
16 regular budget process but I think certainly  
17 important. Whether it's you guys or whether it's  
18 the Water Board and the Water Finance Authority, I  
19 think it needs to be somebody. I'd just like to  
20 hear your response to that.

21 CARTER STRICKLAND: Sure. Thank  
22 you. I know you've had a number of hearings, at  
23 least by my account, maybe more.

24 CHAIRPERSON GENNARO: Oh yeah,  
25 we're in double digits I think on fracking

hearings.

CARTER STRICKLAND: Certainly the Council's support has been helpful. We have been in very productive discussions with the state. I do want to recognize that the state has excluded, based on our 2009 comments, fracking within the water shed. The question now is based on a supplemental raft EIS, released in September 2011, what is the impact and what are the protective measures that are going to be taken with regard to our infrastructure that's outside of the water shed. Many of our tunnels do go from one leg essentially at the water shed to the other or down to the city. Many of those are within the Marcellus Shale footprint and so would be vulnerable.

With the Water Board support, we did undertake a scientific study, several actually, the most recent being hiring Haeger Richter [phonetic], a geotech firm and they produced a report. All of this is available on our website, as you know, which we submitted in January 2012 to the DEC. We've had some discussions with them but I think they've been

also wading through, at last report, over 60,000 comments to this.

What we did ask for there, based on a financial analysis of what the impact would be of some of our reservoirs or the aqueducts from our reservoirs were to be affected, what it would take to fix them. We do have some data, based on out Rondout-West Branch Tunnel project which is costing \$2.1 billion to fix that leak. That's being undertaken.

We did differentiate between the impacts to the system, which we thought would be much greater to aqueducts from our terminal reservoirs, essentially the Catskill and Delaware Aqueducts coming down from--

CHAIRPERSON GENNARO: [interposing]  
Right.

CARTER STRICKLAND: --and Rondout in Ulster County.

CHAIRPERSON GENNARO: They get to seven miles.

CARTER STRICKLAND: Right. We asked for seven mile exclusions--

CHAIRPERSON GENNARO: [interposing]

Let me just qualify my statement. They get seven miles, which is what DEP would want but that's not something that currently exists with the state.

CARTER STRICKLAND: No, the state proposed essentially a thousand foot setback.

CHAIRPERSON GENNARO: Right.

CARTER STRICKLAND: Which we thought was plainly inadequate. But we did show the projected impact would not be a catastrophic tunnel collapse but rather a liner collapse, based on some seismic impact. But this is uncharted territory. We don't have deep rock tunnels in hydrofracking zones throughout the world. There have been seismic impacts produced. The basis for our exclusion zone was a statistical analysis on one hand of the length of faults and fractures. In the other hand, reported impact from some seismic events in Oklahoma and England.

We did look at the financial impact in the sense of what it would take to fix those different tunnels, obviously more expensive to fix Delaware Catskill than the West Delaware tunnel. But you make a very good point. What we have not done so far is translate that to exposure to rate

1 payers. Essentially, it's almost unknowable at  
2 this point.

3  
4 In terms of the allocation of  
5 responsibility and costs, there are precedents out  
6 there, in the late 70s when the state expanded  
7 some drilling to the bed of Lake Ontario, I  
8 believe, it might have been Lake Erie, that did  
9 include an indemnification clause for public water  
10 systems. There have been a number of bills at the  
11 state level introduced to do that kind of thing.

12 What we did do in our comments was  
13 ask when we have to bear costs, meaning the water  
14 system and our rate payers have to bear cost for  
15 reviewing applications that are close to our  
16 infrastructure that a sufficient rate schedule be  
17 put in place to help fund that review, which  
18 extensive reviews can be expensive. I know that  
19 this is figured also very large in DC's budget  
20 requests. So everybody is thinking about how to  
21 have an oversight system that is well funded and  
22 adequate to protect against this kind of risk.

23 CHAIRPERSON GENARO: Thank you,  
24 Commissioner. I certainly do appreciate that and  
25 the step of going to the Water Board and saying

that we're asking the state and DEP to have the ability to do these subsurface investigations and kind of weigh in.

I've got to say God bless to Oliver, otherwise there'll be like a God bless you gap.

Anyone who sneezes from here out until you have my, you know, preemptive God bless you. It's out there. Once you leave the room then, you know, you're kind of on your own; you're depending on other people to say that.

But that our water rate payers on the hook for something you believe is prudent for the agency and I think it's prudent for the agency to do it and someone has got to pay for it. In the absence of the state paying for it or whomever, or like the gas people, then you know it certainly has to get done.

I think that all these costs of bringing fracking to the state, the water and sewer rate payers of the city are being asked to bear a burden. They don't get anything out of it. DEP has gone so far as to say okay, like with regard to where we wanted seven miles everywhere,

1  
2 you know we're going to do two miles plus five  
3 miles knowing, based on the document that DEP  
4 submitted, this is not my interpretation, this is  
5 what's in black letter in the DEP submission that  
6 DEP is taking on some risk, which also doesn't  
7 benefit the water and sewer rate payers of the  
8 City of New York.

9 I can certainly appreciate that DEP  
10 is trying to work closely with the state in order  
11 to accommodate the very important initiative that  
12 the state wants to get done in the worst way. But  
13 this is asking the people of the City of New York  
14 to bear this burden. I'm not so much challenging  
15 what DEP did in that regard. It had its reasons  
16 for doing that. But I think we've got to put the  
17 price tag for this like up on some sort of  
18 billboard and sort of let it be known that this is  
19 the cost of DEP's kind of willingness to be  
20 accommodating.

21 Like there's a price tag going from  
22 seven miles to the five miles, the two miles plus  
23 the five miles. You've got to do the subsurface  
24 investigation and the subsurface investigation may  
25 not be perfect, something could happen. Like one

1 of the tunnels gets damaged and somebody has to do  
2 this. I think the appropriate entity should do  
3 it, like, you know, whoever that is. Whether  
4 that's the Water Board, the Water Finance  
5 Authority who don't have the same direct dealings  
6 with the state that DEP does as a city agency.  
7 But I think this has to be put out there for all  
8 to see and to quantify it.

10 You indicated that this is not only  
11 hard to know, it could be unknowable in a way that  
12 it almost makes the case for why it has to be  
13 done. We have to try to figure out like what the  
14 bounds or some kind of parameters of what these  
15 costs could be. I think we have to have a robust  
16 public discussion about who would bear these  
17 costs. I think those discussions are pretty much  
18 just as important about the micro seismic and this  
19 and that and, you know, with migration of fluids  
20 and like the length of faults and fractures.

21 So we've done that part of the  
22 discussion but I think the price tag has got to be  
23 put out there. So is this something that DEP  
24 would be willing to do or to figure out how to get  
25 it done? To ask the Water Board or Water Finance

Authority to do it or however that would work, if you can just kind of indulge me with an answer to that, I would appreciate that.

CARTER STRICKLAND: I probably can't give you anything more specific that it's a good suggestion and we'll consider it. I will say that we'll have to see how things play out with the state. Our comments do recognize that, first of all, there is no such thing as entirely risk-free behavior in any endeavor and that there are some upsides to natural gas. One of which being the heating oil initiative we have to clean up the air in the city.

You know, balanced against that, what our comments come down to is 9 million people plus who rely on our system every day, more than half the state, and the fact that under our proposals, you know roughly 80 percent or so of shale deposits would be off limit. Certainly, by any stretch of the imagination, we think that that is the right thing to do, is to keep it out of the New York City watershed and keep a buffer away from our infrastructure.

This is an area where the science

1 is evolving very rapidly. It's only a technology  
2 that's about ten years old. The EPA has a very  
3 ambitious research schedule that's going to come  
4 to fruition over the next few years. I can't say  
5 right now what the state's schedule is. They have  
6 stated publicly that they would do something this  
7 calendar year with regard to hydrofracking. But,  
8 you know, if the time comes when we believe that  
9 we have enough information to try to put a number  
10 to it, you know that's certainly something that  
11 we're willing to do.  
12

13 CHAIRPERSON GENNARO: Thank you. I  
14 think that this was an issue that came out of the  
15 hearing last month. I remember Council Member  
16 Lander, he was talking about the bonding and all  
17 that and how that would happen. I'm reasonably  
18 confident I'm going to be going to the Water Board  
19 and the Water Finance Authority in some shape or  
20 form and asking them to do this. So, you know,  
21 just tell them to brace for impact and, you know,  
22 not that they're really so much concerned with  
23 what I have to say. But this is something that I  
24 think really needs to be done.

25 At the end of the day, you know,

you look like the job description of the Water Board and the Water Finance Authority and what they're there to do and you know, to protect the fiduciary interests and the bond holds and blah, blah, blah and so this is something that needs to be done.

Okay, I'm going to say it, I'm going to go to them and ask them to do it. You all heard it. I just think it's important to do.

So with that said, I thank you, Commissioner, for all the good work that you and your agency have done regarding the fracking issue.

That was my one question that I had indicated I'd ask. I made it a long one; sorry to my colleagues. I'm going to recognize Council Members who signed up for questions in the order that they signed. I recognize Council Member Vallone for questions.

COUNCIL MEMBER VALLONE: Thank you, Mr. Chair, I'll be brief. You mentioned in the expense budget that your projected budget is \$1.064 billion. I'm sorry, that was the 12 budget. Your 13 projected budget is \$1.02

1 billion. How much of a cut is that in millions of  
2 dollars?

3  
4 CARTER STRICKLAND: You guys are as  
5 bad at math as I am. Okay.

6 CHAIRPERSON GENNARO: What I'd like  
7 to do is just jump into your question, Peter. I  
8 recognize Council Member Levin. I didn't see him  
9 come in. I'll see if there are any other Council  
10 Members that need to be recognized. With Steve  
11 being duly recognized, I turn it back to you,  
12 Peter. Sorry for the interruption.

13 COUNCIL MEMBER VALLONE: Okay, \$40  
14 million. In the same paragraph you said with the  
15 Croton filtration plant and Catskill Delaware  
16 treatment plants being nearly complete and will  
17 come online, it'll impose significant new expense  
18 costs. But I know this is just the preliminary  
19 budget but we have not discussed how you're making  
20 up that cut and those increases in costs. How do  
21 you plan to deal with that?

22 CARTER STRICKLAND: Well we, every  
23 year, as you know, we do go to the Water Board, in  
24 fact we're doing it this week, to ask for funding  
25 and financing sufficient to run the system. So,

you know, we do make up any revenue shortfalls and also make up for cost increases through our water rates. We are funded by our rate payers.

We have, over the last few years, to keep our expense budget small, gone through several across the board budget cuts. This year, under Operational Excellence or OpX, we are attempting more surgical cost reduction. So, you know, generally that is the effort we're undertaking. Steve, do you want to add to that?

STEVEN LAWITTS: As the Commissioner said, we've gone through three successive years.

COUNCIL MEMBER VALLONE: [off mic]  
Just state your name for the record.

CHAIRPERSON GENNARO: Yes.

STEVEN LAWITTS: Steven Lawitts.  
Thank you, Mr. Chair. We've gone through three successive years of trying to structurally lower our operating cost base. We took an eight percent reduction two years ago, a four percent reduction last year, and another four percent reduction in the coming year. Part of the underlying logic to that was so that we could self-fund to the extent

possible any new needs, such as the startup of the Croton plant or the startup of the ultraviolet plant.

COUNCIL MEMBER VALLONE: I appreciate your efforts, but over those three years of reductions, what has been the percentage of water rate increase in that time?

CARTER STRICKLAND: Last year, as you know, we had a 7.5 percent, which was significantly less than the published rate. The year before, unfortunately--it was our last year of several years of double digit rate increases--it was over 12 percent, against the published rate of some 14 percent. So, you know, we have had, to build the system, a number of rate increases over the last few years.

As you know, water is essential for any city. New York City is no exception. I think we're positioned well compared to other cities around the world because we have such a strong, reliable water and wastewater system.

We are still finishing the business of the city in that there are a number of areas of the city without sewers or storm sewers. We hope

2 to finish those as the Mayor's PlaNYC put forward  
3 to accommodate what's expected to be a million new  
4 people by 2030. We have to build out the system  
5 and make sure that we can supply people with water  
6 because otherwise we'd all be packing up and  
7 leaving pretty quickly.

8 In addition, a number of our  
9 facilities are at the end of their useful life.  
10 This is true nationally, as a lot of the federal  
11 grants program which accompanied the original  
12 Clean Water Act in the late 70s was responsible  
13 for building a lot of the wastewater treatment  
14 plants around the city, or around the country,  
15 rather, and those are ending their useful life.  
16 So we are not alone in seeking rate increases to  
17 pay for our system.

18 At the end of the day, when you  
19 look at--

20 COUNCIL MEMBER VALLONE:

21 [interposing] With respect, I didn't ask why you  
22 were doing it. You had a whole ten pages to  
23 explain why you're doing it and we understand we  
24 have costs.

25 CARTER STRICKLAND: Okay.

2 COUNCIL MEMBER VALLONE: I asked  
3 about the costs. And you said people will pack up  
4 if you didn't do it. People will pack up if you  
5 continue to raise their water rates. I think it's  
6 something like 50 percent over the last four and  
7 five years. That's an absurd amount. That's  
8 unmanageable by homeowners. It seems to me like  
9 you're going back to them again, because 50  
10 percent over the last few years wasn't enough, for  
11 an additional increase.

12 You said you've got to make up \$40  
13 million. So what does that translate into? How  
14 much do you have to raise water rates to make up  
15 for this shortfall?

16 CARTER STRICKLAND: We are still  
17 fine tuning the details of that. Obviously, we  
18 struggle up until we put forth our proposal to the  
19 Water Board to keep the rate as low a possible.  
20 We expect that we'll be beating the published  
21 rate, which is lower than it's been in the past.  
22 We did have a number of years of double-digit rate  
23 increases. That's certainly something we don't  
24 want to return to.

25 I will point out that those years

1 followed a few years of zero percent rate  
2 increases. So I think the question is, you know,  
3 one of smoothing over time. But it's also a  
4 reason why we were working so hard to reduce our  
5 mandates. Right now our debt service continues to  
6 increase as we pay for yesterday's projects and  
7 projects that are still going on, all of which are  
8 funded by bonds that have to be repaid.  
9

10 COUNCIL MEMBER VALLONE: We want to  
11 do what we can to help you get out of those  
12 ridiculous mandates and let me get to that in a  
13 second. I assume a percentage of this huge water  
14 rate increase still goes to the General Fund and  
15 not all of it goes to what you're asking for it to  
16 go to?

17 CARTER STRICKLAND: A percent does  
18 go to the General Fund, yes.

19 COUNCIL MEMBER VALLONE: As this  
20 committee has said many times, that is  
21 unacceptable. That is a tax increase without the  
22 approval of the City Council, and yet it continues  
23 to happen.

24 CHAIRPERSON GENNARO: Peter, I just  
25 want to jump in and let you know that that's

something, when I get to my questions, I'm going to be talking about the rental payment.

COUNCIL MEMBER VALLONE: Which is why I'm being very brief.

CHAIRPERSON GENNARO: Which is not so much on DEP but sort of like a citywide, city government, it's--yeah.

COUNCIL MEMBER VALLONE: I appreciate you letting us ask questions first.

CHAIRPERSON GENNARO: Sure.

COUNCIL MEMBER VALLONE: Yours are always much more detailed and I'm only going very brief.

CHAIRPERSON GENNARO: Sure.

COUNCIL MEMBER VALLONE: So I'll move off that and let you finish off on that. I only have one or two more. You mentioned the mandates. Where are we with that ridiculous mandate to do a 90-acre concrete cover over the reservoir? I mean, why don't they just make you built a golden unicorn and then straddle the whole thing and scare people away? It's just ridiculous bureaucracy. But where are we with that? We've sent letters, the chair and I, on your behalf.

2 CARTER STRICKLAND: I appreciate  
3 your support for that. So here's where we stand  
4 in the Hillview cover. We have pointed out  
5 repeatedly--and you have provided the opportunity  
6 to do so, thank you--that it's not necessary for  
7 public health. The Department of Health has been  
8 very supportive of that. We gather extensive data  
9 on the system. We think it's a fairly unique  
10 reservoir. It sits at the top of a hill. Nothing  
11 flows into it. It's very well protected. We're  
12 building a UV plant right upstream.

13 So we do agree with you that this  
14 is unnecessary. We have been able to work with  
15 the federal government to defer it, which is some  
16 solace. You know, the bulk of the costs are out  
17 of this capital budget, but we'd like to eliminate  
18 it entirely in lieu of monitoring.

19 We have initiated some discussions  
20 with the federal government at a national level  
21 regard the long term 2 or LT2 rule that is driving  
22 this costly mandate. We've been very successful  
23 in getting it on EPA's regulatory review plan,  
24 which they published in August. They had a  
25 meeting in early December at which we testified.

2 They have a meeting coming up April 24th to look  
3 at those impacts. So we are cautiously optimistic  
4 that it's on the map. We do, obviously, need to  
5 bring home that that regulatory reform that we  
6 think is important.

7 COUNCIL MEMBER VALLONE: As I said,  
8 the chair and I stand ready to help you, and the  
9 whole committee, in any way we can when it comes  
10 to that mandate and others that would help you  
11 offset any rates that you ask to be increased. As  
12 always, I disagree on the water rate increase, but  
13 I do appreciate the job you guys do every day.  
14 You've been very helpful out in my district and  
15 elsewhere and I look forward to continuing to work  
16 with you.

17 CARTER STRICKLAND: Thank you,  
18 Councilman.

19 CHAIRPERSON GENNARO: Thank you,  
20 Council Member Vallone. I recognize Council  
21 Member Koppell for questions.

22 COUNCIL MEMBER KOPPELL: Thank you,  
23 Mr. Chairman. I'm a little bit confused about  
24 your answers to Councilman Vallone's questions.  
25 Do I read correctly that the expense budget will

be less in the forthcoming fiscal year than in the current fiscal year? Is that what I read page three to say?

CARTER STRICKLAND: I'm going to ask Joe Murin, our Assistant Commissioner for Budget to answer your question.

JOSEPH MURIN: Yes, Councilman. Joe Murin. Yes, that's correct. As I think Councilman Vallone just recognized and as the Commissioner said, we're still in the process of going through establishing the budget for rate setting. So, as always, the preliminary budget is not fully reflective of all the adjustments that will be made into the plan when we get to the executive budget. So there are a number of items that will be addressed with the executive budget that will also be shown in the rate projections as well.

COUNCIL MEMBER KOPPELL: So does your expense budget include debt service?

CARTER STRICKLAND: That's not in the expense budget. That is a major component of setting the rate, but it's not in the expense budget.

2 COUNCIL MEMBER KOPPELL: I mean one  
3 might expect that the expense budget going down  
4 that your revenue needs would not go up. I guess  
5 if the capital portion, that is the debt service  
6 is not included, then maybe that's the reason. Am  
7 I correct in saying that?

8 JOSEPH MURIN: If you think of the  
9 rate as a pie and the debt service is, as it has  
10 been for the last several years, is the single  
11 largest piece of that pie, with operating expenses  
12 being a somewhat smaller piece. Then cutting the  
13 operating expenses certainly helps relieve some of  
14 the pressure on the rate. But the debt service  
15 has been growing and will continue to grow for the  
16 foreseeable future. Driven largely by the  
17 extraordinary investment we've had to make in our  
18 mandated projects over the last ten years.

19 COUNCIL MEMBER KOPPELL: I think it  
20 might have been helpful, Mr. Chairman, if the  
21 statement had included some numbers on the debt  
22 services. It's confusing to look at a reduction  
23 in expenses and then talk about rate increases.  
24 Perhaps if we saw the capital expenses, that is  
25 interest and principal that have to be paid that

would explain it. I guess that's more or less what you've said without being specific.

Let me turn to more limited measures, especially relating to my district. As you know, I'm on the Filtration Monitoring Committee with your representatives as well. Mark is a representative.

We've been discussing at the Filtration Monitoring Committee, the Filtration Plant Monitoring Committee the fact that back in, I think it's 1999, when the predecessor City Council approved the filtration plant in Van Cortlandt Park, there was an MOU, I believe, entered into specifically providing that a bridge would be provided over the Major Deegan to connect the two sides of Van Cortlandt Park that were divided by the Deegan. That was part of the deal, subject to the project being deemed feasible.

The report, which was supposed to have been done years ago, has finally been done. We received copies of the report, or there are copies of the report and that says that the bridge is feasible. The question is the financing.

I think the expectation was that if

the project was feasible that it would be financed from general DEP revenues. Of course, the project itself was a \$3 billion project, or looks to be a \$3 billion at least project. So the cost of the bridge, which might be as much as I think \$12 million or \$14 million, although a significant amount of money, is not an overwhelming amount of money compared to \$3 billion.

You also are aware that there was originally recently a plan to create a tunnel through the Bronx to take waste from the plant to the Sound. Fortunately, that plan, which I think was around \$40 million, if I remember the order of magnitude correctly, was abandoned because it was found that you could put the sludge in the sewers, which saves a lot of money and a lot of problems building a tunnel through the whole Bronx.

So money is sort of fungible, but here was a \$40 million savings there. So if you say, well all the money for the plant was allocated, although it seems to be a moving target, because I look every month or so at expense statements and many of the contracts go up. But leave that aside. Are you committed to

providing funding through the budget for the bridge?

CARTER STRICKLAND: No, we're not. Let me explain why. We don't believe that there was ever a commitment to build a bridge. The commitment in the 1999 ULURP was to do a feasibility analysis which was completed in 2010. At this point there are no funds identified for this potential project and as you've heard, every million dollar counts. We're already spending some \$243 million in amenities at the site and we have fulfilled those obligations we believe at the site.

At the request of the community, and in fulfillment of the obligation from the City Council resolution, our design consultant did commission the firm of Philip Habib and Associates, a very well known firm, to evaluate the options for pedestrian crossing over the Major Deegan. Our obligation is to conduct the feasibility study, which is done. Our obligation was also to pay certain funds to the Parks Department. That's done. So we are not at this time contemplating funding a bridge.

2 COUNCIL MEMBER KOPPELL: Well let  
3 me say that I'm not going to get involved in the  
4 debate here, but I would be happy to send you the  
5 exact words of the agreement with the Council.  
6 There was a ULURP proceeding and it was in the  
7 context of that where the Council gave its  
8 approval under ULURP to this project and it says  
9 more than funding of feasibility study. It is  
10 true it doesn't grant a specific number of  
11 dollars, but there was a commitment, if feasible,  
12 to fund this project. I'll send you the words;  
13 I'll send the Chairman the language. I think that  
14 the Administration, even though this was from a  
15 prior administration, there's a commitment to this  
16 Council for that bridge.

17 The community would very much like  
18 the bridge. I think that more than the community,  
19 this is something that completes a trail that goes  
20 upstate and comes down through the Bronx. So this  
21 is something that I think that you should be  
22 committed to.

23 I don't want to get into a debate  
24 as to whether you--we're still looking into  
25 whether the full funding for the Parks projects

has been complete. They haven't finished doing the project. I don't want to get into a debate about that. This is something in addition to that. This has nothing to do with the agreement to provide \$200 million and maybe some additional monies with respect to Van Cortlandt Park in mitigation funds. This was separate. I'll send you the language on that.

CARTER STRICKLAND: Okay. I would be happy to look at it.

COUNCIL MEMBER KOPPELL: The only other question, since you mention in your statement personnel at the two plants that are being completed now. First of all, the filtration plant in Van Cortlandt Park, are you planning to operate that with city employees?

CARTER STRICKLAND: The filtration plant in Cortlandt Park, yes, at this time we are. We are, as I mentioned, and distinguished from that is the UV plant. We are looking at the relative cost of doing that in-house and with a private operator. We've built certain protections for labor with that and we're taking a look. It's part of our overall effort to keep costs as low as

possible.

COUNCIL MEMBER KOPPELL: So just so we're clear, the Van Cortlandt Park plant will be operated with city employees?

CARTER STRICKLAND: Yes.

COUNCIL MEMBER KOPPELL: You're committed to that?

CARTER STRICKLAND: Yes.

COUNCIL MEMBER KOPPELL: Let me just say, it's certainly my recommendation and I urge my colleagues to second it, that the UV plant also be operated with city employees. This Council is very concerned about contracts and we much prefer, unless there's overwhelming evidence to the contrary, that city employees be used.

CARTER STRICKLAND: We fully intend, certainly, to make the required submissions. We've already made some under Local Law 35 and 63. So that will be done. I know those protections are built in to our local laws.

COUNCIL MEMBER KOPPELL: Thank you.

CHAIRPERSON GENNARO: Thank you, Council Member Koppell. I would just like to direct the counsel to the committee to get those

2 documents that Council Member Koppell was talking  
3 about with regard to the 1999 ULURP and what it  
4 said. You've peaked my curiosity to certainly  
5 take a look at that.

6 COUNCIL MEMBER KOPPELL: I  
7 appreciate. And Counsel Jamin Sewell is willing--

8 CHAIRPERSON GENNARO: [interposing]  
9 Okay.

10 COUNCIL MEMBER KOPPELL: We have  
11 all the documents.

12 CHAIRPERSON GENNARO: Okay, Jamin,  
13 if you could get that over to the counsel to the  
14 committee, we could take a look at that. Thank  
15 you for doing that. Thank you for the questions,  
16 Council Member Koppell. I recognize Council  
17 Member Lander for questions.

18 COUNCIL MEMBER LANDER: We have  
19 five bridges over the Gowanus Canal, so maybe we  
20 can work something out.

21 [Laughter]

22 CARTER STRICKLAND: Are you in the  
23 business of selling--

24 COUNCIL MEMBER LANDER:  
25 [interposing] At the right price, you know.

2 CARTER STRICKLAND: You're selling  
3 a Brooklyn Bridge.

4 COUNCIL MEMBER LANDER: I mean we  
5 need a lot more work to get the water quality--

6 CHAIRPERSON GENNARO: [interposing]  
7 Here's a guy from Brooklyn--

8 COUNCIL MEMBER LANDER: --sell one  
9 of those bridges.

10 CHAIRPERSON GENNARO: We got a guy  
11 from Brooklyn selling a bridge.

12 COUNCIL MEMBER LANDER: Thank you,  
13 Mr. Chairman, as always, for your leadership on  
14 this committee. Thank you to the Commissioner. I  
15 do want to say a special thank you again to you  
16 and your staff for coming out and dealing with a  
17 very important local matter in relationship to the  
18 Gowanus facilities upgrade. So thank you.

19 I know there are things other than  
20 the watershed and the Gowanus Canal, but I don't  
21 really know what they are, so those are the two  
22 that I'm going to focus on here.

23 Mr. Chairman, I'm excited to hear  
24 that you're going to pick up and run with this  
25 idea of the possibility of seeking the Water Board

to do something on bonding, which I think is great.

CHAIRPERSON GENNARO: Not just me; me and you.

COUNCIL MEMBER LANDER: Let's do it. All right, so I'm onboard as well.

CHAIRPERSON GENNARO: What we're going to do is, you know, we'll do a thing and whoever wants to be onboard can be onboard.

COUNCIL MEMBER LANDER: Super. That's great.

CHAIRPERSON GENNARO: I kind of let the cat out of the bag here, but certainly it's something that I was going to talk to you and other members about.

COUNCIL MEMBER LANDER: Super.

CHAIRPERSON GENNARO: You're a big part of the conversation in terms of our last hearing. So let's do it.

COUNCIL MEMBER LANDER: Sounds great. In a similar vein, and just kind of continuing the conversation budget related, given the risks to the city about fracking, we're spoken at some of those past hearings about what the

city's authority is under state law to regulate pollution and wastewater discharge in the watershed.

It's just something that I've been trying to spend a little time and I'm thinking about some legislation on. So if you don't know today, let's continue the conversation about what's possible given the city's authority to regulate pollution and wastewater discharge in the watershed.

We've spoken in the past about the city saying we won't take any of the wastewater that's produced in fracking at the city's wastewater facilities. So I'd like to look at that again. But I think there may also be the possibility of going further, given our ability to regulate pollution in the watershed to say nobody can take any wastewater or store, you know it's a polluted product. So I would like to in the sort of same vein of continuing to figure out every angle we can to protect our watershed.

CARTER STRICKLAND: We'd be happy to look at that. I don't have an answer for you today. As you know, we have our ability to

regulate stormwater runoff is fairly broad in the watershed and we have an extensive program to do so to keep our waters clean, plus an extensive capital program to build wastewater treatment plants up there. So--

COUNCIL MEMBER LANDER:

[interposing] What I'd like to look at together is could essentially that same authority be used to regulate, again not just what the city could take but what other private entities can take in terms of taking the wastewater. I mean there's obviously places outside the watershed where people then might look to process it. So this wouldn't shut it down entirely. But an awful lot of them are in the watershed for obvious reasons. So let's take a look at that together. That'd be good.

CARTER STRICKLAND: Okay.

COUNCIL MEMBER LANDER: All right, so back down to the Gowanus Canal, and I appreciate the challenges that you identified in the report. Let me first say I'm proud to be a partner with you on the green infrastructure work. I'm excited about the most recent announcement you

made of the additional contracts to really look at right away projects. As you know, we've got a little task force convened in my district and I want to thank Margo Walker for coming to our first meeting to figure out how we can continue to mobilize nonprofit organizations, homeowners, residents. It's not a solution by itself to be sure, but the more we can do together the better. So thank you on that.

Maybe you said this before, I know you referred to the high level storm sewers, but I just wonder if you can just remind me specifically in which year. Is it in the proposed fiscal year? How much? Is it a multi-year project? How much money for those--

CARTER STRICKLAND: [interposing]  
It is in total about a 90-acre area, Third and Fourth Avenue. Phase one is scheduled for FY 13, to begin in FY 13. Phase two will begin in FY 20.

COUNCIL MEMBER LANDER: How much is phase one?

CARTER STRICKLAND: I'll have to get back to you with the details. I don't know. Part of our spacing is obviously local impacts but

also we have to build from the high level storm sewers from the outfall inland, so that's the first part of the project. It can be a little trickier. This is designed to do a few things. One is to reduce combined sewer overflows. The other is to bring relief from flooding.

COUNCIL MEMBER LANDER: Flooding.

As we've had in our local meetings there's this whole, as you know, a set of people very concerned, rightly, with reducing CSOs and improving water quality and the set of people who have businesses or live on Fourth Avenue in particular. Third Avenue as well, but Fourth even worse, just where the flooding has been a nightmare.

So that would be great, if you could provide my office with, and I know you'll be coming to the community before too long with just some details. I guess on phase one, I mean especially phase one but phase two as well and sort of the costs and what I'll mean where they're going, what it'll mean in terms of CSO reductions and water quality improvements.

Then you and I have spoken about

1 this but I guess I just want to reiterate my  
2 belief and get your response that the right way to  
3 handle the situation is to accelerate, to whatever  
4 extent we can, the planning process to plan for  
5 water quality in the canal and align that the  
6 process so that the three process, the long-term  
7 control planning in which we decide together, I  
8 mean the state decides but we all work to  
9 influence that decision. What's the right level,  
10 you know, that we can achieve and how much is that  
11 going to cost and look at the cost of doing so  
12 from a water quality and Clean Water Act point of  
13 view.  
14

15 The superfund remedy and the  
16 cleanup of the three sites in particular, it just  
17 seems to me that, I mean that there's big  
18 questions and obviously you and the EPA have  
19 different points of view and it sounds like we've  
20 got a gap of between whatever this high level  
21 storm surge process is going to cost, which I'm  
22 guessing is in the tens of millions and something  
23 that's a billion plus. So that's a big gap and  
24 there's going to be a lot of conversation and  
25 argument about how much we have, how much we

should have, how much we should spend.

Council Member Vallone is welcome to come out and weigh in on what the water rates, the implications of that will mean for the people in his district. The people in my district, as you know, will speak up very strongly for those water quality improvements. But it just seems to me that--so it won't settle those but right now we're in the situation where the processes aren't aligned and so we can't plan comprehensively for the appropriate superfund remedy and the appropriate NAPL remedy and the appropriate long-term control planning process expenditures to be done together in a way where we can at least understand the total nature of that project and its construction and its cost.

That seems obvious and yet we don't seem to be headed in that direction. So I wonder what can we do to at least achieve coordination and transparency and kind of these questions of expenditure versus results. That won't, again, solve the question of how much but at least it would put it on the table in a clear and coherent way.

2 CARTER STRICKLAND: We couldn't  
3 agree with you more. We've been very active. The  
4 city has been involved with this site for the last  
5 two years, since it was listed in March 2010. In  
6 trying to work with the EPA, I do believe there  
7 are some significant data gaps that remain but  
8 more importantly that there needs to be a  
9 reconciliation of the various processes.

10 One, just for the benefit of folks  
11 who don't know it as well as you do, we have the  
12 three upland manufacturing gas plant sites which  
13 are under control of the State DEC hazardous waste  
14 program. There's our CSOs which we've had, you  
15 know, the consent order for the last 20 years.  
16 Green infrastructure was the latest iteration of  
17 that, with the water quality program at State DEC.  
18 Then there's the EPA superfund program that's been  
19 involved.

20 We've been arguing very strongly  
21 for reconciliation of those timelines. Right now,  
22 the EPA has stated publicly that this year they  
23 plan to come out with a proposed plan. Under our  
24 state consent order, the long-term control plan is  
25 due in June 2015. We certainly are willing to

accelerate many of the relevant studies in that and some of the public planning processes as much as we can to align with the superfund program.

I guess if you're asking, but I'll suggest to you anyway if you're not asking, what the Council can do, I think the EPA and the state are obviously listed the site and are dealing with the water quality issues separately in response to community concerns. So to the extent that you certainly and other members are representative of the community, I think your views would carry significant weight in that. So the time to get involved is now, and that would be very important.

Just a word about the cost, the EPA's feasibility study, which they published early this year, estimates, you know, a little over \$400 million in costs, but that excludes a lot of work on the upland MGP sites, manufacture gas plant sites, and also repairs to the bulkhead. So we do think it's not inconceivable to for this 1.8 mile long water body that the costs could exceed a billion dollars. There's obviously a lot that can be done with a billion dollars.

COUNCIL MEMBER LANDER: I mean I am

concerned. I mean obviously some meaningful chunk of the \$400 million, I think a majority of the \$400 million specifically for the dredge, hopefully will be born by responsibilities parties other than the city with National Grid being by far chief among them. So this is why I just would like to get it all out in front together and understand what's the cost of the dredge remedy and how much of that is Grid and other private parties going to bear, what are the costs--so you didn't even mention just the Flushing tunnel projects, we're already spending \$150 million now.

CARTER STRICKLAND: Yes.

COUNCIL MEMBER LANDER: Let's just get this all out there, understand the totality of the costs, the totality of the results and make some decisions. So it sounds like we're in sync and I'll speak to my colleagues, Council Member Levin, who I think is here or was here, Council Member Gonzalez, the local community board. I think some pretty, look, on all three agencies, on DEP to accelerate as much as possible the long-term control planning process to bring it forward and on EPA and DEP to get the processes aligned.

Again, that won't solve all the questions about what and how much is spent, but at least it'll make them transparent and kind of out in the public where we can debate them coherently as opposed to sort of one after the other.

All right, thank you very much. I appreciate those answers and again, appreciate all your work, both locally and regionally. Thank you, Mr. Chairman.

CHAIRPERSON GENNARO: Thank you, Council Member Lander. I recognize Council Member Comrie to pose some questions. Not a member of the committee, but very, very grateful to have him here. Council Member Comrie?

COUNCIL MEMBER COMRIE: Thank you, Mr. Chair. Good afternoon, Commissioner Strickland. Thank you for being here this afternoon and taking our questions. I wanted to talk about the automated meter reading irregularities and what is being done to update the public or what's being done at DEP as far as checking the claims of all of the irregularities with the water meters? How can we further inform the public on what they can do if they feel they

have an irregular meter?

CARTER STRICKLAND: Mr. Chairman, I would like to recognize the question Joe Singleton, our Deputy Commissioner for Customer Service, who is in the best position to answer this. I don't know if you need to swear him in.

CHAIRPERSON GENNARO: Sure. What I'll do before Joe is sworn in, Leroy, if I could, I just want to add a little more to your question just to make it kind of like one big question. This is something that all Council Members have heard quite a bit about. We had a Council Member who recently held a press conference and recently looked into technology like that this that was in other cities.

Maybe it wasn't quite the same manufacturer, but they did audits and found out that about one percent of the meters had some problems. If that were the case in New York City, it would be something like 9,000 accounts. This is something I'm very happy that Council Member Comrie came here and posed this question. I certainly hear a lot about it.

I've been willing thus far to just

kind of attribute this to the fact that some of the meters, the older meters maybe were under counting and now they're getting their first true read for perhaps like a long time. The stories of bills doubling, tripling, quadrupling, stories like this are growing like mushrooms. So I just wanted to add to the question posed by Council Member Comrie.

It just looks like we have to try to do something to either firmly establish that there's absolutely no problem with the meters whatsoever or take some action to figure out if there might be some kind of problem and if so, come out with a plan for how we audit this, how we figure it out. I was kind of quiet on this for a long time, but many members come to me and I feel like this is urgent and I'm happy to have Leroy come here and ask this question. With that said, we'll swear the witness and then you can proceed.

SAMARA SWANSTON: Do you swear or affirm to tell the truth, the whole truth and nothing but the truth today?

JOE SINGLETON: I do. Thank you. It's actually a two-part question and I'll go into

the--

CHAIRPERSON GENNARO: [interposing]  
Joe, you just have to state your name for the  
record.

JOE SINGLETON: Joe Singleton.  
I've been here many times.

CHAIRPERSON GENNARO: Yeah, you're  
a frequent flier, you bet.

JOE SINGLETON: A couple of things.  
If you remember--

CHAIRPERSON GENNARO: [interposing]  
Joe, you've got to speak right into the mike. The  
mike's not on? Oh, it is on.

JOE SINGLETON: Thank you. As we  
mentioned in the testimony, the amount of  
estimated bills has come down, from about 17  
percent to about 8 percent in the last two years.  
Most estimated bills, particularly on residential  
properties, are low bills. So when you issue a  
catch up bill and the City Council, when we  
authorized the lien sale law, but that back bill  
period from a four year to a two year. So when  
you get a two year back bill on something that had  
been estimated, and it's called a catch up bill,

and we've had these bills prior to AMR and we have them now. We saw a lot in the last fiscal year when we were doing the majority of our build out and that number is now tapering off.

So what do we do when we see a bill issue? The adjudication process is the same as it always has been. There is a staff letter that comes in on the staff level. If the constituent does not like the response, they're free to write to me. If I do not modify the findings in that letter, it goes to the Water Board. Any Water Board finding can be, an Article 78 can be brought. The Article 78s, when I first came in, there were about 29 open. There's about five open right now. So those numbers have come way down.

Lots of folks liked estimated bills, particularly if they were minimum estimated bills. Many of the accounts that I looked at, at the press conference that you mentioned, in fact the first constituent that--

CHAIRPERSON GENNARO: [interposing]  
What I'll say is I did not participate in that press conference. I didn't hear anything that was said. I did get some information that was

supplied by the member regarding that there were audits done, but I don't really have the--

JOE SINGLETON: [interposing] Well, I'll get into all of that--

COUNCIL MEMBER COMRIE:  
[interposing] But I'm not talking about the adjusted two year bills, I'm talking about customers that are complaining that their bills were at a level that were four times the amount. We're not talking about folks that were--

JOE SINGLETON: [interposing] I don't believe that's the case. Any account that you have that your constituents have brought to you, you can fax to me tomorrow morning. Thursday night I know that you're hosting at the Department of Finance's Business Center on the lien sale outreach.

COUNCIL MEMBER COMRIE: Right.

JOE SINGLETON: I will sit down with you and I will go through every one of those accounts.

COUNCIL MEMBER COMRIE: Okay.

JOE SINGLETON: I have a high degree of confidence when you look at those bills

you're going to see those bills were issued correctly, back billed correctly and those bills will stand as issued. I have no concerns about that. If there is a problem on a bill, as always, in the six years that I've been in this job, we will adjust the bill. But we adjust bills on fact patterns, not speculation, not wishful thinking, on fact patterns.

COUNCIL MEMBER COMRIE: Right.

JOE SINGLETON: That's how we adjust bills.

COUNCIL MEMBER COMRIE: Okay.

JOE SINGLETON: Now, as far as the number of accounts and complaints, the complaints this year are about running the same as they were--excuse me--in 2010. They did go up in '11. Now, as the Commissioner mentioned, we've changed out 428,000 meters in 2.5 years. So if just five percent of those meters were running either slow or had flatlined, had gone dead, you're talking about 20,000 constituents who were getting minimum bills who are now getting correct bills. So I'm very confident in the technology.

Let's address the technology.

2 There is not a municipality in the United States  
3 that is showing the data density that we are. We  
4 show reads four times a day on small meters. This  
5 system has been--

6 COUNCIL MEMBER COMRIE:

7 [interposing] Then the question, since you're so  
8 confident in the meters that are being put in now,  
9 I think that a solution, to just be solution-  
10 based, if you're so confident that the older  
11 meters were flatlining or slowing down and showing  
12 reductions in the bills, I would suggest that you  
13 inform the homeowners of that, so that they're not  
14 getting surprised when they do actually get the  
15 bill.

16 JOE SINGLETON: Well, I'll--

17 COUNCIL MEMBER COMRIE:

18 [interposing] Can I finish?

19 JOE SINGLETON: Sure, absolutely.

20 COUNCIL MEMBER COMRIE: That the  
21 meters that were involved that were already in  
22 their homes were not giving accurate readings, so  
23 that they could be aware of it. The problem for  
24 most of my constituents it that they're getting a  
25 bill, a corrected bill, just to use your

vernacular, that was way above any bill that they had gotten before. And they had never been told that the meter was not working correctly.

So now you're getting a person that thought the norm was x, you know, but not the norm is actually A. They never were informed that the norm was not correct. So in their mind, they're being told something or being given a new rate now that was way beyond anything that was told them. They never were told that the meter was broken. So while it may be clear to you, it's not clear to the normal constituent.

So I think that it's imperative on DEP to let them know if that meter that was in their home was incorrect and not giving them a proper reading. So if that's what you're saying the problem is, then there needs to be a better outreach of information to the consumer that their meter was incorrect.

So if you're saying 20 percent, that's 20,000 people, this problem is not going away.

JOE SINGLETON: Well, let me address that. We're 95 percent built out right

now. So most of the accounts have the new technology in, they have fresh meters in. As far as communicating to the constituent, we can always do a better job on that, across the board. That's why we do 20 outreaches during lien sale. That's why we give you three cracks at the adjudication process before an Article 78. Any bill that is issued that is an estimated bill says right on that bill, this is an estimated bill; you should call us and try to get an actual reading. So that is on every single estimated bill that this department puts out.

Now, could we always be clearer?

Yes. As far as doing more outreach and communicating those things, as the commissioner mentioned, we now have 150,000 people looking at this system. If I had a systemic problem, it would have been caught by one of those 150,000 users. Big buildings are using it, small buildings are using it. It's a very easy, user-friendly system to use once you obviously have the technology installed and once you sign up to the use the application.

COUNCIL MEMBER COMRIE: Right. I

1 don't have a problem with the customer service  
2 side of the agency. I've had a good relationship.  
3 As you know, we do the tax lien. We do a couple  
4 of other outreach during the year. I don't have  
5 any problem with the response from DEP or the  
6 ability for people to outreach. But I do also  
7 have a lot of people that come up to me that don't  
8 do the active outreach but they'll see me in the  
9 street or they'll see me in an event and they'll  
10 complain to me about their bill because the bills  
11 are not being labeled clearly that it's either an  
12 estimated bill or this is a new bill, this is now  
13 an actual bill, your meter is working correctly.  
14 So I think the language could be better to give  
15 them less of a fear that they could do the  
16 outreach. That's really what I'm saying.

18           You know, I've had no problems with  
19 the response and activism from your agency as far  
20 as trying to fix the problem. It's that so we can  
21 have people that are not feeling frustrated about  
22 what the issues are left and right. That's really  
23 what I'm trying to drill down to today. But the  
24 response from your agency has been fine. You  
25 know, my office and myself have never been lacking

in response or lacking in people coming out and doing the work. We just would like to have better information to tell the constituents up front so that we can look at the bill. When you look at their bill, it's not always that clear.

CARTER STRICKLAND: Thank you, Council Member. We certainly will take your suggestions very seriously. When we reorganized the agency a few years ago, customer service was one of four core functions that we thought it was important to call out. We do pride ourselves on our response times, our staffing and our outreach. We do, as Deputy Commissioner Singleton mentioned, we are constantly seeking to improve our customer service and that's certainly very important to us.

COUNCIL MEMBER COMRIE: I think the customer service area has been improved. Mr. Singleton and Mr. Lanagan and I can't remember everybody else's name but they've been very good at making sure that the customer service level has been very good once the people call. But I have a lot of people that, you know because I have people working two and three jobs, but when they see me at church or I try to visit the churches in my

district or they see me at my events.

I don't have the information in front of me. They don't give me information but they're griping to me that their bills are high. I can't prove it, but if we can make the bills clearer, then there would be less griping on that end. And, you know, I could use a church service without someone griping to me about their water bill.

Something that I saw in your testimony where you were concerned, Commissioner Strickland, about the inability to complete the build out of the storm and sanitary sewer systems. While I appreciate the money that's in the budget to do storm work, especially in southeast Queens where we still have many areas that haven't been built out yet, I am concerned about what you think the long-term impact of this problem will be and what we can do to help you on a state and federal level to get that resolved.

CARTER STRICKLAND: Thank you. We certainly have focused on southeast Queens and the adjoining districts in our preliminary four year plan. As I mentioned in my testimony, we do have

\$64 million for sewers in southeast Queens. That includes \$22 million for high level storm sewers in southeast Queens.

I know that we have been actively working with you on a problem that we find very vexing to us and to your constituents which is groundwater flooding. We have, as part of our Water for the Future project, \$100 million in the budget for rehabilitation of groundwater wells in southeast Queens, should we need that water.

We did, about a month ago, award a design contract that will be ready very soon. Since November, at a forum that you hosted, along with Assemblyman Scarborough, we did hear from the community loud and clear about their need for relief. We've been meeting monthly with you since then and we formalized those meetings into a separate monthly working group with State DEC, the Army Corps of Engineers, U.S. Geological Survey and Queens community leaders, of which you're one, of course, to not only provide updates on Water for the Future, but to work together towards some solutions. Those include some reverse seepage basins and other interventions that we think can

certainly be put in place quickly. We're keenly aware of the issues in your district.

COUNCIL MEMBER COMRIE: Yes, I know. I'm just concerned though that the \$64 million is still one of the lower numbers that we've had in the budget for storm sewer and sanitary sewer repair. Because of the mandates that you have to deal, it seems like the number is getting lower and lower every year. So I was just wondering what we could do to help resolve to relieve some of these mandated problems that can make sure that all of the build out that needs to be done so that this work can be done in the area. What can we do to ensure that these mandated expenses can be relieved on some level? Is there anything being done on a federal level to pick up some of these mandated projects?

CARTER STRICKLAND: There is. The Obama administration, to its credit, did put out an executive order about a year and a half ago. We were actively commenting on that. They do have two areas of direct concern for us on that regulatory review of about 30 items. One is the long term 2 rule that relates to the \$1.6 billion

Hillview cap, should we need to construct it. The other relates to combined sewer overflow policy which is a multi billion dollar project.

And I should also mention the superfund; you know the allocation to the city is unknown. We're not the major contributor, but the superfund law can work in mysterious ways and it could be left to us to sort it out.

So we certainly would welcome your support on all of those issues, Gowanus superfund site and also those mandates that we have. I do think the state, certainly some state mandates that are coming down the line include total residual chlorine requirements. I do think that this bundle of mandates suffers a bit from being siloed. By that I mean there's a program in a certain area and folks take that and run with it. I think a more holistic approach at where we can have the greatest bang for the buck, to use a colloquialism, would be helpful. We would welcome your support in that effort.

COUNCIL MEMBER COMRIE: I look forward to being involved in that because the more money we can relieve you of having to come out of

our taxpayers would make more sense. In that regard, why do we have to pay upstate taxes for property that is helping? I mean what can we do about getting that \$122 million waived and picked up by the state?

CARTER STRICKLAND: Unfortunately, I have to inform you that it's a little bit larger than \$122 million. We're up to \$144 million. We are working to cap those increases with the state, using various templates. As with any other landowner up there, we are taxed and pay property taxes. As you heard earlier with regard to ULURP and other community commitments, as with any other large capital agency, when we build things and there's a legal commitment, we fulfill that. It's the same with paying taxes.

COUNCIL MEMBER COMRIE: But have we ever asked the state to pick that up? I don't understand why we can use our autonomy as a city in other areas but we are paying taxes to upstate for property that should be--I don't know what the legal term is--but it's for the greater city good. You know, why are we having to pay taxes property when we don't pay taxes on city-owned buildings

here. Or, you know, the state is not paying taxes on their state properties around the state. Why is DEP being given the singular responsibility?

CARTER STRICKLAND: I guess I can go back more than 100 years to the water supply law. We as a city were allowed to extent our watershed upstate outside of our jurisdiction and there were certain requirements of that. It's come down that when we buy land, we do so from willing buyers. We don't use eminent domain. There are a number of protections.

If you step back and look at the costs and benefits of that, we have been able, because of our watershed protection program, which does in some ways control land use and allow for only compatible economic develop upstate, does allow us to avoid, for example, the costs of a treatment plant for the Cat-Del system. The last time we estimated that, the capital costs would have been \$10 billion and the largest mandate we would have ever faced and, you know, many hundreds of millions in operating costs.

In the last ten years or so, we've spent \$1.5 billion for land acquisition programs

2 to help farmers, programs to restore streams and  
3 the like and that's been a pretty good investment  
4 if you look at the cost avoidance.

5 So while we do think that certain  
6 of our upstate taxes are too high and we've gone  
7 to court and we've fought those and then we've  
8 tried to resolve those in a way that will give us  
9 some predictability going forward.

10 COUNCIL MEMBER COMRIE: Thank you.  
11 Just on another topic, did you talk about the  
12 progress of the plan to replace the water tunnel?  
13 Is it the water tunnel or the water line from  
14 upstate that's coming down through the George  
15 Washington Bridge and what is that status?

16 CARTER STRICKLAND: We did talk  
17 about our repair of the Rondout-West Branch Tunnel  
18 or the Delaware Aqueduct.

19 COUNCIL MEMBER COMRIE: Right.

20 CARTER STRICKLAND: That is really  
21 our, I will say, only new large capital project.  
22 It will be \$2.1 billion, including some  
23 augmentation, should that be necessary, for the  
24 period when we're done. The Delaware tunnel has  
25 predicted to be down from 6 to 24 months. So we

are looking at a number of suppliers from New Jersey, Queens groundwater and also Nassau County. We're in very early stages of those discussions, obviously. Everything would have to meet our standards, which are very high.

But certainly we think that's an important project for the long-term reliability of the system. We are now leaking millions of gallons a day, depending on how much water is flowing through that tunnel. It's causing some hardship certain land owners upstate and also we believe could, if let unabated, would pose some problems for reliability.

COUNCIL MEMBER COMRIE: Thank you. Just one other question, the Bluebelt and the ability of your relationship with State DEC and also the Federal EPA regarding the Jamaica Bay, has there been any positive updates in regards to that, to make sure that we could pump, hopefully the groundwater into the Jamaica Bay area.

CARTER STRICKLAND: Well, we are in discussions. I don't have any developments to report to you at this time. But we are discussing with DEC and their local regional office whether

economically and environmentally it might make sense to pump groundwater, release it to Jamaica Bay.

We think that there may be certain ecological benefits as we move that salt gradient out. This could help oyster reproduction, which in turn helps filter the bay. So we do think that there is a potential win/win. Obviously, the science will govern everything. They've committed to us to look at all the science we can bring to bear to that issue.

COUNCIL MEMBER COMRIE: Okay. Then also, I just want to put in a plug to try to get station 6 back up to the operational plan that we had. I know we had it in design and it was ready to go and all of the sudden it got tanked. So hopefully we could get that back to a functioning stage. I'm hoping that once we get this groundwater plan approved that that would stimulate the need to complete the station 6 project, which would really be a major help to reduce the water table, the groundwater table in southeast Queens. Thank you. Thank you, Mr. Chair.

2 CHAIRPERSON GENNARO: Thank you,  
3 Council Member Comrie. Thanks for your great  
4 advocacy on behalf of your local community and  
5 with other leaders down there regarding the water  
6 table issues, regarding the sewer issues, we do  
7 greatly appreciate your partnership. I stand  
8 ready to be of help in any I can on these issues.  
9 Thanks very much for being here.

10 Okay, I'm back. Something that  
11 just came up in your conversation with Council  
12 Member Comrie regarding mandate relief, please  
13 feel free to always engage us. I know we're happy  
14 to help out. We have had some successful  
15 collaboration with regard to mandate relief and  
16 happy to partner with you and try to make sense  
17 for things we can do together and help us from the  
18 burden of these mandates from the state and  
19 federal government. So let us know on that.

20 I have questions that I marked in  
21 your statement and I have some prepared questions.  
22 I'll just go through some of the marks I made in  
23 your statement. Just something I happened to  
24 notice with regard to opening up the reservoirs to  
25 boating, that would not include any kind of

motorized craft, right?

CARTER STRICKLAND: No, it will not to date, there have been requests, certainly no gasoline or other motors. There have been some requests, which we have not acted on to date, to use electric trolling motors which--

CHAIRPERSON GENNARO: [interposing]  
Oh, I see.

CARTER STRICKLAND: --for elderly folks. They don't cause any pollution. We're certainly well aware of the benefits of local community support up there. So that is something that we will consider, but we'll never consider, you know, motorized craft.

CHAIRPERSON GENNARO: Great.  
That's kind of what I thought but I just wanted to ask that. We talked about Hillview, and I don't want to belabor that, but what would the current price tag be if we were to have to do that?

CARTER STRICKLAND: We think, you know, our estimate is \$1.6 billion.

CHAIRPERSON GENNARO: \$1.6 billion.

CARTER STRICKLAND: Correct.

CHAIRPERSON GENNARO: Okay. Thank

2 you for that. Page two of your statement talks  
3 about those New Yorkers who still don't have  
4 sanitary sewers. I guess that would be single  
5 family homes in certain parts of the city.

6 CARTER STRICKLAND: Yes, there are  
7 areas with septic still.

8 CHAIRPERSON GENNARO: Do we have  
9 like any kind of estimate of how many folks that  
10 takes in or just kind of like a geographic sense  
11 of where they are.

12 CARTER STRICKLAND: Well, one area,  
13 there are some well known communities. One would  
14 be Douglaston--

15 CHAIRPERSON GENNARO: [interposing]  
16 Right.

17 CARTER STRICKLAND: --for example.  
18 They don't want our system. So we do go out  
19 assisting the Department of Buildings and inspect  
20 septic systems.

21 CHAIRPERSON GENNARO: Just to make  
22 sure that the septics are--

23 CARTER STRICKLAND: [interposing]  
24 If they're not functioning, they have to fix them.

25 CHAIRPERSON GENNARO: Right, okay.

And last year there was a pretty robust discussion of land-based sludge management and there was a contract and there have been some major changes in that regard, which have realized some savings.

The new firm is the WeCare people, transport up to 400 tons a day to its site in Pennsylvania. The rest of the sludge--I'm reading from your statement--the rest of the sludge is used for landfilling or land application. So my question is what percentage of the sludge is processed through WeCare to some sort of use for composting and mine reclamation and what percentage is landfilled?

CARTER STRICKLAND: WeCare organics contract is about 25 percent of our daily sludge amount. As to the rest, it's largely--hold on, Joe is helping--47 percent is beneficially reused.

CHAIRPERSON GENNARO: Okay. When we're doing 100 percent beneficial reuse, that was costing quite a bit of money to do, that is my understanding. So the amount of money that's saved by going in this direction, how much are we realizing in savings by going this way?

CARTER STRICKLAND: We're

2 realizing, I want to say 50 percent savings, so  
3 tens of millions.

4 CHAIRPERSON GENNARO: Right.

5 CARTER STRICKLAND: I will say that  
6 we did put an RFI and an RFP and saw what the  
7 private market had in terms of ideas for  
8 beneficial reuse. It certainly was a  
9 consideration in our award of the contract as was  
10 price. There are a number of these contracts that  
11 are up over the next few years. We'll be putting  
12 those out, new RFPs. So it's certainly our hope  
13 that the industry will evolve to where those  
14 beneficial reuse technologies can be very cost  
15 effective.

16 CHAIRPERSON GENNARO: That would be  
17 great, but in the meantime we're doing a prudent  
18 amount of beneficial reuse and we're looking after  
19 the finance of the city. No problem here.

20 Now, on page six of your statement,  
21 when the fix of the Rondout-West Branch tunnel,  
22 when the goes offline, it's going to be a  
23 combination of Queens wells and SO wells, New  
24 Jersey and there's a big price tag for bringing  
25 those supplemental sources online. I want to

focus for now on the Queens wells. When we first proceeded with the condemnation of the Jamaica water service, 1995, whatever it was, it was in that time period. There was a certain amount of water that was being pumped. As I recall it was something around like 100 million gallons per day or something.

CARTER STRICKLAND: I think it was about half that.

CHAIRPERSON GENNARO: Oh, it was about half that at the time?

CARTER STRICKLAND: I believe so, yeah, 50 or 60 million.

CHAIRPERSON GENNARO: Oh, 50 or 60. So 100 probably represented like the--

CARTER STRICKLAND: [interposing]  
It might have been the max.

CHAIRPERSON GENNARO: --Jamaica water service when it was at its peak and then they started trailing off by the time we did the condemnation, like you said, it was about 50 or 60. I guess my question is what is it now, I mean in terms of what we're pumping from the former Jamaica water services wells?

2 CARTER STRICKLAND: We're at zero.

3 CHAIRPERSON GENNARO: Zero. So the  
4 only thing pumped is being pumped away for those  
5 wells that have to be--

6 CARTER STRICKLAND: [interposing]  
7 The state is about to start up some wells, but  
8 it's not our intention to use it right now. But  
9 that's the point of our design contract is to see  
10 what it would take to get those wells up to  
11 drinking water quality.

12 CHAIRPERSON GENNARO: Right. But  
13 just talking about the current situation, so right  
14 now all of southeast Queens is working off Cat-Del  
15 water?

16 CARTER STRICKLAND: Right.

17 CHAIRPERSON GENNARO: So there is  
18 nothing from the Brooklyn Queens--

19 CARTER STRICKLAND: [interposing]  
20 No.

21 CHAIRPERSON GENNARO: --that's  
22 going into the system.

23 CARTER STRICKLAND: Correct.

24 CHAIRPERSON GENNARO: When that  
25 goes offline and we have to supplement, is there a

target number that we're looking to get from southeast Queens or is that going to be contingent upon what looks like it's going to work in terms of portability and the types of things we have to do to get that water--

CARTER STRICKLAND: [interposing]  
We are looking at a number of sources. I believe our shortfall is around the range of 300 million gallons a day from all sources. Queens might be 60 million gallons a day. So that would be the max, the functional equivalent of when we bought it and shut it down.

CHAIRPERSON GENNARO: Right.

CARTER STRICKLAND: I will say that, you know, among other so-called augmentation projects includes buying essentially water demand, including some \$60 million that we have set aside for water efficiency toilet rebate programs that will decrease overall system use.

CHAIRPERSON GENNARO: Right. But I was just wondering about the steps that we take regarding the perhaps 60 million gallons a day or whatever the number turns out to be. It could be less than that. Because that water was deemed,

2 once upon a time, as water like not having the  
3 quality that the rest of the system had. Would  
4 there be some kind of localized site by site  
5 treatment of that water or how would that work?

6 CARTER STRICKLAND: Absolutely. I  
7 mean that would be the bulk of the cost, both the  
8 operating and the--actually the operating costs,  
9 more particularly, as we replace, for example,  
10 granulated activated carbon. If that's the  
11 technology we use, it also is part of the capital  
12 costs, I should say. I do want to emphasize  
13 though that this need for supplemental water is  
14 right now during the life of the active tunnel  
15 repair. We're obviously starting in 2013, we're  
16 going to be digging two shafts. We're going to be  
17 digging a tunnel. So it's that connecting period  
18 of some 6 to 24 months and that number will get  
19 more precise as our planning proceeds.

20 CHAIRPERSON GENNARO: Right.

21 CARTER STRICKLAND: Around, you  
22 know, 2020 or so, where we'll need to have  
23 supplemental water. So it wouldn't be the kind o  
24 thing where it would be forever.

25 CHAIRPERSON GENNARO: Fine. But I

was just wondering once we rehab these wells and put some kind of technology site by site to do the filtration, I guess that's how it would happen. I think you just said, that would just be a temporary arrangement and once everything was flowing then we would take those facilities offline and kind of go back to zero again.

CARTER STRICKLAND: We'd hold them in reserve. So that is something that there also might be a long-term benefit in terms of system resilience as we head into drought years. But each well is different. Each well is in different condition. Each well has different depth. Obviously the shallower the well, generally the poorer the water quality is and the more treatment that's required.

CHAIRPERSON GENNARO: Right.

CARTER STRICKLAND: So each well will be looked at.

CHAIRPERSON GENNARO: I did notice that there was even one in my district where the tower came down relatively recently. One of those wells went down to the Lloyd Aquifer. We will be opening up any Lloyd wells? Do we have the

ability to do that?

CARTER STRICKLAND: Yeah, we do have permits.

CHAIRPERSON GENNARO: Yeah, because with Lloyd we don't have the quality issues that you would have with some of the other wells. Right? Okay, good, okay.

What is the status of the talks with Nassau and how that would work? There's some kind of connective infrastructure--

CARTER STRICKLAND: [interposing] It would be required. Those are very early, those discussions. We certainly are happy to update the committee when we have something to say, but right now there's nothing to report.

CHAIRPERSON GENNARO: Right. Kind of bring it back to like a budget sense or a budget focus, has any of the money that's been put aside or that's in the plan before us today geared towards that kind of interaction with Nassau? Have we budgeted for that?

CARTER STRICKLAND: Go ahead, Steve.

STEVEN LAWITTS: Sorry. As the

Commissioner testified earlier, the four year plan has approximately \$658 million in there for augmentation or supplemental water sources. So to the extent that the discussions with the alternative water suppliers proceed and we need to invest capital money to make those connections happen, they're funded in the plan.

CHAIRPERSON GENNARO: Right. Just from a technical perspective, I'm just curious how that would work, kind of like the back and forth with Nassau, like would we kind of give them water during our--pardon the pun--flush years in exchange for water back? Then would we be like storing water at the aquifer or something? I just don't understand how it would work from like a technical perspective. Do you need a technical guy for that? I mean I don't want to get to technical. It's just a budget. But just like how would it work?

STEVEN LAWITTS: I think we have to go back to what the commissioner was saying a few minutes ago about how the discussions are in the very early stages. So that would include issues such as the one you just raised about reciprocal

flow, you know, at other times where we would have more of a supply than we could use.

CHAIRPERSON GENNARO: Right. This will be the last question and it's probably known, I think the regulator for Nassau County is like-- well of course you ultimately have the state and all that, but you have the County Department of Public Works that deals with all of the private suppliers. So we'd be dealing with private suppliers in this kind of arrangement or with like the regulator overseeing this? So it'd be deals with private entities?

STEVEN LAWITTS: Private entities operating on behalf of the public. Because they're private operators, the rates are regulated by the Public Service Commission. So that office may eventually come into play at some point.

CARTER STRICKLAND: It's true, Chairman it's also true in New Jersey. So they're overseen by the Board of Public Utilities. They have public-private water suppliers over there. So it's a similar arrangement.

CHAIRPERSON GENNARO: I would imagine that there is no kind of piping that now

is in place between us and Jersey that would accommodate that. So this would have to--yeah, okay.

CARTER STRICKLAND: The bulk of the cost would be transmission pipelines.

CHAIRPERSON GENNARO: Okay. Some of the notes I'm made have been dealt with. We did that. I have some prepared questions. We did that. I just want to talk a little bit about the recently announced RFP for a solar and wind facility to be located at Freshkills. There are a couple of questions. I'll just ask them all that relate to that and then you could answer them in turn.

How would the financing for such a project work? Would the company own, operate and also maintain the equipment? Would a power purchase agreement likely have fixed or variable rates or generally how the power purchase agreement work? Would there likely be a long-term lease or would a rental agreement be minimized to encourage lower rates? Maybe I shouldn't have asked them all at once, but just you get the gist of what I'm getting at and whatever you have.

What happened to the commissioner? I looked up and he was gone. Okay. Please, Steven. It wasn't something I said was it?

STEVEN LAWITTS: No.

CHAIRPERSON GENNARO: Okay.

STEVEN LAWITTS: Perhaps, Mr. Chair, we could follow up with detailed answers.

CHAIRPERSON GENNARO: Just give me two minutes on it. I'm just curious about this issue specifically because I have something up my sleeve on this issue.

STEVEN LAWITTS: Right. So the city is proposing to lease the land to the developer for a fee that will provide an incentive for the developer to produce the infrastructure necessary to produce the power and to find someone willing to take it.

CHAIRPERSON GENNARO: Right.

STEVEN LAWITTS: The RFP contemplates that there may be financing available from federal and state sources.

CHAIRPERSON GENNARO: But by and large, they would enter into a lease agreement with the city and the city would be compensated

through lease payments and perhaps some kind of ongoing-

STEVEN LAWITTS: Right, that's right.

CHAIRPERSON GENNARO: That they would participate and get something back from when the charge for the power--

STEVEN LAWITTS: [interposing]  
Right. And as the RFP is conceived, the city wouldn't be purchasing the power directly. Part of the RFP requirement is that the developer must find someone to purchase the power.

CHAIRPERSON GENNARO: Right. So the city would get money from leasing the land to the developer. Then we would get some sort of portion of the revenue stream when they sold it. Is that part of it?

STEVEN LAWITTS: That depends also on how--

CHAIRPERSON GENNARO: [interposing]  
What various people propose.

STEVEN LAWITTS: --what the various proposers reply with in terms of not only the technical aspect of this and the identification of

users of this power but also how the city would be compensated.

CHAIRPERSON GENNARO: Right. And right now the only place where this is being contemplated and what the RFP spoke to was Freshkills, is that right?

STEVEN LAWITTS: Right. That's the scope of this RFP.

CHAIRPERSON GENNARO: Okay. Let me do the following. I've just been told that the administration would prefer a protocol that we follow now in the absence of having the commissioner here, to kind of read my question into the record and then have DEP get back. That was what...

[Pause]

CHAIRPERSON GENNARO: So we could proceed that way unless I'm really, really itching to get an answer to a question that I just can't go home without today. How about we do that? That'll be the standard that we'll apply.

Let me just talk about something that is budget related in that it means revenues that would come to the city from fines. This one

I'm willing to have the agency get back to me.

Back in 2005, when we did the noise revision, it was a whole big thing and the Mayor put it forward with great fanfare. You know 2003-2004 by the time we got everything done and got it passed, it was the very end of 2005. There was various sectors that would have been impacted by the Mayor's original bill with regard to cardigan issue, with regard to nightlife, with regard to the real estate industry, with regard to Mr. Softie and a host of other entities that were out there.

The arrangement that was made with regard to something that the administration was looking for in relation to many different parts of the hospitality industry, you know bars, restaurants, clubs, this kind of thing, the Bloomberg administration had proposed this, you know, plainly audible standard and at the end of the day, working things through with the Council, we went to the decibel meters.

I'm grateful to the commissioner for coming back. I'm sorry that you're in a fair amount of pain. I was just posing the question,

1  
2 Carter, with regard to the city's noise code and a  
3 lot of the back and forth that took place in that  
4 in 2005 and with regard to the hospitality  
5 industry, with regard to the bars and restaurants  
6 and clubs and all that.

7               The Bloomberg administration had  
8 put forward this like plainly audible standard and  
9 we worked long and hard over many months to get  
10 like the decibel standard. Because the thinking  
11 was that the Council and many sectors from that  
12 industry thought it would be better and cleaner if  
13 there was a certain set standard. You know, they  
14 were pretty much willing to comply with whatever  
15 we wanted, whatever was reasonable, but thought  
16 that the plainly audible standard left them sort  
17 of at the mercy of any inspector that could come  
18 by and just write a ticket if he didn't like what  
19 he heard and that was what we feared.

20               So there was much, much work over  
21 many months. It went into the whole decibel meter  
22 standard and protocol. It's my understanding that  
23 years after the bill was passed in 2005 that that  
24 had worked and it was good and now there have been  
25 reports that have been brought to my attention

that the section of noise code that we worked so long and hard to kind of figure out, like with the meters and all that, has been, again, these are reports that have come to me, saying that violations are now being written under the more general unreasonable noise section of the code, which was not the part of the code that we developed for the nightlife and restaurant industries.

So I'm getting complaints saying that this is kind of breaking the agreement that was in place. We put together a particular section of the code for that and the more specific tailored part of the code for those kinds of businesses should carry the day rather than like the more broader section of the code, which I guess is easier to write. And also it's my understanding the fines are higher. I just want to let you know that this has been brought to my attention.

If this is indeed something which is going on, it causes me great concern. Based on the anecdotal evidence that I have, this is something that is happening and these things are

1  
2 being adjudicated. The folks at ECB are saying,  
3 well, it's still like a valid code, it's like a  
4 reasonable noise thing and that does apply. You  
5 know, certainly like there was a particular  
6 section of the code that was written for this kind  
7 of violation but going with the more general  
8 standard and that just kind of doesn't work for  
9 me.

10 There has to be some kind of  
11 legislative fix to kind of fix that but right now  
12 this is something that is going on in great degree  
13 then I have I guess a problem with that and I'd  
14 like to ask you about that.

15 CARTER STRICKLAND: Okay. Just to  
16 set the background, noise is the number one 311  
17 complaint I believe citywide. The bulk of those  
18 are neighbor to neighbor noise complaints, thin  
19 walls, et cetera, over 100,000 a year. Those go  
20 to the police department. We deal with everything  
21 else, but it's a lot. And it again is our number  
22 one complaint.

23 So it is important to have a full  
24 range of enforcement tools. We do prefer to use  
25 the meter and in fact have done so. We have seen

noise complaints drop, particular with regard to construction sites and construction noise since the new code and I think that's been helpful. We may be coming to you soon with some suggested amendments.

But we think having builders file a noise plan, a noise mitigation plan ahead of time and having hours of operation has helped the community.

CHAIRPERSON GENNARO: This is about bars and restaurants and clubs though. This is like where I'm getting it from. You know, it was a lot of kind of--there was like blood spilled over getting this thing written and it was a whole big deal. You know, now there's a feeling that that agreement is kind of out the window. What they feared from the plainly audible standard that never made it into the law, they're now getting their fears realized with regard to the unreasonable noise thing.

So this is kind of like the boogeyman of sort of noise negotiations past, sort of coming forward and revealing itself. I'm very amenable to having any kind of conversation with

1 anyone about if there was a problem with them  
2 using the meters or getting the cops to do that or  
3 whatever. I think this is a conversation we can  
4 have.  
5

6 But to have businesses being given  
7 tickets with like another section of the code that  
8 wasn't meant for them sort of like remains like a  
9 sore spot with me.

10 CARTER STRICKLAND: Okay. We're  
11 certainly happy to engage with those discussions.

12 CHAIRPERSON GENNARO: This would be  
13 the cops that give out these tickets with--

14 CARTER STRICKLAND: [interposing]  
15 It's part of the whole multi-agency hotspot  
16 initiative, march initiative. We do use it then.  
17 We also use it when we only have one inspector.  
18 For example, often when there are HVAC complaints  
19 or other complaints, we have to schedule an  
20 appointment; we have to have someone inside and  
21 someone outside. You can imagine that it's quite  
22 intensive when you're dialing with 40,000 plus  
23 complaints a year.

24 We do use the unreasonable noise  
25 standard from time to time to supplement the

numeric standards for those reasons, for enforcement flexibility and to try to address complaints. Obviously, for enforcement purposes before the ECB, we do like the sort of black letter law of a numeric standard. It makes it easier to enforce. Of course, people can challenge unreasonable noise ticket and violation and often do. So to sort of lock that down and not waste our time, we do like to use numeric.

CHAIRPERSON GENNARO: Right.

CARTER STRICKLAND: But from time to time we do find it necessary to use the unreasonable noise standard.

CHAIRPERSON GENNARO: But what I think I'd like to do rather than go back and forth a lot on this at this particular moment is to schedule a time to get together with you to talk about this, perhaps with some folks in the industry. This is not something that I ask a lot. You know, I don't bother you with stuff like this but I was very, very deeply involved in this in 2005 and I think this kind of calls for a bunch of folks getting together to sort of talk this over to figure out what's really going on and has it

really reached the proportions that they say it has. They can get their numbers together and we can have a conversation about it and figure out like which way to go.

I think out of respect for--you know, normally people when they say the words like I feel your pain, you know it just kind of, you know you being in a cast and all it's kind of taken it to a whole new level, you know the whole thing. Like I really do feel bad.

CARTER STRICKLAND: No, we're happy to do it.

CHAIRPERSON GENNARO: Okay.

CARTER STRICKLAND: Anytime.

CHAIRPERSON GENNARO: That's a note to staff. We should set that up. I'm going to skip that. I'm going to skip that. I just wanted to follow up a little bit on an item that was brought forward by Council Member Koppell. I think Council Member Koppell talked mostly about the Croton plant and the use of public employees. He made reference to the new UV plant. I'm curious about the commitment of DEP towards the use of public employees for the operation of the

UV plant and so if you could speak on that.

CARTER STRICKLAND: Sure. We are negotiating right now to determine what the lowest cost of operation would be, whether by public employees or via a private operator.

CHAIRPERSON GENNARO: We have people who are going to testify like once DEP gets off regarding this issue.

CARTER STRICKLAND: Yes, we'll make all the submissions we're required to under Local Law to look at cost comparison and total cost of obtaining that service contract.

So, we certainly will--again, its one of these issue that we don't have anything to say to the Council now. We haven't wrapped up those negotiations or gotten to a price point. But we did anticipate that we'd have to start staffing up as we've done, well ahead of time to make sure we have a trained staff, with city employees. When we did so, as part of the negotiations, have insisted that those employees be given a right to be hired and otherwise we'll absorb them into the system. So we have made that commitment to those employees who are starting up

staffing that position.

I will say that in general through years of across the board cuts and now through targeted cuts we run a pretty lean operation. So we're very proud of what we're able to do and our employees who deliver the services.

CHAIRPERSON GENNARO: Thank you, Commissioner. Let me just try to summarize as quickly as I can. I'm going to skip that. I'm going to skip that.

I had mentioned when Council Member Vallone was making reference to the rental payment what the total projected cost of what the rental payment is going to be for the coming fiscal year. This is not something which is determined by DEP. This is not money that goes into DEP's pocket. There would be some ability I think to give us just a general sense of what the rental payment will be for this coming year. Again, this is not like a gotcha thing. This is not a formula that DEP came up with. It's just a reality that we live with.

So the rental payment this year, and I guess my question is the total rental

payment will be some number, whatever it is, and I think there's still some portion of that that goes to pre-1985 geo debt. And I'm just curious to what the total number is, how much would go to the pre-1985 geo debt and like the balance presumably would go to the General Fund.

STEVEN LAWITTS: If I may, Mr. Chairman?

CHAIRPERSON GENNARO: Sure.

STEVEN LAWITTS: For Fiscal 12, the year that will be ending soon, the rental payment is budgeted to be \$210 million, or currently forecast to be \$210 million. The forecast for 2013 is \$231 million.

CHAIRPERSON GENNARO: So FY 13, \$231 million.

STEVEN LAWITTS: Yes, \$231 million.

CHAIRPERSON GENNARO: That's the forecast.

STEVEN LAWITTS: As the Chair had observed, there is a portion of the rental payment that goes to pay the pre-1984 general obligation debt that was incurred to support the capital program of the water system. So that does vary

from year to year but it's on the order of \$30-\$35 million.

CHAIRPERSON GENNARO: And it'd be like the same amount for FY 12 and FY 13, something like that?

STEVEN LAWITTS: Yes.

CHAIRPERSON GENNARO: Okay. So it's like \$30-\$35 million in both of those years. Okay. Again, I don't want to pontificate. I don't want to make a whole kind of thing about it, I just want to kind of keep track. Whatever I would have to say about that, you know, probably wouldn't be to DEP, it would be to the Water Board, Water Finance Authority, the Bloomberg administration and of course the City Council. We all have to figure out if we were to sort of change this paradigm, how would we do that, like what sounds reasonable? Not a conversation for today but it just gives me some parameters and I do appreciate that.

I just want to comment on something Joe Singleton said about it's always possible to do a little better regarding customer service. I'm here to state categorically there is nothing

more that Joe Singleton could personally do.

There is no such thing as a government employee that's like more responsive than Joe Singleton.

There is nothing that could be done to have you do your job any better. It's just not possible. So some things are just fact. I greatly appreciate the great partnership we've had with your office and I never, ever, ever want your job.

[Laughter]

CHAIRPERSON GENNARO: That's for darned sure. I just want to give some shout outs to Mark Lanagan and Matt Mahoney, who have worked very closely with my office with various things when I bother them and they take it in very good stride and that's nice.

So with that said, Commissioner, I really appreciate the opportunity to have you come for today. I wish you a speedy recovery and--

CARTER STRICKLAND: [interposing]

Thank you.

CHAIRPERSON GENNARO: --Tylenol, aspirin and Advil, whatever it takes. I'm looking forward to seeing you return to sort of perfect structural health very soon. We have a lot of

engineers at DEP so I'm sure they'll figure that out.

CARTER STRICKLAND: If you see me walking around with a concrete, you know, cast around you'll know I went in-house for help.

CHAIRPERSON GENNARO: Right. Let's not like over-engineer this. You know what I mean? Thank you one and all. It's been greatly appreciated everything that you, Commissioner, and your good team does each and every day for the environment of the City of New York. Thanks very much.

CARTER STRICKLAND: Thank you for the opportunity.

CHAIRPERSON GENNARO: Yeah, sure.

[Pause]

SAMARA SWANSTON: Al Ambrosino, Henry Garrido, Behrouz Fathi.

[Pause]

SAMARA SWANSTON: Gentlemen, would you please raise your right hand. Do you swear or affirm to tell the truth, the whole truth and nothing but the truth today?

AL AMBROSINO: I do.

HENRY GARRIDO: I do.

BEHROUZ FATHI: I do.

[Pause]

CHAIRPERSON GENNARO: Thank you.

Thank you very much for being here. I had to step out for a moment. I'm grateful for your presence here today. The panel has been duly sworn, right? So with that said, let me make sure I have a copy of the good testimony of this panel.

SAMARA SWANSTON: Gene DeMartino, is there someone else?

HENRY GARRIDO: I believe Mr. DeMartino submitted written testimony.

CHAIRPERSON GENNARO: Yes. So this is Local 375 that is going to be testifying.

HENRY GARRIDO: This is District Council 37 as a family. I am the Associate Director of the union.

CHAIRPERSON GENNARO: Okay.

HENRY GARRIDO: I have two of our local unions. I believe written testimony has been submitted too.

CHAIRPERSON GENNARO: So you'll be delivering the testimony on behalf of Lillian, is

that right?

HENRY GARRIDO: That's correct.

CHAIRPERSON GENNARO: Okay.

Welcome and please state your name for the record and proceed.

HENRY GARRIDO: Thank you so very much. I'm Henry Garrido. Before I start with my testimony, I want to personally thank you for the work that you've done on behalf of the District Council 37 members. I know that sometimes at great personal sacrifice. So we want to personally thank you for all the work that you've done on behalf of our members.

CHAIRPERSON GENNARO: You bet.

HENRY GARRIDO: Good afternoon, I have the testimony here for it and I know that time is of the essence, so I want to just go through some points.

CHAIRPERSON GENNARO: Sure, of course.

HENRY GARRIDO: I won't read the entire testimony.

CHAIRPERSON GENNARO: Thank you.

HENRY GARRIDO: We are very

disturbed about the proposed privatization of the UV plant. Commissioner Hanley notified the union, as is required by the newly instituted--

CHAIRPERSON GENNARO: [interposing]  
The Labor guy.

HENRY GARRIDO: Yes, that's right.  
The newly instituted Local Law 35 that the city is in fact moving forward with the process to privatize the water filtration plant. The plan, as we understand it, is to post the positions and hire the individuals as DEP employees. There are about 68 individuals represented by our union in various different capacities. They will be employing and hiring those individuals and then going through the process of possibly privatizing it to another company and to transfer the same employees that would be city employees and giving them the option if they want to become contract employees.

This process is problematic from the get-go. But this is one of those cases where the costs that was provided to us by the City of New York was flawed. There were numbers that are thrown in there that we are very disturbed by.

There are fringes and cost analysis that was done that was very problematic to begin with.

We are particularly concerned with the telegraphically of the costs to the private vendors. If the city performed an analysis pursuant to Local Law 35, by publishing that number of \$7.6 million of the costs of maintaining it, you're telegraphing any potential bidder that all you have to do is go slightly below that and you would in fact beat the price.

This process is disturbing at best. The city should have notified the union and get the information as required and then allow the vendors to bid in good faith what they felt would be the necessary costs for maintaining the facilities, rather than setting up a line or a cost and then trying to have everybody in effect beat that. I think that process is flawed and we intend to raise some concerns about that.

But for the first time--

CHAIRPERSON GENARO: [interposing]  
What I'd like to do is just ask a question about that. I don't have great knowledge with regard to the ins and outs of Local Law 35 and what it

requires.

Does Local Law 35 require that information to be embargoed? Or that would just be a more just and prudent way to proceed than by releasing it? I guess my question is whether or not what the agency did, is it believed that is violative of either the letter or the spirit of Local Law 35?

HENRY GARRIDO: No, we don't believe it's violative of the law or even the spirit.

CHAIRPERSON GENNARO: Okay.

HENRY GARRIDO: The local law requires a cost analysis to be performed prior to the issuing of a request for proposal if the city believes that that contract is going to result in displacement of city workers. Essentially that's what it is.

CHAIRPERSON GENNARO: Right.

HENRY GARRIDO: We got notification in due course and it was well done, for the first time in a long time. We have not seen notification by the City of New York. There is a new law and they complied with the law.

CHAIRPERSON GENNARO: That's because they're afraid of me, see.

HENRY GARRIDO: Yes.

CHAIRPERSON GENNARO: They're afraid of me.

HENRY GARRIDO: Yes, I believe that. But the problem is why make it a public document to allow the vendors to allow the vendors to see it. We don't think that was prudent is the word I'm looking for.

CHAIRPERSON GENNARO: Okay. I just kind of jumped in for a question. Normally it's my way of doing this to kind of wait for you to finish your statement but I wanted to jump in with that. So please proceed.

HENRY GARRIDO: Well I wanted to raise the question of there's definitely a fundamental difference between cost and value. This is one of those times when the value of the work that's being provided in-house goes far beyond any specific bottom line number. We should be concerned about safety, the safety of our water.

One of the problems we have with the way the process is done is the employees and

the private contractor is not vetted the way that we vet city workers. So the background checks, the fingerprinting which is done. If a city employee is arrested, the NYPD is notified automatically. So we know the kind of individuals that are being placed.

The city is going through the process now of hiring and training our very own workers, union members to run the program and then proposing to turn it over to the private vendor. Now this is problematic for two reasons.

The training process is cost that the city is going to have to incur. That's not included in the cost analysis. The vetting process from the beginning of those workers, the city is going to do that and then six or eight months later then try to propose to turn it over to a private institution. So there are factors that are associated with the different details that were not included in the cost analysis.

But the issue that I keep raising is the issue of control. Should the city be in a position to give up the control for what appears to be a very small amount of money of one of the

most critical aspects of security to our citizens?  
I mean I think that's the fundamental question and  
why we are so opposed to the RFP process that has  
been issued on the water filtration plant.

There are many bad issues that I've  
seen with privatization. This is one that goes  
beyond the issue of cost. So I will defer all of  
the testimony. You can read it and certainly ask  
questions if you would like. But I think the  
issue of risk here should be of paramount concern  
for this committee and for the city and  
particularly for the City Council; because the  
privateers, in this case the vendors, don't get  
into it because they're good guys. They get in to  
do one thing and that is to produce the profit for  
the shareholders. That's their mission.

So all things are equal, if we're  
paying the workers prevailing wages we're required  
to do, which sets the standards for wages and  
benefits for both the private and the public  
sector and if the facility is already built and  
contributed, where then does the profit come from?  
Well, in our opinion and in our experience it's  
that the profit can only come out of cutting

corners. When you begin to cut corners, that's when quality suffers and that's when you put people in jeopardy. So we're very concerned about it.

We are extremely concerned about the possibility of losing Homeland Security money over security issues when you turn to a privateer because many times the city would apply for grants from the Department of Homeland Security to secure our water supply. That cannot happen when you have a private contractor doing the work.

So I'll defer to my partners here. But needless to say, this is one case that our union is completely unified. We are totally against the proposal of the privatizing of the UV plant. Thank you.

CHAIRPERSON GENNARO: Thank you. It's been my pleasure and privilege to work with DC 37 on many issues and many of the locals that are involved in the areas where I have an input and Gene DeMartino and everybody. This has been brought to my attention and why I'm grateful that you're here today putting it on the record.

I was, you know, happy to hear

Council Member Koppell kind of come in on this issue. I know that all the members of the committee and the leadership of the Council generally are very sympathetic to the position of DC 37 and why it is always preferable to go with public employees for all of the reasons you mentioned, unless there is overwhelming financial circumstances why that would not be the case.

With regard to the critical nature of this resource, of the possibility of putting federal funds at risk from Homeland Security, it's certainly difficult to make the case that these are the set of circumstances for which some sort of privatization paradigm makes sense for security and make sense for making sure that the resource is fully protected.

So you have an ally in this chair, me, and I'm directing staff, because the whole purpose of having these budget hearings is to come up with the issues that are going to become issues for the Council in the budget negotiation process. That's why we have these hearings. So I would direct staff to write this up as an issue that certainly needs to go before the leadership of the

Council and it's my hope that the leadership of the Council makes this an institutional issue that will get the utmost scrutiny.

All of the decades of goodwill that DC 37 and all of its families of locals brings to the table is not lost on me or on the members of this committee or on the leadership of the Council. I think your presence here today helps this case and I'm grateful that you're able to come by and wait patiently to put this good and important testimony on the record. I thank you, Mr. Garrido, for that.

HENRY GARRIDO: I appreciate it. I'll pass it on to my colleagues. The one thing I will say though that the bulk of the contract, based on the costs that we have seen, is in personnel services. So if you are making the case that you need to do this to save a significant amount of money--

CHAIRPERSON GENNARO: [interposing]  
I'm not making the case.

HENRY GARRIDO: No, no, if the city, I don't mean you.

CHAIRPERSON GENNARO: I'm just--

HENRY GARRIDO: [interposing] If  
the city--

CHAIRPERSON GENNARO: I know you  
didn't mean me.

HENRY GARRIDO: Then there's two  
questions, either you're not going to pay  
prevailing wage, which you're required to pay by  
the law.

COUNCIL MEMBER COMRIE: Right.

HENRY GARRIDO: Or you are going to  
pay prevailing wage and then, again, the savings  
is going to come in another area. This is not  
like the bonds that somebody is coming in and put  
money to build the facility and so there's a mixed  
bag of savings. It's maintenance and maintenance  
requires people and people and materials. So if  
the people are required to be paid prevailing at  
the same--as a matter of fact, the private sector  
prevailing wage is higher than the public sector  
rate because of our benefits. Then where is the  
savings that we see.

CHAIRPERSON GENNARO: Right.

HENRY GARRIDO: So we wait to see  
what the case is. I mean obviously the jury is

still out. When the bids come in, we will do that. But this is not a good thing, not just for costs, but not for accountability and risk either.

CHAIRPERSON GENNARO: Well certainly it's very important for DC 37 to move forward with a unified front and indicate how important this is, not only to the individual locals that would be impacted but for all of DC 37 to stand shoulder to shoulder and indicate this is something of great importance to it. What's important to you is important to his Council, it's important to the people of the City of New York because the city functions as well as it does in large part due to the dedication of all of the good city employees that are part of the family of DC 37. We wouldn't be the city that we are without all that your employees do every day.

So I felt compelled to make that statement as well because this is something that we all know, but it's good to say it. Thank you very much for coming forward today and we certainly appreciate your willingness to be here and your patience in being here. Thank you, Mr. Garrido.

If either of the other gentlemen have something to add to Mr. Garrido's statement, I'm happy to take that testimony and put it on the record.

BEHROUZ FATHI: Thank you very much, Mr. Gennaro. Thank you for this staff, giving us the opportunity to express our opinion on this important issue.

CHAIRPERSON GENNARO: Sure. We need you to state your name for the record.

BEHROUZ FATHI: Sure. My name is Behrouz Fathi. I'm president of Local 375, Civil Service Technical Guild, District Council 37.

My main testimony in here, which I submitted the written statement on that, would talk about the technical aspects of the members of Local 375 who have been doing or are involved in this project. I would like to thank Chairman 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, represents 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--

CHAIRPERSON GENNARO: [interposing]  
Actually the capacity is over 2 billion gallons a  
day.

BEHROUZ FATHI: Two billion, yeah,

you're right.

CHAIRPERSON GENNARO: I'm making it more exciting, since it's two billion gallons a day.

BEHROUZ FATHI: It's the 2,000 twenty million, yeah, that's the conversion of that. 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 the 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 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, or PLC, collect technical data for Scan Control and Data Acquisition). 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. Industrial Hygienists assist in the development of a safe water purification system. Instrument Specialists are responsible for of all instruments at the plant including the UV Transmittants, flow meters, 13,000 UV bulbs, and also perform the calibration of the intensity servers which measures the 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 the city 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 responsibility to shareholders 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 workforce provides the following advantages. A more stable and secure professional staff. Private operators tend to

1  
2 have a transient workforce. This safeguards the  
3 public by having an experienced workforce that  
4 over time will guarantee a more efficient  
5 operation of the facility. Public funds will be  
6 saved because fewer mistakes and better results is  
7 one of the advantages a committed workforce that  
8 has and gains institutional knowledge.

9 Greater transparency of operations.  
10 There are no guarantees that incidents, accidents  
11 and security breaches that may occur would be  
12 reported by a private company. A public sector  
13 workforce has the legal obligation to be  
14 responsible to the City, not the secondary  
15 responsibility after the corporation.

16 More reliable service, better cost  
17 control and stable operating costs than a  
18 privatized operation. Avoiding embezzlement and  
19 inflated costs which have always been a problem  
20 when the City contracts out.

21 Thank you for your consideration of  
22 this critical important issue. Thank you.

23 CHAIRPERSON GENNARO: Thank you,  
24 Mr. President. Thank you. You are the president  
25 of the local, right?

BEHROUZ FATHI: I believe so.

CHAIRPERSON GENNARO: Yes, okay.

Mr. Ambrosino? I'm sorry. Please speak directly into the microphone and just state your name for the record.

AL AMBROSINO: My name is Al Ambrosino, Vice President, Local 1322 at District Council 37.

Good afternoon Chairman Gennaro.

Thank you for the opportunity to address this committee. We represent supervisors in DEP, both upstate and downstate. I want to thank you and 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,

1  
2 typically the lowest bidder, we all know what will  
3 happen. The private contractor will cut back on  
4 staffing. They will cut back on replacing worn  
5 down equipment less often, and scale back on  
6 maintenance and repairs. They will do this  
7 because that is how they will make the contract  
8 profitable. But these cutbacks will in the end  
9 jeopardize the safety and quality of the City's  
10 drinking supply. For that reason alone, this  
11 proposal should be rejected.

12 But even if the private contractor  
13 did not cut back on staffing, maintenance and  
14 repair, the City would still be better off having  
15 City workers do the job. As I said before, my  
16 Local represents supervisors of watershed  
17 maintenance, and I can tell you, the primary  
18 concern of these supervisors and other City  
19 employees is to make sure the water that flows  
20 downstream to the City is clean, safe, and  
21 drinkable. The interest of the public is their  
22 foremost concern.

23 If you have any doubts about that,  
24 I ask you to look no further than the incredible  
25 job that my members and other DEP employees did

1  
2 during Hurricane Irene and its aftermath. DEP  
3 employees worked day and night during that  
4 emergency to ensure that the City's water supply  
5 was protected.

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

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

21 In closing, I want to urge the City  
22 Council to reject the proposal by DEP to privatize  
23 the Catskill-Delaware ultraviolet disinfection  
24 facility. We should not entrust our water supply  
25 to a private contractor who will end up providing

dangerously lower quality at much higher costs.

Thank you.

CHAIRPERSON GENNARO: Thank you, Mr. Ambrosino, for putting your good statement on the record, and for all of the witnesses on this panel. We at the Council certainly have a voice. We have a good relationship with the Bloomberg administration and with DEP. We don't quite have the power that I think you wish we had that you put in your statement. Just because we don't have the direct power to stop this from happening doesn't mean that we can't be a constructive voice during budget negotiations to make sure that the good perspective of all of the DC 37 locals are well represented.

As I said to previous speakers on this panel, all the good faith and history and effort and goodwill that's been generated between DC 37 and this council and quite frankly, with this administration and all the administrations in recent memory, it is well known that that's what DC 37 brings to the table. We know full well how your members have always delivered for the city and its people and that'll be utmost in our minds

as we give this important issue the due diligence that it deserves.

I think your being here today is very important to make sure that that happens. As we go into budget negotiations, this will be an issue that gets great consideration. I'm sure that DC 37's advocacy is not going to end today, nor should it. There are other members of the Council, there is the leadership of the Council and I know that you know the appropriate people to talk to. You should do that. I would urge you to do that. Your being here today was I think a very good step on the road towards the outcome that we'd all like to see.

With that said, I'd like to thank you for being here today.

AL AMBROSINO: Thank you very much.

BEHROUZ FATHI: Thank you.

HENRY GARRIDO: Thank you.

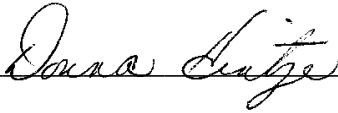
CHAIRPERSON GENNARO: I have to be at Queens Borough Hall in 40 minutes. I don't think that's going to happen. But when I get there and I'm late for where I have to be at 5:30, I don't mind a bit because it was for a very good

reason. It was for hearing the good people from DC 37 stand up for their members and stand up for the City and for the safety of the city's water supply by being here.

So with that said, I thank you once again. With no one else wishing to be heard, this hearing is now adjourned. I thank everyone for being here.

C E R T I F I C A T E

I, Donna Hintze certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature 

Date April 24, 2012