

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON ENVIRONMENTAL PROTECTION

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HELD AT: Committee Room  
250 Broadway, 16th Floor

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

COUNCIL MEMBERS:  
James F. Gennaro  
Elizabeth S. Crowley  
G. Oliver Koppell  
Peter F. Vallone, Jr.  
Brad S. Lander  
Stephen T. Levin  
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## A P P E A R A N C E S

Carter Strickland  
Commissioner  
NYC Department of Environmental Protection

Steve Lawitts  
CFO  
NYC Department of Environmental Protection

Joseph Murin  
Assistant Commissioner for Budget  
NYC Department of Environmental Protection

Deacon John Butler  
Bethany Baptist Church

CHAIRPERSON GENNARO: Sergeant, are we ready? Okay. We're almost ready. This is it; we're going to start. We've got the pre-hearing jitters. We're just going to shake it off and get going.

Good afternoon. My name is Council Member Jim Gennaro, chair of the Committee on Environmental Protection. This is a hearing, as everyone knows, on the Fiscal 2014 Preliminary Budget and the Fiscal Year 2013 Preliminary Mayor's Management Report.

Today, we'll hear testimony from DEP about its expense and capital preliminary budget and general agency operations. The capital plan is of particular interest to the committee as it represents 20 percent of the city's total \$39.3 billion February plan for Fiscal 2013-2016 with \$7.8 billion, an increase of \$809.3 million from the September commitment plan.

The committee plans to discuss a variety of important issues with DEP today, including impacts of Superstorm Sandy on the water and wastewater system, an update on the planned Delaware Aqueduct Bypass Tunnel and preparations

1  
2 to minimize service impacts, updates on the status  
3 of mandated projects such as the Croton Filtration  
4 plant and the citywide fleet consolidation plan.

5 The committee will now hear testimony from the  
6 department. I'll give them a formal intro in a  
7 second. I just want to note that we're joined by  
8 Council Member Koppell and Council Member Vallone.  
9 Grateful to have them with us today. Other  
10 members of the committee will be coming in to join  
11 us during the proceedings.

12 The panel before us is, of course,  
13 Carter Strickland, the DEP Commissioner; Steve  
14 Lawitts, the CFO of the agency; and Joe Murin of  
15 DEP. Thank you, Joe for being here, grateful to  
16 have you and your good team with us here today.

17 We'll follow the protocol that we  
18 normally do in this committee. We'll ask the  
19 counsel to the committee to swear in the panels.  
20 All the panels will be sworn today, as we normally  
21 do. With that, I would ask you to make the  
22 introduction of you and your panel and to commence  
23 your good testimony. Samara?

24 SAMARA SWANSTON: Gentlemen, would  
25 you please raise your right hand? Do you swear or

affirm to tell the truth, the whole truth and nothing but the truth today?

GROUP: Yeah, I do.

CHAIRPERSON GENNARO: Thank you. Like I said, it's a pleasure to have you here, Commissioner. We look forward to your testimony. Just state your name for the record and please proceed.

CARTER STRICKLAND: Sure. Carter Strickland, Commissioner, New York City Department of Environmental Protection. Good afternoon, Chairman Gennaro and members. I will be, to the best of my ability, summarizing this testimony, so you don't have to read along. I'm Carter Strickland, Commissioner of the New York City Department of Environmental Protection, as I mentioned. I'm joined today by Steve Lawitts, our CFO; Joe Murin, our Assistant Commissioner for Budget, and many other senior managers. I thank you for the opportunity to testify on our Fiscal Year 2014 Preliminary Budget and the Preliminary FY 13 Mayor's Management Report.

Since my last testimony on the preliminary budget, Hurricane Sandy brought tragic

1  
2 consequences to the city. At DEP, the storm  
3 caused approximately \$95 million in damages at ten  
4 of our wastewater treatment plants and 42 of 96  
5 wastewater pumping stations. It also disrupted an  
6 essential project to replace the backup water  
7 supply for Staten Island and did delay, somewhat,  
8 a cleanup project that we have at Gowanus.

9           Through the efforts of our staff  
10 and our contractors, DEP was able to restore  
11 treatment for 99 percent of our wastewater flow  
12 within three days, which is a fairly remarkable  
13 achievement and I think allows us to be favorably  
14 compared to municipalities around the region. New  
15 York City's drinking water, of course, remained  
16 safe and reliable throughout the storm, which  
17 again is a tremendous achievement and a testimony  
18 to the design of our system and also our  
19 operation.

20           Sandy notwithstanding, in the past  
21 year we've achieved a number of goals, highlighted  
22 in the 2012 progress report on our strategic plan,  
23 which we released last week. Issued two years ago  
24 with Mayor Bloomberg's Strategy 2011-14,  
25 identified 100 distinct initiatives that will help

us fulfill our core mission to protect public health and the environment.

At our midway point, we've achieved 57 initiatives, 30 are on track to be completed on schedule and 13 are in the planning and design phase. It is available on our website.

There are a number of performance metrics in the MMR and other documents that are closely related to our core goals and function. I'm going to review those and then go on to the expense and capital budget.

Performance metrics in general, the MMR and other documents shows a very good story and I think reflects many of the management and operational changes we put in place. It's led to a significant improvement across the board but really focused on three key metrics. One is a 30 percent decrease in the amount of time it takes to resolve sewer backups, a 19 percent decrease in the number of sewer backup complaints, and a 50 percent decrease in the time it takes to resolve a catch basin complaint.

These improvements are the result of a number of specific changes we made in the way

1  
2 our water and sewer operations personnel do  
3 business. Last November, we released for the  
4 first time a report called "State of the Sewers  
5 2012," which is our annual assessment and will be  
6 on our corner of the world, in which we documented  
7 some of the important changes and how we maintain  
8 and improve the system for collecting and  
9 conveying storm water and sanitary waste.

10 We restructured, for example, with  
11 a focus on borough-based management, created a  
12 capacity management, operations and maintenance,  
13 our CMOM section, to employ the most up to date  
14 strategies. And to support that section with our  
15 enhanced use of GIS systems and computers in the  
16 field, include truck-mounted computers so that we  
17 can call up our maps.

18 We developed procedures and  
19 guidelines, called standard operating procedures,  
20 for our field personnel, constantly refine them.  
21 They're living documents. We expanded tracking  
22 data on customer service requests related to sewer  
23 backups. We deploy smart manhole covers. We've  
24 done it on a pilot basis--so far it's been  
25 successful--to detect high elevations in the sewer

1  
2 so that we can get to an area quickly. We built  
3 the first-ever training facility with live sewers  
4 and water mains, and we have a whole training  
5 program there.

6 Our effort to improve sewer service  
7 also from the work of our sewer operations and  
8 analysis program--in case you're keeping track,  
9 the acronym is SOAP--which analyzes trends and  
10 data, investigates areas that have a high  
11 frequency and density of confirmed issues. Our  
12 analysts create maps of reported sewer backups to  
13 better identify segments in neighborhoods with  
14 recurring problems and we identify the likely  
15 factors behind those issues, develop a remediation  
16 plan. That can include degreasing, regular  
17 cleaning and repair or replacement of  
18 infrastructure. One thing we've found is that  
19 upwards of 60 percent of our sewer backups,  
20 reported sewer backups are due to grease. That's  
21 true also in residential areas, not just a  
22 restaurant issue. Although we can't prevent  
23 sewers from surcharging during storms that exceed  
24 the design capacity of the sewer, we can deploy  
25 resources more efficiently to make sure that the

existing system meets the criteria.

Another key metric where we've seen dramatic improvement is water main breaks. In the period covered by the most recent MMR, which is July through October of 2012, calendar year 2012, DEP reduced the number of water main breaks by over 26 percent to just 65, the lowest number of breaks in any comparable four-month period in the last ten years. In all of 2012, there were 347 breaks in the city's network of nearly 7,000 miles of water mains, down from a high of 632 in 2003.

This year, we've averaged less than six breaks per hundred miles of pipe, well below the accepted industry standard of four times that, or 23-25 breaks per hundred miles. The decrease is due part to an enhanced preventive maintenance program for water main valves and regulators that is designed to minimize the potential for breaks and establish proper water pressure zones.

Another key factor is in our expanded network of remote pressure sensors at key locations so that we can get to areas quickly.

Other key initiatives are related to sewer backups, catch basin repairs, water main

breaks and other water and sewer related services. There are several other initiatives I would like to highlight. Last year in March, we finally received the official green light for our groundbreaking \$2.4 billion green infrastructure plan. That date, of course, being when we finally got a consent order, after a year and a half or so in negotiation with our partners at the State Department of Environmental Conservation.

The green infrastructure plan will improve the water quality of New York Harbor, using gray infrastructure, like Paerdegat Basin and other storage facilities or planned upgrades, where it's still cost effective as well as cutting edge green technologies such as green roofs, bioswales and the like. The green infrastructure plan represents a breakthrough in how we envision storm water management. It was an attempt to meet performance goals while saving billions of dollars for the city and our ratepayers. I want to thank our partners at DEC for making it happen.

Many members know that there are persistent leaks in the Roundout West Branch Tunnel, a key section of the Delaware Aqueduct.

1  
2 In January this year, we began preparing for  
3 construction at the sites for two shafts needed to  
4 accomplish a bypass to the tunnel, one at Newburg  
5 and one in Wappinger on the east side of the  
6 Hudson River. Later this year, we'll break ground  
7 o a shaft that will be several hundred feet deep  
8 at east side and then in a few years we're going  
9 to start on the bypass tunnel.

10 This decision to proceed with the  
11 bypass tunnel reflects Mayor Bloomberg's  
12 commitment to critical infrastructure and is the  
13 single most important component of the city's \$1.4  
14 billion Water for the Future program. The site  
15 work and bypass agreement are also the subject of  
16 a project labor agreement that will save between  
17 \$16 million and \$23 million over the life of the  
18 work.

19 In January of this year, we  
20 announced the availability of an optional opt-in  
21 service line protection plan. The water and sewer  
22 service lines that connect homes to city-owned  
23 water and sewer mains in the street are the  
24 responsibility of the homeowners. Repairs can  
25 cost between \$3,000 and \$15,000 and are largely

unplanned. We're trying to help people meet those obligations

Under the service line protection line, American Water Resources, which responded favorably to our RFP, will repair an enrolled customer's leaking water service line or broken or clogged sewer service line for a small monthly fee, currently \$3.99 per month for the water service line and \$7.99 for the sewer service line.

Homeowners who choose to enroll in the plan sign a contract with AWR and have the convenience of paying the enrollment fees through their water bills. In less than two months, over 47,000 customers have enrolled in the plan. Today's number--it changes day by day--is 49,000.

Based on historic repair rates, these 47,000 customers are likely to generate about 1,800 repair calls per year. We estimate that coverage under the protection plan will save these enrolled customers collectively more than \$2.6 million per year, if they had to negotiate and pay for these costs on their own. That number will only increase as we have more and more enrollees in the program.



1  
2 contracting entity, pending reimbursement from  
3 FEMA. For FY 14, we expect DEP's expense budget  
4 to be \$1.108 billion. That number includes an 8  
5 percent reduction in the tax levy part of the  
6 agency's budget, largely achieved by revenue  
7 increases.

8                   Although we are not changing fee  
9 schedules, we are expecting additional filings  
10 from firms reporting online to the Right to Know  
11 program and also and increase in the issuance of  
12 asbestos permits and other certifications. I  
13 think this is one area where our online  
14 initiatives have allowed us to make it easier for  
15 customers and also increase throughput  
16 productivity and revenues.

17                   After considering efficiency gains  
18 from our operational excellence program, we call  
19 it OpEx, and offsets for new needs and programs to  
20 modernize the agency, the net reduction in the  
21 preliminary FY 14 expense budget as compared to FY  
22 13 is projected to be \$23 million. I note that  
23 decrease is only preliminary and will change as we  
24 continue the discussions leading up to the  
25 executive budget submission.

Some of the major categories in the preliminary FY 2014 budget, we project \$452.6 million, or 41 percent of the total, in personal services to pay for the salaries of our nearly 6,000 funded positions. Taxes on upstate watershed land make up the next largest category. That will be \$153 million, or nearly 14 percent of the expense budget.

As the Chairman and committee members know well, the ownership of watershed lands represents a critical investment in maintaining the high quality of New York City's drinking water and we can only do it in partnership with upstate communities. I'm pleased to report that we have successfully negotiated agreements with upstate jurisdictions to make our tax obligations more stable and predictable and in some cases, to reduce them.

Heat, light and power is the third category. Our energy costs account for over \$113 million, or 10 percent of our expense budget. We are the second largest municipal consumer of electric power in New York City and our consumption will grow as we bring online new

1 treatment facilities for both drinking water and  
2 wastewater. This is certainly something that we  
3 point out to our regulators as we urge them to  
4 consider both the air impacts, including global  
5 warming impacts of greenhouse gases and, of  
6 course, budgetary, along with water quality  
7 impacts.

8  
9 To control energy costs and meet  
10 PlaNYC's goals for greenhouse gas reduction, we're  
11 investing in projects to reduce energy needs,  
12 including the North River Cogeneration plant that  
13 I'll discuss later.

14 Sludge management is the fourth  
15 category. We generate 1,200 tons per day of solid  
16 waste. It's projected to cost about \$44 million  
17 nearly in FY 14, or about 4 percent of our expense  
18 budget.

19 On to the ten-year capital plan,  
20 covering Fiscal Years 14-23. The preliminary  
21 budget projects capital spending of \$12.2 billion  
22 during these years. That number, while very  
23 large, in fact represents the balance between the  
24 need to keep water rates affordable and the need  
25 to provide necessary investments in assets which

are critical to our quality of life, and it's about one-third less than our last ten-year capital spend.

Last year during testimony on the proposed four-year plan, I noted that DEP's projected capital needs were, for the first time in a decade, weighted towards the non-mandated projects that are of critical interest to our customers, and of course to the members here, and also to the long-term viability and resiliency of our water system, even though not required, such as City Water Tunnel No. 3. The preliminary ten-year plan continues that trend so that state of good repair projects receive a much larger proportion of capital funding.

In 2012, we launched an asset database tool to track age, condition, criticality, replacement cost and performance of various assets. It's part of an entire asset management program that our chief operating officer maintains. To date, we have evaluated and scored more than 26,000 assets and have used that information to prioritize more than 400 repair and replacement projects.

Here are some of the highlights of the ten-year plan. On wastewater treatment, we project a \$4.5 billion investment. That includes \$3.5 billion for the reconstruction and replacement of wastewater treatment plants and pumping stations. The remaining \$1 billion investment will be used to control our combined sewer overflows. Of that, \$644 million is going for green infrastructure.

I'm pleased to announce that this January we awarded consulting contracts to three firms to create green infrastructure implementation plans for the key watersheds of Newtown Creek, Gowanus Canal and Flushing Bay. In addition, \$194 million is budgeted for the construction of a new cogen plant at the North River wastewater treatment plant, which will make us more energy independent and reduce our energy use.

Another category is reservoirs, dams, treatment facilities and water mains on the supply side. The capital budgets of the Bloomberg administration reflect the Mayor's belief that New York City's drinking water system, particularly

1 the unfiltered Catskill and Delaware systems, or  
2 Cat-Del as we call it, is one of the city's most  
3 important assets. Over the next ten years, the  
4 administration is proposing to invest an  
5 additional \$3.4 billion protecting the quality of  
6 our reservoirs and the integrity of our dams,  
7 providing for treatment where necessary and  
8 maintaining and repairing the water main system to  
9 convey water to all New Yorkers.  
10

11 Two categories stand out, or two  
12 specific projects: \$383 million for the  
13 reconstruction of dams in our three watersheds and  
14 \$535 million for pressurization of a 2.5 mile  
15 segment of the Catskill Aqueduct that will allow  
16 us to move more water down.

17 The continuation of our current  
18 filtration avoidance determination or FAD, the  
19 preliminary ten-year capital plan includes \$163  
20 million, including \$84 for land acquisition.

21 Water for the Future, including the  
22 Roundout West Branch tunnels, another major  
23 category, the preliminary budget provides \$560  
24 million for the bypass itself and \$113 million for  
25 other projects related to the project. Increasing

the capacity of the Catskill Aqueduct, which is a different project from pressurization, is another \$164 million.

City Water Tunnel No. 3 is one of the longest public works projects in our city's history. When complete, it will improve the reliability of our water supply and allow for the inspection of City Water Tunnel No. 1 for the first time since it came online in 1917. That tunnel, of course, is continuing to provide water for Manhattan and is doing so very well, but we want to inspect it.

City Tunnel 3 has been built in stages. The first one, running from Yonkers to midtown Manhattan and Astoria, was completed in 1998. We're modifying the chambers built in stage one, Hillview Reservoir and therefore the capital plan allocates \$392 million for that. Stage two of City Tunnel No. 3 includes a section running through Lower Manhattan as well as the section running from Astoria to Red Hook, Brooklyn. Although the Manhattan leg and the Manhattan shafts of City Tunnel 3 have been substantially completed, we're budgeting \$389 million for

1  
2 additional work related to the activation. Later  
3 this year, the Department of Design and  
4 Construction will complete those water mains  
5 critical to activating the Manhattan leg, so we  
6 can start using that section of the tunnel.

7                   Sewers, I know this is of great  
8 interest to members. The preliminary Fiscal Year  
9 14-23 capital plan projects \$2 billion on spending  
10 in sewers. That includes \$672 million for  
11 replacement of sewers--that includes storm,  
12 sanitary or combined--\$915 million for new sewers  
13 of all types. Storm sewers, as a category by  
14 itself accounts for nearly \$650 million of  
15 projected spending. If we split that  
16 geographically, \$330 million is for high level  
17 sewers, including Third Avenue in Brooklyn and  
18 other places within Queens, Bronx, throughout the  
19 city, and \$202 million for conventional sewers to  
20 create the Blue Belt system, which is also being  
21 extended beyond Staten Island to Springfield Lake  
22 in Queens and Cortland Park and the Bronx  
23 Botanical Gardens and other locations.

24                   I'd like to give you the capital  
25 plan breakdown by borough. In Queens, the

preliminary ten-year plan shows a total of \$1.89 billion allocated for projects of all types.

Sewers account for \$373 million, \$336 million is budgeted for work on two shaft sites connected with stage two of City Tunnel 3, \$84 million is projected to evaluate, assess and restore ground water wells in southeast Queens for the purpose of providing additional water during the Roundout bypass and during any droughts or other instances where our service water supplies are inadequate.

In Staten Island, the preliminary ten-year plan projects a total cost of \$678 million, of which \$337 million is for sewers. The Snug Harbor sewer project is budgeted for \$24 million. Repairs to the Oakwood Beach plant and to the Hannah Street pumping stations are predicted to cost \$137 million. I note that the preliminary ten-year plan does not include the cost of repairing damage to the Staten Island siphon project caused by Hurricane Sandy. And those, we're in discussions essentially with the insurer. We're also hopeful the federal government will cover any uninsured costs.

In the Bronx, the preliminary

1 budget projects \$676 million of capital spending,  
2 approximately \$146 million is budgeted at the  
3 Hunts Point treatment plant, including \$50 million  
4 for new centrifuges and \$96 million for new  
5 digesters. Restoration of the Mosholu Driving  
6 Range Clubhouse and related work is budgeted for  
7 \$48.9 million Fiscal Years 2014 and 2016. To  
8 reduce CSOs at the Pugsley Creek and Long Island  
9 Sound, DEP has budgeted \$72 million for  
10 construction of a parallel sewer that will help  
11 divert flow away from the creek.  
12

13 Manhattan, we show \$930 million  
14 over the ten years. The largest single project is  
15 the \$195 million cogen plant at the North River  
16 wastewater treatment plant. This cogeneration  
17 project will replace existing equipment for  
18 recycling digester gas with a more efficient  
19 system that will allow more of the plant's energy  
20 needs to be generated by the plant itself, thereby  
21 reducing energy costs and air emissions.

22 Another \$183 million is for several  
23 projects in the Wards Island wastewater treatment  
24 plant, reconstruction of final tanks,  
25 reconstruction of the boiler complex and

1  
2 installation of new de-watering centrifuges. Of  
3 course, this plant was built in 1937. We just  
4 marked its 75th anniversary, and it shows that  
5 those New Deal projects for providing  
6 infrastructure really continue to provide services  
7 to the city. \$128 million will fund the  
8 construction of water mains connecting the number  
9 three shaft of the local water distribution  
10 system.

11 Brooklyn, the preliminary budget  
12 includes \$1.03 billion of planned commitments.  
13 The 26 Ward wastewater treatment plant, associated  
14 sewer work to reduce CSOs in the Fresh Creek  
15 account for \$359 million. \$31 million for Coney  
16 Island sewer improvements is funded in FY 13. An  
17 additional \$106 million is projected in the Fiscal  
18 Year 14-23 capital plan for Coney Island sewers.

19 I also wanted to take this  
20 opportunity to remind the committee that DEP  
21 remains concerned about unfunded state and federal  
22 mandates that threaten our ability to provide real  
23 value and services for every dollar we receive  
24 from our ratepayers, who fund over 98 percent of  
25 the cost of our system. As you know, we've

expressed doubt about the timing or need for certain federally mandated projects that create enormous pressure on those rates.

One continuing concern is the EPA-led superfund processes to Gowanus Canal and Newtown Creek, which could be distorted to have DEP fund cleanups instead of those responsible for over 100 years of industrial contamination. The administration feels strongly that such a mandate would not be fair. We're very interested in sponsoring scientific research and in promoting sensible solutions.

In closing, I want to take a moment to highlight what this agency has been able to accomplish over the last 12 years for the citizens of New York. We have been able to extend the FAD [phonetic], allowing New Yorkers to enjoy clean world-class drinking water even in times of natural disasters like Hurricanes Irene and Sandy. We've made the system strong by investing nearly \$3 billion in our upstate assets.

In the city itself, we've laid 159 miles of new sewers, reconstructed 143 miles of old sewers and replaced 473 miles of water main.

That's 775 miles of pipe, or about the driving distance between New York and Chicago.

While working with the City Council, we've overhauled the city's air and noise codes, including groundbreaking initiatives to promote clean fleets and clean heating fuels, substantially reducing the public health threats from air pollution.

By the end of this administration, we will have constructed the Croton filtration plant, opened the world's largest ultraviolet disinfection facility, turned on the Manhattan leg of City Water Tunnel No. 3 and put in place the city's green infrastructure plan, which will forever change the way the city deals with managing its storm water. We're hoping this year to work with the Council on a much-needed update to the air code.

Going forward, to improve the resiliency of our infrastructure in the face of climate change, DEP is currently conducting a detailed study of the effects of climate change and population growth on the city's water and drainage systems. This study initially focused on

1  
2 pilot areas of the city, mainly the Hunts Point  
3 wastewater treatment plant, eight pumping stations  
4 and the 16,000-acre drainage area within Flushing  
5 Bay and Flushing Creek.

6 In the aftermath of Sandy, we  
7 expanded the study to identify protections for  
8 pump stations, sewers and wastewater treatment  
9 plants across the whole city, based on a cost-risk  
10 approach, comparing the expected cost of taking no  
11 action and the cost of implementing specific  
12 adaptation strategies. This information will be  
13 part of the Special Initiative for Rebuilding and  
14 Resiliency launched by Mayor Bloomberg and due out  
15 with a report at the end of May of this year, led  
16 by New York City Economic Corporation and the  
17 Mayor's Office of Long-term Planning.

18 There are many more accomplishments  
19 to highlight, but I also want to thank this  
20 committee, and specifically Chairman Gennaro for  
21 his advocacy on environmental issues throughout  
22 the city of New York and also his thoughtful  
23 approach. Though at times the Council and this  
24 administration may have differences of opinion on  
25 policy, this committee has been able to consider

1  
2 cost and benefits fairly and thus to navigate the  
3 balance between policy and operations. On behalf  
4 of almost 6,000 employees at DEP, you make a  
5 difference each and every day, I want to thank the  
6 Chairman publicly for his partnership with our  
7 agency and to express our commitment to work with  
8 the chair and this committee during the remaining  
9 days in office.

10 That completes my prepared  
11 statements. Thank you for the opportunity to  
12 present testimony. I look forward to answering  
13 any questions you have.

14 CHAIRPERSON GENNARO: Thank you,  
15 Commissioner. Thank you for you for your  
16 comprehensive and at the end very gracious  
17 statement. I appreciate that very much and I'm  
18 sure the committee members and the council at  
19 large certainly appreciates that and the good  
20 working relationship that we as a body have with  
21 DEP. I know many members in their district  
22 offices have very good relationships with your  
23 office as well, and I thank you for that.

24 People who I didn't recognize  
25 before, we're joined by Council Member Lander, a

1  
2 member of this committee. We're happy to have  
3 Council Member Lander. Council Member Comrie, who  
4 is not a member of the committee but who is here  
5 and we welcome his participation in this hearing  
6 as well.

7 I'm going to be here for the long  
8 haul, but the members of the committee may have  
9 other obligations that they have to attend to, so  
10 I'll follow your active graciousness towards me  
11 with me being gracious towards my members and give  
12 them the ability to pose their questions first as  
13 they may have to run off. The first member that  
14 has indicated a desire to pose some questions is  
15 Council Member Koppell, and I recognize Council  
16 Member Koppell for questions.

17 COUNCIL MEMBER KOPPELL: Thank you,  
18 Mr. Chairman. Good afternoon, Commissioner, and  
19 thank you for exceeding to my wish to have a  
20 filtration meeting this month. I note that in  
21 your presentation that you're projecting \$48.9  
22 million for the reconstruction--excuse me, let me  
23 turn that off--for the construction of the golf  
24 range and clubhouse and so on, which seems like a  
25 lot of money. I hope we have a wonderful facility

1 if you're going to spend that much more money. I  
2 hope that at that meeting later this month we'll  
3 have at least some discussion of what you're  
4 planning to do, because we haven't heard about  
5 that in some time. So I hope that'll be coming  
6 up. I think next week we have the meeting, or the  
7 week after, the 21st I believe. So we look  
8 forward to moving ahead on that, and I'm glad that  
9 we're finally getting near the end of the project.  
10 That's a good thing.

12 One thing that you didn't discuss  
13 in your statement at all that we've discussed in  
14 the past with you and others is the water rates  
15 and what's happening with the water rates. I note  
16 that in the summary given to us by our staff,  
17 unfortunately it looks like your arrears is  
18 growing or are growing, which is troublesome. Can  
19 you give us a report on how the collection rates  
20 for water and sewer charges are going and what it  
21 looks like in terms of projected, I suspect,  
22 increase in those rates?

23 CARTER STRICKLAND: Sure. I'm  
24 going to ask our chief financial officer, Steve  
25 Lawitts to answer that question.

STEVE LAWITTS: Thank you. Good afternoon, Council Member Koppell.

COUNCIL MEMBER KOPPELL: Good to see you. Good to see you again.

STEVE LAWITTS: Good to see you also. Currently, our collections are very strong. We are--

CHAIRPERSON GENNARO: [interposing] Steve, if you could just state your name for the record.

STEVE LAWITTS: Oh, I'm sorry. I'm Steve Lawitts. I'm the DEP chief financial officer. Our collections are strong. We're currently \$55 million ahead of plan for this time of the year. That's about 2 percent. The increase in the accounts receivable is primarily because for the same number of seriously delinquent customers, the rates, which increased 7 percent last year, all other things being equal, that accounts receivable would be higher than it was this time last year because of the rate increase. But as I said, our collections overall are very strong and we're 2 percent ahead of budget.

1  
2 COUNCIL MEMBER KOPPELL: I know  
3 you're moving ahead with your lien program, but  
4 what about shutoffs? I've always been, as you  
5 probably remember, of the view that people are not  
6 paying their bills should be threatened with  
7 shutoff, just as Con Ed does, and they have a much  
8 higher collection rate than we do with DEP.

9 CARTER STRICKLAND: Well, we have  
10 heard you say that and we've looked at this in the  
11 past, because we're always looking at ways to  
12 increase our collection rate. There's a few  
13 issues. One is that it's expensive. So it can  
14 cost \$2,500 to turn off. You have to excavate,  
15 turn off the valve. So it's not really worth it.  
16 When we look at alternative ways, we are, as you  
17 know the lien sale exempted a lot of single-family  
18 homes, and we are looking to credit reporting and  
19 that process is going forward. We do look forward  
20 to rolling that out this year.

21 However, I will say one thing that  
22 we as an agency, and it's not been discussed that  
23 widely, are looking at is just the impacts from a  
24 public health and safety point of view on  
25 shutoffs. We know that because of downed

1  
2 electrical service from the grid in Con Ed service  
3 area and also LIPA obvious on the Rockaways,  
4 people were not able to flush. People were not  
5 able to have clean drinking water, although it was  
6 available, in the streets. That really was not a  
7 good situation, so we want to think carefully  
8 about creating that kind of situation going  
9 forward. We do hope that our credit reporting  
10 with, of course, a lot of notice so people know  
11 that there will be a credit blemish on their  
12 record, will bring people to the table. We do  
13 have a ten-year plan, payment plan that's  
14 available for folks. No money down. A lot of  
15 individuals have come to us and enrolled in that  
16 program. So we think these alternative ways of  
17 bringing people to the table are very effective.

18 COUNCIL MEMBER KOPPELL: My  
19 recollection is in the past years, I don't know  
20 whether it was last year or the year before, but  
21 when you used the shutoff notices in a certain  
22 number of cases you found that most people became  
23 current. That is to say that most people didn't  
24 ultimately have to get shutoff, which is the idea  
25 of course. We don't want to shut off people and

1  
2 we want to have safeguards so that where there are  
3 real hardship cases, we do have alternatives. You  
4 mentioned you have them. Are you using shutoff at  
5 all, threat to shut off?

6 CARTER STRICKLAND: Very sparingly.  
7 We had a major building in the 20s that we did  
8 mark out for shutoff but did not shut if off, this  
9 had a number of tenants. But that was a major  
10 building in the Flatiron district. They have come  
11 to the table. That was for really compliance with  
12 backflow preventer rules. So we are not using it  
13 in a widespread way. I will say that even to mark  
14 out the shutoff is very expensive. So that can  
15 cost nearly \$1,000.

16 COUNCIL MEMBER KOPPELL: Well, but  
17 what about individual customers? What are your  
18 delinquency rates among individual customers? I'm  
19 not talking about apartment houses now.

20 CARTER STRICKLAND: Okay. I'll  
21 have Steve go through--we can go through the  
22 arrear numbers for single-family homes.

23 STEVE LAWITTS: Just to remind the  
24 committee and Council Member Koppell, when we were  
25 shutting off, and you're right that we did receive

1 a high percentage of payments from those who  
2 received the notices and we only actually had to  
3 shut off 2-4 percent of those who received the  
4 notice. But as the Commissioner said, because the  
5 total cost of shutting off someone, it's \$2,500 to  
6 shut off, it's \$2,500 to restore. It's \$500 just  
7 to mark them out. When you look at the pool of  
8 single-family customers who received notices, we  
9 were spending--we were only netting 21 cents on  
10 the dollar. So in other words, of all the money  
11 they owed us, 79 percent of the money we collected  
12 from them went to the cost of shutting off, even  
13 those relatively few whose service we had to  
14 terminate.  
15

16 COUNCIL MEMBER KOPPELL: I just  
17 don't accept it. I mean Con Edison uses this and  
18 they have like a 90 odd percent collection rate.  
19 What's your collection rate, what percentage?

20 STEVE LAWITTS: Right now, it's  
21 somewhere in the low 90s, and that's up from 85  
22 percent.

23 COUNCIL MEMBER KOPPELL: Well, I'm  
24 glad it's improved. But again, what happened when  
25 you did use it is that most people paid. I'm not



1  
2 other thing is do you have an estimate of what  
3 kind of rate increase you might be looking to this  
4 year?

5 CARTER STRICKLAND: We're  
6 evaluating that now. We don't have a rate that we  
7 can discuss. We're looking at various  
8 alternatives. It's safe to say that we don't  
9 envision double-digit rate increases going  
10 forward, as we had in the past. So we've been  
11 very successful at managing both our expense  
12 budget and our capital budget to keep rates  
13 affordable. It's something we're very concerned  
14 about.

15 COUNCIL MEMBER KOPPELL: Well, I  
16 think we hear more complaints about increases in  
17 these water and sewer rates than almost anything  
18 else because they've been going up at such an  
19 accelerated rate. As I say, one of the ways to  
20 decrease that is to collect from the people who  
21 are not paying. I reluctantly supported the lien  
22 program because of that, but I think there's an  
23 easier way. I preach this sermon several times,  
24 Mr. Chairman. I don't know if I've gotten  
25 through. Thank you.

CHAIRPERSON GENNARO: Thank you,  
Council Member.

CARTER STRICKLAND: You know, if I  
can just say, you know, Chairman, just in  
response. We certainly have heard the need to  
have a program to address the gap left in the lien  
sale authority. We have entered a contract with a  
collection agency. We're going to launch it this  
year, as I mentioned. Customers are going to be  
warned several times about credit blemishing. So  
I think this time next year we'll have a track  
record with that approach under our belt and we'll  
be able to discuss it.

CHAIRPERSON GENNARO: Thank you.  
Thank you, Council Member Koppell. I want to note  
for the record that you made a request about some  
kind of report being developed that would give the  
committee a window into what's going on regarding  
performance with regard to collection rate. I  
would direct staff to make sure that that comes  
from DEP. So with your agreement I'll note for  
the record that the commissioner is nodding yes in  
agreement. Thank you.

Just to let me know where things

stand, I'll just kind of add on to Council Member Koppell's question. With regard to shutoffs, we currently don't shut off for single-family homes. Isn't that where things are?

CARTER STRICKLAND: Yes, correct.

CHAIRPERSON GENNARO: So for single-family homes, it's just a lien sale and these other methods to try to--

CARTER STRICKLAND: [interposing] Well, it's just the collection agency.

CHAIRPERSON GENNARO: Right. Okay, I just wanted to get that square. Thank you, Council Member Koppell for your contribution. Next, I recognize Council Member Lander for questions, to be followed by Council Member Comrie. We're joined by Council Member--

COUNCIL MEMBER LANDER:

[interposing] Thank you, Mr. Chairman. Thank you, Commissioner, good to see you. You know I'll come back around to the Gowanus Canal. I actually want to start in a different flood-related set of locations. I asked the budget director last week a little bit about--and he agreed, and I was very grateful that he did--reporting on the spending

1  
2 around the federal dollars related to Sandy and  
3 helping make that really transparent so that the  
4 Council and the public can really have a good eye  
5 on where we are in terms of what's getting spent,  
6 what are the results, how much are we getting  
7 reimbursed from FEMA, how much are we not getting  
8 reimbursed from FEMA, and, you know, what's  
9 getting done and how that's working. I noted to  
10 him that the stimulus spending was very well  
11 documented and reported by OMB to the Council,  
12 whereas the post-9/11 spending was not, in my  
13 opinion. So he agreed to work with us and that  
14 was great. That was just last week, so I know  
15 they don't have the full portal up yet, obviously,  
16 for all of it but I look forward to them doing it.

17 But I wonder, obviously, you're  
18 spending a big chunk of that money I guess  
19 especially through Rapid Repairs, though through a  
20 number of other places as well. So I wonder if  
21 you could just give us in general a little more  
22 than you said in your testimony about Rapid  
23 Repairs in particular but broadly about how you're  
24 tracking, documenting and planning to sort of  
25 report to us, both on outcomes--you know, how many

homes are getting done and what the results are-- and on transparency of spending and especially also reimbursement from the feds so we know that we don't get left holding the bag.

CARTER STRICKLAND: Thank you.

It's certainly foremost in our mind, Council Member Lander. So why don't I speak generally in a little bit more detail and I'll turn to our assistant commissioner for budget and also our CFO for more specific answers in particular related to Rapid Repairs, which as I mentioned is funded not with water money but with General Fund money. We are administering the program.

With regard to DEP expenses, we have identified \$98 million so far in FEMA eligible expenses. That's for rebuilding pump stations, wastewater treatment plants and the like. Divided roughly in half between expense and capital. On the expense side there's a total of \$48 million. \$3 million of that is for debris removal. \$45 million is for emergency protective measures at 12 wastewater treatment plants and 42 pumping stations. On the capital side, there's a total of \$47 million in long-term capital repairs

1  
2 at 7 wastewater treatment plants, 9 pumping  
3 stations, sewers and also some landfills.

4 There's an additional amount I  
5 mentioned related to the Staten Island siphon  
6 project. We're coordinating with the Port  
7 Authority and EDC, who are our partners in that  
8 project.

9 It's too early--you didn't ask this  
10 directly but I'm sure it's on your mind as well as  
11 ours--it's too early to assess the federal track  
12 record in terms of payment but we do look to  
13 Hurricane Irene and our experience there. With  
14 that storm, we identified some \$30 million in  
15 eligible costs. A lot of those were upstate as  
16 the storm affected upstate more. FEMA could  
17 reimburse 87.5 percent of costs, or \$26 million.  
18 We've received 15 of that 26 so far and there's  
19 \$11 million under review.

20 I can say that certainly we have  
21 our own transparency objectives. The federal  
22 government has its own. We follow them very  
23 closely. One thing we don't want to do is get  
24 ahead of them, but we are embedded with--FEMA  
25 staff is actually embedded with us, going around

1  
2 to wastewater treatment plants and so far so good.  
3 But we are working very carefully to document  
4 everything we do. With that general statement,  
5 why don't I turn to Steve, who can speak to Rapid  
6 Repairs.

7 STEVE LAWITTS: Sure. Thank you,  
8 Council Member Lander. So DEP is the contracting  
9 agency for the Rapid Repairs program. We were  
10 allocated at the outset of the program \$500  
11 million in tax levy funds. Since the crux of the  
12 program is to perform the repairs that are  
13 necessary to make the house habitable by restoring  
14 basic services--electricity, hot water and heat--  
15 we believe that all of the scope and the work  
16 that's done under the program is FEMA eligible.  
17 So we're counting on getting the vast majority of  
18 that \$500 million reimbursed by FEMA.

19 Currently, there are nine  
20 construction contractors under contract and  
21 there's one program management contractor  
22 overseeing all the construction contractors. I  
23 guess, to the contracts' credit, they've been  
24 working faster than they've been invoicing. Out  
25 of about 11,800 homes that have applied and been

1  
2 approved for the Rapid Repairs program, 11,733  
3 were completed as of yesterday. That's a very  
4 high percentage. The contractors have  
5 collectively invoiced about 25 percent of the  
6 funds that they've been allocated out of this \$500  
7 million. So they've been quicker to do the work  
8 than they have been to invoice.

9                   So we're monitoring the program  
10 carefully, in terms of each individual contractor  
11 and making sure they adhere only to the FEMA  
12 scopes and to the preset agreed to fixed prices  
13 for each unit of work.

14                   COUNCIL MEMBER LANDER: So thank  
15 you for that report. I'm glad to hear that they  
16 went out to do the work rapidly first and put that  
17 ahead of invoicing. I also think all of that, it  
18 makes sense to me, goes ahead of, you know,  
19 figuring out the system for making all of this  
20 really clear and transparent. I would urge you,  
21 and I mean if OMB--I think what would be best  
22 would be if OMB could do it in one connected place  
23 for all the Sandy-related spending. So I hope  
24 they'll do that and then they'll obviously need to  
25 work with each of you. But I think both for the

1 public to really have a good sense of what's  
2 getting done--it's great to hear that number  
3 obviously and, you know, I'm sure we'll have some  
4 oversight where we can be even more excited, with  
5 some specific details about what it enabled for  
6 people.  
7

8           Especially, given what you said  
9 about the Irene money, this is going to be with us  
10 for a long time to come and it's going to extend  
11 past the end of the Bloomberg administration. I'm  
12 glad we didn't quibble and that we put the money  
13 out in the field, but I don't want to lose track  
14 of it either. It's a lot of money and 10 percent  
15 of \$60--well I guess our share is not \$60 billion,  
16 but still, we need to make sure that we're really  
17 paying attention both to what happened and to  
18 where the money is going. So thank you for that  
19 update today. I look forward to working with you  
20 and with OMB as we go forward.

21           Now, actually one question I just  
22 have and maybe you've answered this somewhere else  
23 before, but I always wondered a little why DEP is  
24 doing Rapid Repairs. You know, you might have  
25 thought of that as a thing HPD--I don't know. I

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mean how did that wind up--

CARTER STRICKLAND: [interposing]

You know, we are not a housing agency, however we are the city's largest capital--the agency with the largest capital spend. So I think it was a combination that expertise, we got on our feet fairly quickly and we were able to detail folks to oversee the program. That's the long and short of it.

COUNCIL MEMBER LANDER: Okay. It's

more a curiosity than a concern. Then one more thing related to sort of Sandy, some of the work that's taking place now that Seth Pinsky is leading up in terms of figuring out capital--not only capital spending priorities but broadly issues around resilience and sort of thinking downstream about climate change. I think this relates, in some ways in my mind, to even what you said and your anxieties about the amount of money coming out of the superfund, the city is going to be potentially on the hook for at Gowanus and Newtown Creek. I mean a concern it raises in my mind is that the place in which we try to make shared collective decisions about capital

1  
2 priorities. We don't have that. We don't do that  
3 in our budget hearings.

4 I know there is a capital plan and  
5 it reflects--it's really more like a laundry list,  
6 honestly, than it is like a thoughtful set of  
7 priorities about how to make tough decisions in  
8 spending billions of dollars. I'm feeling like  
9 those decisions are going to be bigger once Seth's  
10 report is done, you know, the governor drooped in  
11 the state, it's kind of like let's just say  
12 everything we could spend billions of dollars on  
13 if we wanted to address climate change. I guess  
14 one thing that I'm hoping from the Bloomberg  
15 administration coming out of what we've seen in  
16 Sandy, coming out of the SIRR, coming out of your  
17 long-term thinking, you know, your numbers are  
18 extraordinary in your testimony about the amounts  
19 that we're spending on necessary projects. But I  
20 wonder if you have any thoughts on how we could  
21 take all of that and try to be a little more  
22 strategic, you know, in which kinds of  
23 investments, given the need for climate  
24 protection, given the need for resiliency, given  
25 the need to comply with federal mandates, how do

1  
2 we make wise decisions in the years to come around  
3 our big picture capital expenditures.

4 CHAIRPERSON GENNARO: Thank you,  
5 Council Member Lander. I'm just going to take  
6 first whack at this before the commissioner gets a  
7 chance. We did pass Local Law 42 last year that  
8 lays out a whole construct, a whole paradigm of  
9 how the City of New York should look at post-  
10 Sandy. Although this bill was crafted before  
11 Sandy happened, but it's all about climate change,  
12 it's all about adaptation and like lays out a  
13 blueprint for the creation of a high level panel  
14 who would look this over and then it would go to a  
15 task force that would really help the city to do  
16 some very detailed long-term strategic thinking on  
17 this. That's coming together now. Of course, in  
18 the interim, people are doing things right now to  
19 deal with the more obvious low-hanging fruit of  
20 things that have to be done. The Council has,  
21 very successfully I think, put forward a paradigm  
22 in Local Law 42 from August of last year that will  
23 help us do just what you're saying. With that as  
24 a setup, I'm going to throw it over to the  
25 commissioner.

1  
2 COUNCIL MEMBER LANDER: So I'm  
3 going to build on that, though, to make my  
4 question even a little more pointed though. I  
5 guess what I feel like is we have Local Law 42.  
6 We have some other planning frameworks, for  
7 example, for the waterfront we have the whole  
8 waves 2020 plan. We have PlaNYC itself. Yet,  
9 somehow our capital budget decisions, I don't see  
10 often a lot of evidence that they are made  
11 informed by that kind of strategic thinking.  
12 Things get sort of thrown in--you know, you can't  
13 tell from a citywide statement of needs document.  
14 Sometimes an agency will do something strategic in  
15 its own documents.

16 But to me, I guess the question is,  
17 and I had asked this of Seth Pinsky as well, it's  
18 great that you're working on this report. But to  
19 the extent that it is in very large part a set of  
20 hard decisions about how much money to spend on  
21 big dollar projects, what's the evidence or what's  
22 the process through which this kind of strategic  
23 thinking is actually going to get connected to the  
24 capital budget and that those decisions are going  
25 to get made between the Council and the

1 administration, frankly, is part of my concern.  
2 It's like, you know, where is the space for the  
3 Council to be involved in strategic priority  
4 decision making around big capital budget  
5 decisions.  
6

7 CHAIRPERSON GENNARO: That is a  
8 great question for the commissioner.

9 COUNCIL MEMBER LANDER: Thanks for  
10 your help in phrasing it.

11 CARTER STRICKLAND: I'll speak to  
12 DEP, how's that? I will say about the special  
13 initiative, that that is like PlaNYC and the other  
14 documents you mentioned, in an attempt to have a  
15 logical framework and some analysis out there for  
16 the public. I think it does pay off down the  
17 road. When you see your panel on climate change,  
18 everybody uses those numbers. It was document  
19 that was, or effort that took a number of years to  
20 complete, however there are 2020, 2050, 2080  
21 projections of sea level rise are now informing  
22 what we invest.

23 So, you know, all I can say to your  
24 very general question is that Local Law 42 is  
25 certainly one mechanism and the reporting that

1  
2 PlaNYC has to do every year as well as the climate  
3 greenhouse report that comes out every September  
4 are all efforts to provide transparency to the  
5 Council first and foremost but also to the public.

6 So that said, you know these  
7 planning frameworks each have a public aspect, as  
8 this hearing shows. I am sure Seth Pinsky would  
9 have more precise answers for you about SIRR, but  
10 I can assume and assure that there will be a  
11 public process with that effort. Our piece will  
12 feed into that report. We've done a very detailed  
13 analysis at a plant level, it's all preliminary  
14 now, and said, look, it doesn't make sense to  
15 raise this asset.

16 I mean we're asking very nuts and  
17 bolts, basic questions of does it make sense to  
18 raise this asset and what kind of protection does  
19 it get us or is it worth it to--if something is  
20 going to happen every 500 years, it's probably  
21 better to write it off, depending on how expensive  
22 it is. So those are the best kind of analysis--I  
23 haven't even seen yet--but our shop is working on  
24 that will inform that process.

25 COUNCIL MEMBER LANDER: So, I

1  
2 appreciate the beginnings of it. I guess I have  
3 two much more specific questions but just one more  
4 general comment here. When you speak to the  
5 Gowanus, I guess I would sort of say it like this:  
6 look, my constituents want a cleaner Gowanus  
7 Canal. And of course, I want a cleaner Gowanus  
8 Canal and you want a cleaner Gowanus Canal.  
9 Asking the people of New York, their  
10 representatives in the Council but the people in  
11 general to make decisions about how much it's  
12 worth spending to achieve different kinds of  
13 priorities, I don't think is best done in  
14 isolation.

15 I'm concerned that the more we do  
16 it in isolation, the more that every constituency  
17 wants the projects they want, wants protection  
18 from sea level rise, wants protection from  
19 flooding, wants cleaner wastewater, wants sewers  
20 where they don't have them. That if we are  
21 genuinely facing a time when big decisions are  
22 going to need to be made about infrastructure, we  
23 need a more shared framework to make them in or  
24 else I don't see how we will be able to build the  
25 collective political will to make them in wise

ways.

So let me ask two much more specific questions from the sublime to the ridiculous. Within the last couple of years, I can't remember if it was last year or the year before, you guys tried some experimentation around parking lots. This was related to storm water runoff. I'm curious what became of that, whether it was successful, whether it wasn't and we gave up on it, whether we're continuing it.

CARTER STRICKLAND: Sure. I think what the Council Member is referring to is shift in billing for those parking lots. It was very much a pilot and still remains a pilot. It's ongoing. We have had a full year of collections on those parking lots. It was less than 300; I want to say 280, but we'll get the figures to you afterwards. These are parking lots that receive no water service, so they're not billed at all because everything is a factor on the water rate and the volume of water. But we know they generate storm water that we have to deal with. So we did estimate cost system wide of five cents a square foot and billed them accordingly.

1  
2                   Based on the experience in other  
3 jurisdictions, we thought we might have to defend  
4 that in court. It turned out not to be the case.  
5 Folks have paid and it's generated a few hundred  
6 thousand dollars a year going forward. I think  
7 there are a number of--we'll see, again, how we  
8 collect this year and then we'll have to consider  
9 whether that makes sense to take a more  
10 generalized approach with that method of billing  
11 for storm water services.

12                   COUNCIL MEMBER LANDER: Then there  
13 was some kind of pilot of the pilot where folks,  
14 if they wanted to, could take some green  
15 infrastructure approach of their own, and I don't  
16 know, put up a lot of rain barrels or cars with  
17 big buckets on the roof or something. Did anyone  
18 take that option or did everybody just pay?

19                   CARTER STRICKLAND: No one has. No  
20 one has.

21                   COUNCIL MEMBER LANDER: Everybody  
22 just--

23                   CARTER STRICKLAND: [interposing]  
24 Yeah, everybody just paid.

25                   COUNCIL MEMBER LANDER: All right,

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that's good.

CARTER STRICKLAND: You know, that was another, maybe in year two we'll get some more of that and we'll get some experience, which is why we wanted to run it a few years.

COUNCIL MEMBER LANDER: My final question, and I appreciate the Chair and the committee's indulgence. You and I have talked in the past and actually, I asked the Sanitation commissioner this last week about the ultra thin single-use plastic bags and the challenges that they pose for the city. He talked a little bit about the challenges they pose for the Sanitation Department, particularly in the recycling plants. I know that you and I have spoken in the past about the problems they pose at catch basins and wastewater treatment plants. I wonder if you could just say anything that you guys are looking at generally about addressing the problem caused by--

CARTER STRICKLAND: [interposing]  
Sure. We did a very rough estimate of the impacts, financial and otherwise to us they are. I'll turn to Steve Lawitts for specifics on that.

1  
2 STEVE LAWITTS: We actually looked  
3 at a sample of the tonnage that we collect through  
4 our initial screening process in the wastewater  
5 treatment plants, what we call the residuals in  
6 the screenings. Based on the percentage of that  
7 overall content that was plastic bags and working  
8 its way back through the life of wastewater going  
9 back to the catch basins and the cleaning and all  
10 that, it doesn't cost us nearly as much as it cost  
11 the Sanitation Department. I think Sanitation had  
12 estimated perhaps up to \$40 million or more. For  
13 us, it's less than a million dollars; it's  
14 approaching a million dollars.

15 COUNCIL MEMBER LANDER: Thanks very  
16 much. I was at a conference last weekend with  
17 some young people who have noticed that around the  
18 country cities are taking aggressive steps to  
19 reduce plastic bag waste and I'm glad to know the  
20 administration is starting to look at it and cost  
21 it out as well. Thank you, Mr. Chairman. I  
22 appreciate the time and indulgence.

23 CHAIRPERSON GENNARO: Thank you,  
24 Council Member Lander. I'm pleased to recognize  
25 that we're joined by Council Member Levin and

Council Member Crowley, pleased to have them with us. Next, I recognize Council Member Comrie for questions. Council Member Comrie?

COUNCIL MEMBER COMRIE: Thank you, Mr. Chair. I wanted to ask you to follow-up on Council Member Koppell's question regarding whether or not you had come up with an estimate for any water rate increases this year, and what would be the process of it. What's the timing for that? When does that have to come before us?

CARTER STRICKLAND: The Water Board sets the rate. We have a preliminary proposal due to the Water Board April 5th. 8:00 in the morning, Steve?

STEVE LAWITTS: 8:30.

CARTER STRICKLAND: 8:30 in the morning. Then we will make, as we did last year, the last few years, a series of presentations in each borough, at night, culminating in a Friday midday hearing in Manhattan, so people who work can take off work, show up there. We present the reasons for any changes in the water rate and answer questions.

COUNCIL MEMBER COMRIE: Okay. You

said earlier that you didn't expect that there would be a major increase in the water rate this year. I just wanted you to clarify that a little bit.

CARTER STRICKLAND: Sure. I mean, in the past we've had, you know, very large swings, including double digits. We certainly don't expect to return to those days. We think our management has been--stabilized our budget and we're not going to be looking at the increases. We've had a several year trend of declining water rate increases.

[Background noise]

CARTER STRICKLAND: We certainly hope to continue that.

COUNCIL MEMBER COMRIE: That almost is apropos for what I was asking, but we'll let that go. But you'll inform us of what those details are as soon as know, before the April 5th meeting, or is that something that we'll have to find out afterwards?

CARTER STRICKLAND: After the April 5th meeting.

COUNCIL MEMBER COMRIE: Okay. You

also talked about the lien sale or the ability of the lien sale to bring in money. But you don't have a breakdown on how much money you've been able to gather from lien sale collections at all?

CARTER STRICKLAND: We actually do. So I'm going to turn to Steve, who has the stats on hand.

STEVE LAWITTS: Thank you, Council Member Comrie. Last year's lien sale was at the point where the potentially lien properties are given 90 days notice. There were 15,000 properties collectively owing \$151 million. As has been the case with several lien sales before it, those amounts, the number of properties and the dollars they owe get substantially reduced as we give the 60-day notice, the 30-day notice and the 10-day notice. The total actually sold, out of that 15,450 properties was 1,160 and out of the original accounts receivable of \$151 million, about \$10.7 million were sold. So the percentage of properties, the percentage of dollars actually sold was between 7 and 8 percent of that original pool.

This year, we published the 90-day

notice, along with the Department of Finance. At the beginning of February, there were 19,900 properties collectively owing \$217 million. So it's--

COUNCIL MEMBER COMRIE:

[interposing] 19,000--

STEVE LAWITTS: [interposing] So it's a larger pool than the lien sale just before it. But if the committee recalls, in Fiscal Year 2012, there were two lien sales because the timing of the Council's approval of lien sale authorization required that the lien sale that normally would have been held in the spring of 2011 got moved into the first part of Fiscal Year 2012. So there were two lien sales in 2012 and none in Fiscal Year 2011.

COUNCIL MEMBER COMRIE: Okay.

Again, you're going to give people a time and opportunity to collect the liens or come into your offices to make those adjustments. I just want to compliment your staff on doing the outreach and the communications whenever we've outreached to you regarding to helping those constituents that they realize they were behind. I hope that we can

1  
2 also have a couple of evening meetings again, like  
3 you've done them in my area, to make those lien  
4 sale programs available for people that tend to  
5 always want to do it at the last minute, but they  
6 do get in and get it done.

7 CARTER STRICKLAND: I commit to you  
8 we'll do that. I'm looking to folks in our Bureau  
9 of Customer Service and we'll absolutely do that.

10 COUNCIL MEMBER COMRIE: You have a  
11 great Bureau of Customer Service. I won't name  
12 names because I don't remember some of the new  
13 names there. I say Mark Lanigan all the time and  
14 then it's not fair to the other folks as well.

15 CHAIRPERSON GENNARO: I want to  
16 give a big shout out to Joe Singleton. I think  
17 that's the name you want to say.

18 COUNCIL MEMBER COMRIE: Okay, all  
19 right.

20 CHAIRPERSON GENNARO: He certainly  
21 does deserve it and he's a great guy.

22 COUNCIL MEMBER COMRIE: I wanted to  
23 go into another problem that's really becoming  
24 more and more difficult for my constituents and  
25 people in southeast Queens and that's the impact

1 of the groundwater and what we need to try to do  
2 to mitigate that. When can we work on getting  
3 some more focus on getting the groundwater issues  
4 in southeast Queens, as you know, which stems from  
5 the fact that we have the aquifer. And the fact  
6 that Jamaica water wells are not being pumped to  
7 get those online and pumping before 2020--what is  
8 it 2015, 2016 that you're planning on temporary  
9 pumping for the Roundout bypass, but to try to get  
10 them up and pumping now, what we can do to try to  
11 make that happen and to try to make this part of  
12 the 2014 budget so we could get those wells up and  
13 pumping.

14  
15 CHAIRPERSON GENNARO: If I could,  
16 just to kind of add on to that question to maybe  
17 make it like a little bigger. I think part of the  
18 answer to the question may involve some evolution  
19 of thinking on the part of DEP on how much DEP was  
20 going to need to rely on the Jamaica water service  
21 system for the fix of the Delaware tunnel. I  
22 think there was a thought once upon a time that  
23 DEP was going to have to depend much more on those  
24 wells to supplement the water supply while the  
25 aqueduct was down. I think that thinking has

1 changed now and I think that's, you know, just  
2 part of the answer to the question. I'd like you  
3 to sort of fold that in because I think the two  
4 are linked. So with that add-on, I would ask the  
5 commissioner to reply.  
6

7 CARTER STRICKLAND: Sure. Thank  
8 you, Chairman. So the Water for the Future  
9 program to repair that leaking aqueduct is one of  
10 the drivers. Long-term resilience to making sure  
11 that in drought periods we have a source of water  
12 is another driver for the rehabilitation of the  
13 Queens groundwater system.

14 I will say, of course, as you well  
15 know, that system was acquired, and shut down in  
16 response to community concerns that they get Cat-  
17 Del water, which we have successfully done. But  
18 we are proceeding to work on the Delaware Aqueduct  
19 leak in the Water for the Future program. As I  
20 mentioned, we started work on the contract for the  
21 shaft work this January. The tunneling process is  
22 expected to proceed in April 2015. We're planning  
23 for a connection of the bypass to existing tunnel  
24 in April of 2021.

25 You know, when the tunnel does--

1  
2 when we have to do the bypass, we're going to lose  
3 access to the Delaware water for some time. The  
4 good news is that we thought we were going to have  
5 the potential for shutdown for a much longer  
6 period than we currently are now designing for.  
7 There are some changes in the design, which means  
8 that we can shut the tunnel down for a much  
9 shorter period of time.

10 So one thing we've done immediately  
11 is cross off our to-do list to get everything  
12 ready is access to New Jersey water, which would  
13 have been several hundred million dollars for  
14 cross-tunnel cross-river pipes. So that's good  
15 news. As we look forward to shorter shutdowns, it  
16 all depends on how much, you know, water we're  
17 going to need at the time.

18 We are planning of right now  
19 evaluating well investigations. So we're starting  
20 that this spring. We're going to go roughly a  
21 year to look at that. I think carried in this  
22 capital budget is some \$84 million. A total of  
23 \$151 million for groundwater, Joe Murin is telling  
24 me. The final well selection is targeted for 2014  
25 with a substantial completion of the first group

1 of wells in 2018.

2                   The reason we have to proceed so  
3 carefully is a number of reasons. One is that  
4 wells haven't been operated for a number of years  
5 and when we got them, they were old. So any well  
6 is going to have to be--we're going to have to  
7 spend substantial money on rehabilitating it and  
8 make sure it's dependable. There is also probably  
9 going to be treatment of water required should it  
10 be ready. That can be very expensive. You know,  
11 one reason that we took the system offline is that  
12 to have water that we need of the quality that we  
13 are expected to have and to deliver, it would be  
14 our most expensive water to the system.  
15 Ultimately, ratepayers will pay for that.

16                   So we're proceeding very carefully.  
17 It's good to have a backup, but we know it's going  
18 to take some time to pick the wells that will be  
19 the most productive, the cleanest and the best  
20 able to operate going forward.

21                   So all wells completed, we're  
22 expecting summer of 2020, that shutdown will  
23 happen now in 2021. So that's what we're  
24 projecting for and there are a number of other  
25

ways to fill the gaps. One is conservation. So we are hoping to decrease municipal water use 5 percent over background rates in a few years.

COUNCIL MEMBER COMRIE: That doesn't really answer my question. You answered Chairman Gennaro's question about the Roundout plant. But I'm concerned, as you know, in southeast Queens the water table has risen by like 30 feet. I have homeowners that are pumping groundwater 24/7. We need to figure out a way to give them some relief or to figure out a plan where they can have their homes purchased by the state or the federal government. But the biggest problem, as you know Commissioner, is that we need to start doing something to lower that water.

The only way that we can do that is to get those wells back online or pumping, to get Station 6 and Station 24 projects back up and also creating the system to allow the water to be discharged into the sewer system. I wanted to get an update from you on what the status of those necessary projects are before we look at the assessments for 2018 and 2021. I have homeowners that are in projects and buildings around the

1  
2 borough, around the area now and it seems to be  
3 more and more popping up every day as the water  
4 table continues to rise. So we need to find a way  
5 to mitigate that now. Our communities need to  
6 hear exactly what is going to be done by DEP in  
7 this budget to try to solve that problem.

8 CARTER STRICKLAND: Okay,  
9 certainly, Council Member. Let me address the  
10 flooding issue. You know, at the outset, let me  
11 say this, that we've been talking about  
12 groundwater and we've been talking about flooding,  
13 but we do see these issues as very distinct.  
14 There are a number of--look, this is an area that  
15 we know is, you know, low-lying, if not formerly  
16 wetlands and that when it was developed decades  
17 ago, the groundwater levels were artificially low  
18 because of the pumping going on then, perhaps some  
19 droughts, and that is coming up.

20 However, a lot of the flooding, we  
21 believe, if not all of it, certainly on the  
22 surface level, is due to surface flooding. That's  
23 really where our investment in storm sewers make a  
24 big difference. So we are investing, in this  
25 capital plan, \$123 million just in southeast

1  
2 Queens. This is an area--from the Grand Central  
3 Parkway to the Belt on Van Wyck, to the Cross  
4 Island--where there's limited or no storm sewer  
5 facilities. So this will make a huge difference  
6 in other areas of Queens, I know there are other  
7 Council Members who can tell you that we've been  
8 building out and that makes a big difference. The  
9 other, of course, as I mentioned, is the south  
10 shore of Staten Island.

11 In southeast Queens, Community  
12 Boards 12 and 13, we know that there is no  
13 adequate storm sewer system. You know, this is a  
14 point we make every time folks say well, why don't  
15 you rebuild storm sewer system in a certain area?  
16 In some cases, we do, but in other cases, we say,  
17 look, there are parts of the city that lack storm  
18 sewers and we ought to get to them, which is why  
19 we're spending most of our storm water money in  
20 those areas, as I mentioned.

21 We are also bringing in our  
22 technologies to bear that gave rise to the Blue  
23 Belt in Staten Island. You're familiar with  
24 Springfield Lake; Baisley Pond is another one that  
25 we are investing in that will make a difference

going forward.

The other thing is that, and this is something that we're going to do right away this spring, is work with homeowners to take those steps that they can take to minimize flooding in their house, from surface water impact. So we know we're going to put an information guide, work with local electeds to inform that.

As you know, another short-term solution we've done is put in what we call reverse seepage basins. It can't be done everywhere, but we've put three in place so far. Early indications are that they work, if sited properly. What these do is, you know, without any energy or use electricity, is they take groundwater where it exists and is higher than storm sewers, presumes a certain level, presumes a lower storm sewer and presumes that there's a storm sewer there. Where those conditions exist, we can build them and water will flow into the storm sewer.

We are looking at sites that appear to be technically feasible for a larger pilot. We've identified preliminarily nine sites, but some had to be crossed off the list because just

1 conditions weren't right. Soil, water, sewer  
2 conditions weren't right. We're going to take  
3 about a year or so to plan, evaluate and design  
4 these so these work. So this is something I think  
5 that--  
6

7 COUNCIL MEMBER COMRIE:

8 [interposing] An additional year to plan them?

9 CARTER STRICKLAND: That's how long  
10 it takes to make sure the engineering is right and  
11 to make sure that they work. So, you know, I  
12 think those efforts will address a lot of the  
13 surface flooding that we see in this neighborhood.

14 COUNCIL MEMBER COMRIE: So you'll  
15 have no new reverse wells done this year or  
16 everything is planned out for next year? I was  
17 hoping to see a couple more put in the ground this  
18 year. So you're saying that nothing can be done  
19 until another year assessment is done.

20 CARTER STRICKLAND: Our standard  
21 process where we have a basis of design, we go  
22 forward, we bid it out. It does take that long.

23 COUNCIL MEMBER COMRIE: Okay.  
24 That's something that we were hoping to see in  
25 this year's budget and something done as well as

1  
2 implemented this year. I would hope that we could  
3 move that a little faster to get that assessment  
4 done, since they seem to work. Hearing that it's  
5 going to take another year, I'm just concerned  
6 that in another year, you know, you might not be  
7 here, I won't be here, you know, and it may not be  
8 a focus for DEP. I have homeowners that are  
9 suffering now.

10 I know that also Station 6 and  
11 Station 24 are projects that have been put on the  
12 back burner. I would hope that we can get some  
13 new focus on figuring out how to get those back up  
14 and getting the state to pick up their fair share.  
15 You spoke earlier, before, you seemed to be  
16 getting stuck for work on the Gowanus and other  
17 areas. What are we doing to lobby the state and  
18 the federal government to get that money? Is  
19 there anything else that we can try to do to push  
20 those issues so we're not stuck with all of the  
21 unfunded mandates that we seem to be stuck with?  
22 Is there an initiative that's being done by New  
23 York and maybe other states to get superfund money  
24 back?

25 CARTER STRICKLAND: Well, the

1  
2 approach we've taken so far is to work on  
3 regulatory reform. So we actually documented a  
4 lot of the efforts we've undertaken, along with  
5 our trade association, National Association of  
6 Clean Water Agencies, American Metropolitan Water  
7 Agencies, American Waterworks Associations and  
8 others to really give us the flexibility to spend  
9 at our pace.

10 What we often say--and we've got  
11 this documented on the regulatory reform portion  
12 of our website. What we often say is that look,  
13 you know, eventually we might have spent money on  
14 these projects, however, when you build under a  
15 tight timeframe in a red-hot capital market, as it  
16 was in 2007 and 2008, you're going to pay a price  
17 if you can't be a smart investor and wait five  
18 years or so.

19 I'm happy to report that for the  
20 Water for the Future project, for example, we had  
21 on the contract for the shaft sites, we had a bid  
22 come in nearly \$100 million lower than the  
23 engineer's estimate. That's because the market  
24 conditions are favorable. So that's the kind of  
25 flexibility we're looking for. Again, we have a

whole asset management program. Let us invest according to that schedule.

On your question in particular on superfund and groundwater, the state was pumping and treating at Station 24, which is the former Jamaica Water Company site, to deal with contamination from a dry cleaning facility. You know, my understanding from the state is that they certainly have stopped pumping, as you know. My understanding is that they're waiting for lab reports to come in to see if the groundwater is clean. I think they believe it is. We haven't seen any data to confirm or contest that. But we certainly hope that they would start up other wells, you know, to clean up the groundwater where appropriate under their program.

With regard to Station 6, and maybe we'll turn to Joe Murin, our assistant commissioner for budget, who can speak to how we carried that in the budget and what we have going forward.

JOSEPH MURIN: Thank you, Commissioner. I'm Joe Murin, Assistant Commissioner for Budget. Station 6 is still in

1  
2 the budget, but it's also, as part of the Water  
3 for the Future, being prioritized in accordance  
4 with what the other, you know, wells that can be  
5 used in terms of where we'll be able to pump most  
6 efficiently and effectively with the least  
7 intervention. So I think it's not, perhaps, in  
8 the same timeframe, Councilman, that you may be  
9 looking for, but it's still on the horizon for  
10 something that we will be looking at probably in  
11 the next four to five years.

12 CARTER STRICKLAND: The other thing  
13 I want to point out is that Station 6 in  
14 particular, it's been a capital project ID in the  
15 budget for the last number of years, but it's  
16 really been used to cover any southeast Queens  
17 well. I think that's what Joe was saying. So,  
18 you know, that project in particular, you know we  
19 have a commitment for \$123 million on the wells in  
20 this capital budget. You know, essentially we got  
21 more specific in the budgetary process and in our  
22 description of what that project is.

23 COUNCIL MEMBER COMRIE: Okay.  
24 Well, I appreciate the responses. I just don't  
25 think that it's enough. We need to try to push

1  
2 some more to get the problems with the  
3 groundwater, especially in those areas where we  
4 have homeowners that are pumping, the 165th Street  
5 homeowners, as you know the York College  
6 situation, even the subway, Parsons Archer,  
7 they're pumping groundwater. That's groundwater  
8 that they're pumping 24/7.

9 We have at least 15-20 homeowners.  
10 We found even more the other day. As you know, we  
11 had a public hearing, and we're finding more  
12 homeowners that are pumping groundwater 24/7.  
13 It's not raining. You know, there's no rain in  
14 the forecast and they're pumping. They're tired  
15 of living in their homes under these conditions,  
16 so we need to find a way to help them.

17 The only way that I can see doing  
18 that is to get these wells back up and pumping and  
19 also trying to come up with some money--you know,  
20 we're hoping on the state level to utilize some of  
21 what they're doing for Sandy for these homeowners  
22 as well. We would hope that DEP would support  
23 that. It's been established that these homeowners  
24 are pumping and that this is groundwater that the  
25 state could purchase their homes from them because

1  
2 the home is unsellable at that point and there's  
3 no way that they would be able to get value back.  
4 So we would hope that DEP could support that as  
5 well.

6 Just to sum up, because I know I  
7 only have a little bit of time, and I appreciate  
8 the Chairman's indulgence. I think that we need  
9 to try to have a specific meeting with you and the  
10 elected officials to try to get some more money in  
11 the budget for these two programs and also to  
12 ensure that the drainage study that is tied to the  
13 \$111 million you said or \$183 million or \$123  
14 million--I forget which category--for monies this  
15 year that we could focus on trying to get some of  
16 these wells up and pumping earlier. So I would  
17 appreciate that.

18 Just one side question, is the rain  
19 barrel program, is that now going to be permanent  
20 or have we finished that study or where are we  
21 with that?

22 CARTER STRICKLAND: Well the rain  
23 barrels are actually part of our expense budget.  
24 We are going forward with that. We are going to  
25 be targeting that rain barrel program towards

1 homeowners in southeast Queens. What's the  
2 number, Matt? It's 650 for southeast Queens this  
3 year. So we know we have somewhat of a backlog.  
4 Based on the last rain barrel giveaway citywide,  
5 but we're working with those folks and  
6 additionally we'll be bringing rain barrels to  
7 southeast Queens, Staten Island and other  
8 locations throughout the city.  
9

10 COUNCIL MEMBER COMRIE: That was a  
11 program that works, so I hope we can get at least  
12 the 650 and then some more, because it seems that  
13 the homeowners are really warmed up to it. If we  
14 can also teach homeowners how to do it, even  
15 beyond the program itself would be helpful.

16 CARTER STRICKLAND: Part of our  
17 giveaway is to train folks and have educational  
18 materials available to them so that they hook it  
19 up properly and know how to use it to maximize its  
20 efficiency.

21 COUNCIL MEMBER COMRIE: Okay. I  
22 have some other specific projects that we'd like  
23 to give you to check on and follow-up on that have  
24 been vexing the community for some time. I  
25 appreciate it. You've always been helpful and

1 responsive, but we just want to find out what the  
2 latest updates are. Thank you. Thank you, Mr.  
3 Chair.  
4

5 CHAIRPERSON GENNARO: Thank you. I  
6 just want to follow-up on what Council Member  
7 Comrie was saying regarding the basins. These  
8 things sound very intriguing. I know there's a  
9 set of circumstances that need to be met in order  
10 for them to be effective. The groundwater table  
11 is higher than the sewer system. These wouldn't  
12 be like regular seepage basins where the water  
13 would go into the ground; these would actually go  
14 into a pipe. I think they hold great promise.

15 I think to the extent that meeting  
16 that Council Member Comrie talked about, between  
17 DEP and the local community, you should really  
18 give the community a scope of where these could be  
19 put and when the could be brought online and what  
20 kind of analysis would lead up to that. This is  
21 of particular interest to me as well. We want to  
22 be supportive of the southeast Queens community.  
23 I'm more than happy to work with Council Member  
24 Comrie and the leadership of the Council and other  
25 elected officials to see what we can do

1  
2 budgetarily to at least get that basin concept  
3 moving because it looks like it holds really good  
4 promise. It looks like an easier lift than  
5 pumping and all that. It just does. That seems  
6 like the low hanging fruit here. So that would be  
7 what I would urge.

8 CARTER STRICKLAND: We will,  
9 Chairman, work with you going forward. I will say  
10 that, you know, we've been speaking about the  
11 effectiveness of the basins on the front end.  
12 Another important piece of the puzzle is making  
13 sure that they make a difference to homeowners.  
14 We have less information there. It certainly  
15 would be helpful. There's some anecdotal  
16 information it's made a difference. It would  
17 helpful, and that's going to require work with  
18 community leaders to make sure we get access to  
19 houses and get good information and the like. So,  
20 you know, it is a little bit involved, as you  
21 know.

22 CHAIRPERSON GENNARO: Right. Thank  
23 you.

24 COUNCIL MEMBER COMRIE: I'd be  
25 happy to do that walk through and to do that

1  
2 outreach and do seminars, whatever is necessary,  
3 because we have a lot of homeowners that are  
4 willing to open their door if we knock on their  
5 door as well. So I'd be happy to get out there  
6 and knock on some doors as well.

7 CHAIRPERSON GENNARO: Thank you.  
8 Next, I recognize Council Member Brewer for  
9 questions.

10 COUNCIL MEMBER BREWER: Thank you  
11 very much. I just want to add accolades to your  
12 staff but particular the Noise Division. They're  
13 terrific, and working evenings, and weekends and  
14 responsive. But just in terms of noise, obviously  
15 that's a big 311, and from a budget perspective,  
16 are there things that we could be doing so that  
17 it's not just less noisy but also costing as much  
18 to be able to put staff and resources and time on  
19 that issue. I'm just wondering is there any  
20 thought given to mitigation. I know all the  
21 problems regarding that issue. People have the  
22 mixture of our city, but I just didn't know if  
23 there was anything being thought of in this very  
24 complicated world that we live in could be more of  
25 a mitigation. You put a lot of time into it, I

1  
2 assume.

3 CARTER STRICKLAND: We do. The air  
4 and noise, the inspectors share duties not only in  
5 noise but also in air--

6 COUNCIL MEMBER BREWER:  
7 [interposing] The air, too, yes, I know.

8 CARTER STRICKLAND: --and they do a  
9 good job.

10 COUNCIL MEMBER BREWER: They do a  
11 great job.

12 CARTER STRICKLAND: It is one of  
13 out top 311 complaints and we try to be  
14 responsive.

15 COUNCIL MEMBER BREWER: You are.

16 CARTER STRICKLAND: What I can say  
17 is that we have--I think the Noise Code revision  
18 that was done, you know, seven years plus ago now,  
19 you know was helpful.

20 COUNCIL MEMBER BREWER: It was  
21 because you got two air conditioning and they are  
22 counted as noisy together. It makes all the  
23 difference and all the other things that you did.  
24 Hearing it, a big help.

25 CARTER STRICKLAND: Yeah, I mean I

1 think our top complaints relate to construction  
2 noise.

3 COUNCIL MEMBER BREWER: Yes.

4 CARTER STRICKLAND: We are working  
5 with the industry now. We are hoping to work with  
6 the Council again this year on an update to the  
7 code. Working with the construction industry,  
8 which really is responsible for a lot of the  
9 complaints--  
10

11 COUNCIL MEMBER BREWER:

12 [interposing] Yes.

13 CARTER STRICKLAND: --before  
14 hours/after hours construction--

15 COUNCIL MEMBER BREWER:

16 [interposing] Yes.

17 CARTER STRICKLAND: --jackhammers.  
18 I think we worked with the industry to develop a  
19 jacket for the jackhammer to keep them quiet. Now  
20 those complaints have gone down.

21 COUNCIL MEMBER BREWER: Is that  
22 mandated now or just--

23 CARTER STRICKLAND: [interposing]  
24 It's not mandated. No, it's voluntary. If  
25 there's a problem going forward. Construction

plates also are another issue, and that it's really hard to think--it's very simple technology, I guess if you can call it even a technology, but placement of it can lead to a lot of complaints. We do think there are some legislative proposals that can make things easier.

You know, I will say that for a lot of categories of complaints, especially HVAC--

COUNCIL MEMBER BREWER:

[interposing] Yes.

CARTER STRICKLAND: --we need to send out two-person teams.

COUNCIL MEMBER BREWER: Yes.

CARTER STRICKLAND: One at the source measuring ambient and one in the apartment.

COUNCIL MEMBER BREWER: Correct.

CARTER STRICKLAND: That in scheduling can be difficult. Nothing is obvious to me I guess as a way to make those time constraints go away because we have to get access to people's apartments and it can be very difficult to catch noise.

COUNCIL MEMBER BREWER: I'm not sure when the HVACs go in that the person who's

1  
2 doing it--I guess they read the noise code and  
3 they know what they're supposed to do, but having  
4 dealt with hundreds of HVACs that are noisy, it's  
5 sometimes not clear that they should have put a  
6 barrier--I'm sure there's a fancier term--around  
7 the HVAC. It happens all the time, particularly  
8 with some of these big chain stores that come in  
9 and they don't realize that they're not in Idaho;  
10 they're in the middle of New York City. So I'm  
11 just saying maybe more education to those who are  
12 putting them in would be helpful, like a real  
13 stick as opposed to a carrot. I don't know what  
14 is done. So HVAC and construction are the noise  
15 sources, absolutely.

16 NYCWiN, that's how I think you read  
17 some of the meters. I'm just wondering how you  
18 use it. Is it cost effective? It's not clear  
19 that too many agencies are actually using NYCWiN  
20 and it costs a fortune.

21 STEVE LAWITTS: I'll answer that,  
22 Council Member Brewer. We do use the NYCWiN  
23 system. That provides the backbone for automated  
24 meter reading systems. So we currently have  
25 820,000 of our customers on automated meter

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reading.

COUNCIL MEMBER BREWER: Out of how many?

STEVE LAWITTS: Out of 850,000. It's 96 percent. Most of the remaining 4 percent are customers with large meters in Manhattan and it takes more time and more planning with the building owner to change those meters out, but we do have a program in place to prioritize those over the next couple of years. So the 820,000 little gray boxes--

COUNCIL MEMBER BREWER:  
[interposing] I know it well.

STEVE LAWITTS: --Yes. Each of those transmits to the NYCWiN network. So we use it all the time.

COUNCIL MEMBER BREWER: So does it save money? But it doesn't help our water rates go down.

STEVE LAWITTS: Well, indirectly, yes. It helps them from going up more, because we've gone in the last two years, as we've built out the automated meter reading system, we've gone from an historical estimated bill rate of 15

percent of our bills down to 4 percent.

Historically, having an estimated bill was the single biggest cause of customers not paying us.

COUNCIL MEMBER BREWER: Right.

STEVE LAWITTS: So now we've got that down to 4 percent, and even that low percentage will reduce over the next several years.

COUNCIL MEMBER BREWER: We hoped it would make the bills go down.

CARTER STRICKLAND: One thing I can say, just to add to what Steve mentioned, is that we no longer have to hire Con Ed, which saves us, what, \$2 million a year--\$5 million, which is substantial. Then with the water and sewer operations folks who have tough books in the field, they do use the NYCWiN system. So we are using it in that manner as well.

COUNCIL MEMBER BREWER: Okay. The issue of electric cars is a DOT issue. It's got many aspects to it. But in that you're thinking about air and what we breathe, is that something that you're pushing? Does it come out of NYC Plan? Does it get discussed at all? Mostly, it's

DOT, garages, I know, but you have the responsibility for what we breathe.

CARTER STRICKLAND: Well, the one thing we do is administer the many and report out on the local laws in terms of fleet compliance with Local Law 38--

COUNCIL MEMBER BREWER:  
[interposing] Yep.

CARTER STRICKLAND: --you know, to 77. Reports are due out this year. So, you know, we have retrofitted our heavy-duty fleet. With regard to electric cars, we are buying five electric cars going forward.

COUNCIL MEMBER BREWER: Okay. But do you have any interest in pushing it for the city as a whole, because obviously you need an infrastructure in order to do that.

CARTER STRICKLAND: You know, the citywide fleet decisions and policy is really made by the Long-Term Planning and also DCAS, which buys our fleets.

COUNCIL MEMBER BREWER: Okay.  
Radon, you know I have radon people in my neighborhood and they're very concerned about it.

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2 Is that something that you think is something we  
3 should be focused on? They feel like--I'm sure  
4 fracking is hovering, and then just in general, I  
5 guess we have a very low level of radon in the  
6 City of New York, which we'd like to keep. So I'm  
7 just wondering if that's something that from  
8 either a budget perspective or a policy  
9 perspective is something you've looked at.

10 CHAIRPERSON GENNARO: Let me just  
11 jump in for a second and say notwithstanding that,  
12 this question is a little outside the scope of the  
13 hearing.

14 COUNCIL MEMBER BREWER: Okay.

15 CHAIRPERSON GENNARO: I'm surely  
16 willing to give the Councilwoman some latitude on  
17 this question. It is on many people's mind.

18 COUNCIL MEMBER BREWER: I was  
19 trying to tie it to the budget but I haven't been  
20 successful.

21 CHAIRPERSON GENNARO: It's okay.  
22 The latitude is there, so go for it.

23 COUNCIL MEMBER BREWER: Thank you.

24 CARTER STRICKLAND: I guess we keep  
25 a watchful eye on all things environmental,

1  
2 together with our colleagues in the Department of  
3 Health, who would be primarily concerned about  
4 this. As you say, it's not a big issue in New  
5 York City. It is elsewhere. There's some very  
6 simple interventions people do, mainly venting  
7 their basements, that are applicable in some areas  
8 of New York City, but the geology does not compel  
9 it. We haven't budgeted for it and we don't plan  
10 to until it becomes a big issue.

11 COUNCIL MEMBER BREWER: I know that  
12 everybody has different issues in terms of their  
13 flooding. Obviously, with the west side building,  
14 it seems like a new building 60 stories every  
15 minute, the issue of storm water, if you are  
16 spending less on storm water, does that mean that  
17 things are going so well you don't need to worry  
18 about overflow, or you're just doing it so  
19 efficiently. I mean, is the issue is just an  
20 incredible positive building in the sense that  
21 there's a lot of jobs and so on, but it has I  
22 would assume some taxing on the infrastructure.  
23 It's sort of a general question. I feel like I  
24 just got notification of another tall building  
25 being built.

1  
2 CARTER STRICKLAND: Well, you know,  
3 the good news with redevelopment of the city and  
4 infill is good on any number of grounds,  
5 including, you know, less sprawl for the city,  
6 less sprawl for the country.

7 COUNCIL MEMBER BREWER: You're not  
8 going to tell my neighbors that, but I got the  
9 picture.

10 CARTER STRICKLAND: Right.

11 COUNCIL MEMBER BREWER: They don't  
12 like that.

13 CARTER STRICKLAND: So development  
14 it's all good. With regards to the storm water  
15 impacts of it, though, certainly if a building has  
16 to go through the SEQR process that will be looked  
17 at.

18 COUNCIL MEMBER BREWER: Right.

19 CARTER STRICKLAND: But more  
20 generally, we did adopt regulations in July, July  
21 1st of 2012, I should say, that require buildings  
22 to manage a lot more storm water than--about ten  
23 times more storm water onsite than they had to  
24 previously.

25 COUNCIL MEMBER BREWER: Yeah.

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2 CARTER STRICKLAND: So that is a  
3 way to reduce the impacts on our storm sewer  
4 system. When we mentioned the city's \$2.4 billion  
5 green infrastructure plan, we estimate that  
6 roughly \$900 million of that money over the next  
7 20 years will come in connection with new  
8 buildings that have to meet those kind of  
9 requirements. So we do think this is a way to do  
10 things very inexpensively at the point when  
11 buildings are being designed and permitted so that  
12 we can, over time, get the benefits to those storm  
13 water controls on private land.

14 COUNCIL MEMBER BREWER: Okay. We  
15 have the water tunnel being built on the west  
16 side. I know you talked about when it's going to  
17 be done and so on. I should know this, but it's  
18 huge, it's massive, it's big. What's the savings  
19 in the long, long term to the city on this massive  
20 tunnel?

21 CARTER STRICKLAND: It's really  
22 more a question of--

23 COUNCIL MEMBER BREWER:  
24 [interposing] Or just quality.

25 CARTER STRICKLAND: Well, quantity.

1  
2 It's all high quality, of course we have to meet  
3 it, but it's making sure that we never run out of  
4 water.

5 COUNCIL MEMBER BREWER: Okay.

6 CARTER STRICKLAND: That's what  
7 it's really for, and to make sure that we have  
8 redundancy. City Tunnel 1 has been in continuous  
9 service since 1917.

10 COUNCIL MEMBER BREWER: Right.

11 CARTER STRICKLAND: It's doing a  
12 great job. But we want to make sure that we can  
13 inspect it, and like everything else in New York  
14 City, we have to--you know, we can't shut down.  
15 So we have this in our wastewater treatment plants  
16 where we have to upgrade plants while they're  
17 operating. In a similar sense, we have to make  
18 sure the city has water and this is a way to do  
19 it.

20 COUNCIL MEMBER BREWER: So it's  
21 more of planning than a budget.

22 CARTER STRICKLAND: Correct.

23 COUNCIL MEMBER BREWER: Thank you  
24 very much, Mr. Chair.

25 CHAIRPERSON GENNARO: Thank you,

Council Member Brewer. I recognize Council Member Crowley for questions.

COUNCIL MEMBER CROWLEY: Thank you to the Chair and good afternoon, Commissioner. Commissioner, how much do we receive in funds paying for people's water bills every year, approximately?

CARTER STRICKLAND: I think our current budget, well over \$3 billion. What are we at? Yeah, \$3 billion.

COUNCIL MEMBER CROWLEY: So it just goes into the city's General Fund?

CARTER STRICKLAND: No. I'll turn to our Water Board Executive Director to answer it. That's the other hat that Steve wears.

STEVE LAWITTS: We collect \$3 billion from our customers this year, and it is dedicated to the water and sewer system, dedicated to first paying off the principal and interest on the bonds that fund out \$14 billion ten-year capital program, our \$1 billion a year operating and maintenance budget. Then we also have to pay the city a rental payment, which is about \$200 million a year.

COUNCIL MEMBER CROWLEY: Why do you have to pay a \$200 million rental payment?

STEVE LAWITTS: It's part of the legislation that created the current financing structure of the water system in 1985. It established a rental payment, which is the only payment we make into the General Fund out of ratepayer dollars. That legislation specified that at a certain point the calculation of that rental payment would be based on 15 percent of the annual debt service that we pay on Water Finance Authority bonds. So that's \$200 million a year.

COUNCIL MEMBER CROWLEY: So after all those bills are paid, what's left over out of the \$3 billion?

STEVE LAWITTS: I'm sorry?

COUNCIL MEMBER CROWLEY: What's left over out of the \$3 billion after all those bills are paid?

STEVE LAWITTS: Our budget this year is \$3.2 billion. So a full \$3 billion is retained by the water system.

COUNCIL MEMBER CROWLEY: So the but is \$3.2, which includes the capital, the \$200

million that you pay to the city--

STEVE LAWITTS: [interposing] Yes.

COUNCIL MEMBER CROWLEY: --your operating costs.

STEVE LAWITTS: Yes.

COUNCIL MEMBER CROWLEY: So then the city has to still give you the difference. If your budget is \$3.2 billion and you only receive \$3 billion.

STEVE LAWITTS: No, we take in \$3.2 billion.

COUNCIL MEMBER CROWLEY: Okay.

STEVE LAWITTS: \$3.0 billion is retained within the water and sewer system and then we pay .2, \$200 million over to the city as part of the rental payment.

COUNCIL MEMBER CROWLEY: So you break even.

STEVE LAWITTS: Yes. We only take in what we expect to spend. That's how the rates are set.

COUNCIL MEMBER CROWLEY: What if you take in more? Would you ever consider giving a rebate to those?

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STEVE LAWITTS: In effect we do.

If we take in more than our expenses in any one year, that excess gets credited to next year. So in effect, we don't have to collect as much from our ratepayers in the next year. So that--

COUNCIL MEMBER CROWLEY:

[interposing] Has there ever been a year where the rates went down?

STEVE LAWITTS: No. But they don't go up as much as they otherwise would.

CARTER STRICKLAND: You know, I want to say this about the rates, and this is a preview of some discussion that we had last year, is that we do compare. Every year we go through and we say, okay, how are we doing, you know, compared to other benchmark cities. There are some 30 cities of--

COUNCIL MEMBER CROWLEY:

[interposing] I know, but we're very fortunate. We get our water naturally from upstate.

CARTER STRICKLAND: That's right. I mean, we don't have to deal with what they're doing in Florida on Tampa or now in San Diego, which is--

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COUNCIL MEMBER CROWLEY:

[interposing] And they don't have to pay the real estate taxes or the income taxes that we have to pay.

CARTER STRICKLAND: Well, our delivered water is, you know, roughly a penny a gallon. It's about in the mid range of what major cities in the U.S. pay. I don't know if you can say that about, you know--

COUNCIL MEMBER CROWLEY:

[interposing] I've heard that--

CARTER STRICKLAND: --or whatever other measure you have.

COUNCIL MEMBER CROWLEY: I've heard that argument before but I don't think that that's fair. I think that if you look at what they actually spend on delivery of the water into the homes, it's a lot more in comparison to the ratio of what they're charged compared to what we're doing here in New York City. I think that the agency needs the monies that it has every year to operate and I think our robust capital plan is smart, but maybe that \$200 million that is paid to the city isn't necessary. That could go back to

our ratepayers, our recipients who are paying for water and sewer bills. I'm going to put that aside--

CARTER STRICKLAND: [interposing]  
Well, no, you know, Council Member, if you don't mind, I'd like to address that because you raise a very important issue. We have, in fact, developed a--

COUNCIL MEMBER CROWLEY:  
[interposing] Like in comparison to San Francisco, right, that's another expensive city to live in.

CARTER STRICKLAND: Right.

COUNCIL MEMBER CROWLEY: Did you do analysis?

CARTER STRICKLAND: I will get that information on delivered water, what the cost is compared to San Francisco. We looked at 29 other cities as well. I will say on the rental payment issue, there are a number of cities that have subsidized their water system. Some cities the subsidy goes the other way, where the water system subsidizes the general city. We're about average in terms of inter-fund payments as they're called. We have worked with our Office of Management and

Budget and have worked on a return of rental payment. We've capped the residual rental payment at FY 11 dollars and we are getting back to the system. We expect some, you know, \$12 million this year.

COUNCIL MEMBER CROWLEY: Okay. I'm interested in learning more about your sewer system that you discussed with Council Member Comrie. I see that the \$123 million is dedicated over to the Grand Central Parkway area or the southern part of Queens. So understanding your newer systems that are getting installed there and knowing that there's \$123 million for that, how much more is there for those types of systems for the rest of the city? Are you planning to put systems like that in, the storm sewer systems?

CARTER STRICKLAND: So, okay, sewers by borough, we have, it's about \$2 billion in the 14 through 23 capital plan fiscal years. Queens total is \$373 million. The Bronx is \$79 million. Brooklyn, \$277 million.

COUNCIL MEMBER CROWLEY: So the majority is going to Manhattan?

CARTER STRICKLAND: So the

citywide, I'm sorry, is getting \$900 million.

Excuse me. No, the majority is going to Queens, 373. The next largest borough in terms of capital spend is Staten Island at \$336 million.

COUNCIL MEMBER CROWLEY: I'm sorry. So out of the \$14 billion, only less than ten percent of that is going to new sewer systems?

CARTER STRICKLAND: It's a \$12 billion capital plan. So it's about 15 percent.

COUNCIL MEMBER CROWLEY: Only because I don't understand--

[Crosstalk]

JOSEPH MURIN: We have about, as the Commissioner said, \$2 billion budgeted for sewers throughout the city. Most of the stuff that's borough specific is for the immediate--

COUNCIL MEMBER CROWLEY: [interposing] But \$2 billion over 14 years.

JOSEPH MURIN: Over the ten years.

COUNCIL MEMBER CROWLEY: Ten years.

JOSEPH MURIN: Over the ten years. So the \$900 million that's in citywide projects is mainly holding codes that over the course of that ten years--

COUNCIL MEMBER CROWLEY:

[interposing] Just out of curiosity, where is the other \$12 billion going?

JOSEPH MURIN: You will have money going to the wastewater treatment plants, to the upstate assets, to water mains. We've got \$1.3 billion in city water mains. So, yes, Steve, you have the sheet there. You might be able to speak to it.

COUNCIL MEMBER CROWLEY: I get it. I just feel with the problems that are happening throughout the city, being that the sewer system is so antiquated, even though we got these 100-year storms every couple of years now, and sometimes a number of times within one year, that we need to be dedicating more resources to upgrading our sewer system.

CARTER STRICKLAND: One thing we do to measure the effectiveness of our program is we do look at our MMR numbers. Those numbers show improving performance over time. So I'm not minimizing what you're saying--

COUNCIL MEMBER CROWLEY:

[interposing] I know that they will improve

performance. We need to dedicate more resources to putting in these sewer systems.

CARTER STRICKLAND: Well, you know, again, believe it or not, investment in these kind of flooding controls are what we call non-mandated. So I think as we look forward to, you know, the last ten-year capital plan, about 69 percent was due to mandated programs, which was essentially nitrogen relief, you know, removal, which is important--

COUNCIL MEMBER CROWLEY:  
[interposing] In delivering the water.

CARTER STRICKLAND: In the harbor water, correct. Is that, you know, that left us about 30 percent left over for these kind of projects. Now, again we've shifted that so that it's about 20 percent mandated, so we have a lot more to spend on sewer systems. So I think that represents some significant progress going forward.

COUNCIL MEMBER CROWLEY: I have to thank you. I wrote to your office about a specific project and I met with your Deputy Commissioner Roberts recently and Mark Lanagan has

1  
2 been terrific. But my district has a number of  
3 problems that we get storms and we have flooding,  
4 so I am interested in seeing more than 15 percent  
5 of your capital budget spent on sewer systems. I  
6 do appreciate the attention that you've given to  
7 the area that I represent, however, I don't see  
8 any serious dedication of resources. I'll be  
9 curious to know what these seepage basins, how  
10 much water they hold.

11 CARTER STRICKLAND: Well, you know,  
12 again, it depends on where they are, you know, and  
13 what they remove out. You know, the preliminary  
14 results based on those three are that they will  
15 essentially equalize the groundwater level. So  
16 once the groundwater level is equalized, unless  
17 the groundwater table rises, you're not going to  
18 have flow into the sewer system. But if the  
19 groundwater level is higher essentially than the  
20 sewer system, it provides a conduit to collect the  
21 water and then move it to the sewer system. So it  
22 really depends. I can't generalize for every  
23 single one. It depends on where it's sited.

24 COUNCIL MEMBER CROWLEY: Okay.  
25 Thank you.

CHAIRPERSON GENNARO: Thank you, Council Member Crowley. I'm happy to recognize Council Member Levin for questions.

COUNCIL MEMBER LEVIN: Thank you very much, Mr. Chairman. Thank you, Commissioner. I'm going to ask first about my favorite subject and yours, the Nature Walk at Newtown Creek. Can you give me an update as to how that's factoring into our capital budget?

CARTER STRICKLAND: Do we have that? We have it, I am being told, after conferring with staff, that it's in FY 14. So it is in the capital budget. I will say that we've made some progress also. One issue has been maintenance of it as well. We are working on arrangements to make sure that there's long-term maintenance of that walk as well.

It did suffer some damage, not to the structure itself but to the plantings as a result of Hurricane Irene. There's a lot of plantings did in shore areas that are not salt-tolerant. When the tides rose and salt-water came in, they've suffered. So we know the area does need some attention.

1  
2 COUNCIL MEMBER LEVIN: Thank you  
3 for the update there. So you're saying FY 14  
4 there's money in the capital budget. How much in  
5 FY 14?

6 JOSEPH MURIN: [off mic] \$17  
7 million.

8 CARTER STRICKLAND: \$17 million in  
9 FY 14. I will say that we are also working with  
10 the community on--I think one thing that you're  
11 probably hearing from the community is what the  
12 plans are for the fence around the plant. We are  
13 wrapping up the capital upgrade program, which has  
14 been a long time coming, at the Newtown Creek  
15 plant. We are working on fence designs that we  
16 hope to roll out to the community over the next  
17 few months.

18 COUNCIL MEMBER LEVIN: In terms of  
19 capital, so I represent the southern bank of the  
20 creek. I also represent the northern end of the  
21 Gowanus Canal. What you're exploring in terms of  
22 capital, anything specific to those two sites,  
23 both the creek and the canal had significant  
24 breaching. The creek flooded all the way down to  
25 Greenpoint Avenue down McGuinness Boulevard,

1  
2 probably about a half a mile. The Gowanus Canal  
3 flooded to the point where it flooded out the  
4 basements in the nearby public housing development  
5 that caused two weeks worth of electrical outages  
6 in that development. Anything that we're looking  
7 toward in terms of capital upgrade on those two  
8 waterways?

9 CARTER STRICKLAND: They're under  
10 active--I don't have anything specific to share  
11 with you now in terms of future unplanned builds,  
12 but we are looking at those plants, definitely.  
13 The good news is that the damage at the Newtown  
14 Creek plant was minimal really. So that plant  
15 came through it very well.

16 In terms of Gowanus, as you know,  
17 we have ongoing capital work going on there. It  
18 was affected by Hurricane Sandy. The Flushing  
19 tunnel was completely flooded out, which caused  
20 damage to some of the work that we had ongoing  
21 there. It moved the force main out of alignment;  
22 temporary electrical systems were damaged  
23 substantially. So we still have generator power  
24 there, for example. So we estimate that it was  
25 about \$2 million in damage to that. We're now

projecting capital completion, substantial completion for that project for April 2014.

With regard to--it may not be directly answering the question--but with regard to other future work that's happening at that area, there will be a long-term control plan process going forward in 2015. Obviously, planning is happening in advance of that. We're actually doing our first long-term control plan in creek watershed in Queens. That process will be looking at what if any additional capital work is required over and above that substantially underway.

The good news from our point of view is that the EPA has essentially said that any CSO portion of the superfund remedy will be dealt with by the state in that long-term control plan process. So that's a process we're used to. It does look at cost curves and tries to look at cost effective alternatives going forward.

So we're certainly comfortable with that, but with regard to other superfund related costs, we are putting in comments in a little over a month. We have some concerns about the EPA's

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2 proposed plan for Gowanus that it issued just a  
3 few months ago at the end of January. It  
4 estimated the cost of CSO controls that it would  
5 require at about \$80 million. But those didn't  
6 include O&M costs or even site acquisition costs,  
7 proposed siting two retention tanks under the  
8 Douglas DeGraw pool--

9 COUNCIL MEMBER LEVIN:

10 [interposing] Right.

11 CARTER STRICKLAND: So we see a lot  
12 of issues with that. We think that our tank costs  
13 for construction alone would be \$400 million or  
14 so. Anyways, we have a lot of issues that'll  
15 become very apparent as put in our official  
16 comments.

17 COUNCIL MEMBER LEVIN: Right.

18 Actually, I had a meeting this morning, first  
19 thing this morning with local residents and groups  
20 about that specific issue. So I think it would be  
21 good to kind of have a discussion about--for one  
22 thing, they want their pool back at the end of the  
23 day. We need to, I think, talk. That kind of  
24 actually leads to my next question, and I'm going  
25 to take one step back after that and go back to

some infrastructure stuff.

In terms of laying the groundwork, you know the Bloomberg administration is in office for the next nine months or eight months and this conversation is obviously going to, I think, go further than that in terms of the city's role in superfund PRP discussions. Can you maybe describe just a little bit of just how you're laying the groundwork for that discussion to--how is that discussion--I'm sure you're not quite there yet but how are you laying the groundwork so that that's going to be handing over to another administration.

CARTER STRICKLAND: Sure. I mean it will be somewhat of a long haul. Superfund sites tend to be. Certainly, we expect it with Newtown Creek itself, which is on a longer timeframe. But in both of those areas, we've retained consultants, I think similar to what we did--in every decision we do of this kind of import but similar most immediately to what we did with hydrofracking, which is hire consultants, try to develop the science so that we know where the problems are. We certainly, I think as Council

1  
2 Member Lander mentioned, we want the canal clean  
3 too, we just want to make sure that ratepayers get  
4 fair value for what they're having to spend and  
5 that true responsibility lies with those who did  
6 the pollution.

7 We are taking samples. That  
8 scientific record will be submitted, along with  
9 our comments. It will become part of the  
10 permanent record for that site. So that will  
11 inform, certainly, decisions going forward.

12 To get to the issue of transition,  
13 I think we're laying the most solid scientific  
14 framework you can. You know, those chips would  
15 fall where they will. We don't know exactly what  
16 we're going to find when we go out there and look.  
17 We certainly think it's important to look and to  
18 make informed decisions.

19 COUNCIL MEMBER LEVIN: Two more  
20 quick questions. One kind of a real aside about  
21 rates, but I have a lot of food manufacturers in  
22 my district, bakers and the like. I was at a  
23 forum with them a couple of weeks ago and they  
24 were complaining to me that they get charged with  
25 their water rates with water that they're putting

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2 into their product. So they're not actually using  
3 the sewer system as the water is coming out. So  
4 they're getting charged the same way that like a  
5 residential or business that is not using the  
6 water to go into their dough for example. Is  
7 there any relief for them that's out there?

8 CARTER STRICKLAND: There is.  
9 We'll get that information. Steve, our CFO, will  
10 speak to that more generally.

11 STEVE LAWITTS: We do have a way of  
12 applying a wastewater allowance for industries  
13 that use the water or uses where, for example, a  
14 building owner can show us that water is being  
15 used only for irrigation and it doesn't add to our  
16 wastewater system.

17 So if you or the industries that  
18 you represent can get us the information, we can  
19 go out and we can work with them. If they meet  
20 the criteria and they're using all the water in  
21 their product and it's not entering the wastewater  
22 system, you know, we can provide the allowance.

23 COUNCIL MEMBER LEVIN: That's good  
24 to know. Thank you. Then one last question, and  
25 this is something I wanted to ask in a previous

hearing and didn't really get the chance. I know the administration has a position--the Mayor has a position that he stated--with this concept of the outer harbor gateway. Is this something that DEP is kind of exploring, looking at, looking at the science? I know it's kind of a far out idea, but I'm just curious of what your thoughts are on it.

CARTER STRICKLAND: You're referring to a storm surge barrier?

COUNCIL MEMBER LEVIN: Yeah.

CARTER STRICKLAND: Similar to what they have in Rotterdam and other places.

COUNCIL MEMBER LEVIN: Right.

CARTER STRICKLAND: You know, it's certainly under consideration. What I would say is that we are, you know, along with other agencies with technical expertise, providing input to that decision, or analysis really. It's being done under the umbrella of the Special Initiative for Rebuilding and Resiliency. You know, we first start taking care of our agency assets. And then on those larger issue, we are weighing in to the extent that we have relevant technical expertise.

COUNCIL MEMBER LEVIN: Okay. Thank

1  
2 you very much, Commissioner. Thank you, Mr.  
3 Chairman.

4 CHAIRPERSON GENNARO: Thank you,  
5 Council Member Levin. With regard to your last  
6 item, Council Member Levin, about the storm surge  
7 barrier, this is what I want Local Law 42 to be  
8 all about, because people are coming to me all the  
9 time. We got to do a barrier, we got to do this,  
10 we got to do that. Our response is that we should  
11 look at all of it and that's what Local Law 42 is  
12 all about. So hopefully, that's what will come  
13 from that. So there you have it and thank you for  
14 that.

15 The hour is getting late. I'll be  
16 brief in my questioning. I want to thank the  
17 Commissioner and his team for staying in the  
18 saddle for a long time and giving comprehensive  
19 answers to all the members that have posed them.

20 A couple of other things, as I  
21 mentioned at a recent hearing that we were just  
22 talking about before this hearing, with regard to  
23 the beneficial reuse of the wood waste from Storm  
24 Sandy, I think there's an untold story about the  
25 great job that DEP did in making sure that the

wood was beneficial reused.

It would have been easy for DEP to write a waiver variance to the contractor and just say, you know, burn the whole pile. But it was worded in such a way that it really forced the Army Corps to look very assiduously at trying to maximize the beneficial reuse, which is exactly what happened. I think the city owes a debt of gratitude to DEP for that. It's not easy to get the Army Corps to do what you want all the time, but you managed to do that. So we certainly do appreciate that.

Speaking very parochially, with regard to the agency's work on the corridor along Utopia Parkway--I won't go into detail on that--but you put a lot of brain waves into that and you personally came out on two occasions to speak to the residents. We certainly do appreciate that.

Now to the substantive stuff. One of the highlights in DEP using new technology with regard to nitrogen reduction has been the ARP technology, which I think has worked well with regard for nitrogen reduction. It seems to be pretty cost effective. It's low capital

1  
2 intensive. Is this something that is going to be  
3 replicated or used in other places? What's the  
4 future for ARP in the city? It seemed like it got  
5 off to a good start and I was just curious about  
6 that.

7 CARTER STRICKLAND: We actually are  
8 taking another look at that because we are  
9 concerned about the operational and maintenance  
10 cost of that and for some of the inputs and also  
11 some of the assumptions behind that technology  
12 that made it look cost effective overall.

13 The good news is that we are  
14 looking at cutting edge technology. We just  
15 presented the results of a pilot project with CUNY  
16 that we had undertaken. That looks very promising  
17 in terms of anaerobic processing of waste that is  
18 more cost effective, generally on an operational  
19 and maintenance sense. So we know we're in  
20 nitrogen removal for the long term and the Anamax  
21 [phonetic] process is something that looks  
22 attractive and we're going to see if we can take  
23 it to the next scale.

24 CHAIRPERSON GENNARO: That's  
25 something coming out of CUNY you said? Are you

working with--

CARTER STRICKLAND: [interposing]

We did. I can get the name of the researcher with you. There's a CUNY research shop that we've done a lot of work with over the years that--

CHAIRPERSON GENNARO: [interposing]

What campus?

CARTER STRICKLAND: It's City

College.

CHAIRPERSON GENNARO: Okay. It's

just like homegrown technology there. There you go. So, yeah, I like to keep up on this stuff.

The section of your statement that deals with the Fad, you give an indication that over the next--

let me turn to that--FY 14 to 23, the capital plan specifics \$163 million for all the capital needs that are part of the Fad and a big chunk of that would be the \$84 million for the land acquisition.

I'm just wondering if you could give us a little more of a breakdown on the \$163 million figure, other than what is going into land acquisition, if you happen to have that ready.

CARTER STRICKLAND: Sure. Hold on;

let us assemble the various documents so we can

1  
2 answer you. I can speak generally why we try to  
3 see if we have that level of detail with us today,  
4 speak about what it requires. One thing that we  
5 do, land acquisition is certainly part of it.  
6 There's rehabilitation, obviously, of various  
7 facilities, including the wastewater treatment  
8 plants we maintain.

9 CHAIRPERSON GENNARO: Right.

10 CARTER STRICKLAND: We do pay for  
11 upgrades to septic systems. Another source we use  
12 through the Watershed Agricultural Council, we  
13 work with farms to make sure, you know, it's  
14 simple stuff but it adds up. Where cows are  
15 crossing that feeds into another stream and larger  
16 and larger into a reservoir, we make sure that  
17 they're fenced off and there's controls there.

18 CHAIRPERSON GENNARO: Right.

19 CARTER STRICKLAND: Small farms,  
20 the same thing.

21 CHAIRPERSON GENNARO: It's part of  
22 like the whole farm program, right, that's what  
23 you're talking about.

24 CARTER STRICKLAND: The Whole Farm  
25 program is one that's been very successful in

1 Delaware County in particular. Stream bank  
2 management--thank you, Joe--is another one that  
3 certainly post-Irene we are taking a look at  
4 because I think a number of communities there  
5 recognize--I think that was their Sandy, that was  
6 their wakeup call upstate, you know, from  
7 Margaretville, Prattsville and other communities  
8 were really devastated there and there was a lot  
9 of structures built in the flood corridors. So  
10 we've worked with the state on a buyout program  
11 there and--

12  
13 CHAIRPERSON GENNARO: [interposing]  
14 Buyout program?

15 CARTER STRICKLAND: Yes, buyout  
16 programs for structures. The state has to buy it  
17 out. We're not allowed to buy structures upstate.

18 CHAIRPERSON GENNARO: Oh, buy out.

19 CARTER STRICKLAND: Buyouts, yes.  
20 And also stream restoration programs because a lot  
21 of the issues that we had upstate following Irene  
22 and that are a challenge overall, especially in  
23 the Catskill system, really are deposits of clay  
24 on stream banks that are liberated during stream  
25 events. So, you know, controlling those is

something that we are working on.

CHAIRPERSON GENNARO: That kind of leads me to, I guess, a bigger question on the same topic. When we did the ten-year Fad from 2007-2017, the mid course review is certainly upon us. I was wondering when DEP thought the Fad was going to be released for public comment, like that being like the midcourse review Fad.

CARTER STRICKLAND: We are waiting for a proposal from the state and the EPA on the acquisition piece on particular. We haven't received it yet. You know, we're very much looking forward to moving on. I will say that our--and I'm trying to get the details--I'd like to follow up with you--

CHAIRPERSON GENNARO: [interposing] Because it's almost like it's overdue now, right?

CARTER STRICKLAND: Yes.

CHAIRPERSON GENNARO: Yeah.

CARTER STRICKLAND: That would be 2012. Here we are in 2013. So we have worked and answered as many questions and responded to as many proposals as we receive, but, you know, I think Sandy is probably an excuse, a legitimate

excuse for everybody. But I really can't speak to why we haven't received that proposal. I will say that for our current obligations, we are funded in the plan going forward.

CHAIRPERSON GENNARO: So just so I can get a little better grip on the process, is that it's DEP's responsibility to present the Fad document to the regulator, which would be the State Health Department. But for right now, you're kind of waiting on something from them?

CARTER STRICKLAND: That's right. We're waiting on a proposal. We've worked on and resolved any number of issues, but the remaining issue is what if anything has to be done to adjust land acquisition going forward.

CHAIRPERSON GENNARO: Just to be clear, so right now you're waiting on them for something that they have to give you for you to complete your document to put it out for review?

CARTER STRICKLAND: Correct.

CHAIRPERSON GENNARO: Okay. Certainly when that happens, this is one of my favorite topics going back to 1990, and I would say that I'd like to jump into the mix and have a

hearing and do what I think is prudent to do.

This has been a great success story that the city in cooperation with the state and the towns upstate and EPA. I think this has been a model of cooperation that has led to a great outcome.

Would it be helpful for me or the committee or whomever or the council to write a letter to the state? I don't know, does that do anything?

CARTER STRICKLAND: Why don't we check in with you in a week.

CHAIRPERSON GENNARO: Sure.

CARTER STRICKLAND: I'm meeting with the DEC commissioner on Tuesday. This is a hot topic there.

CHAIRPERSON GENNARO: Okay.

CARTER STRICKLAND: So, Chairman, we've used your help and needed your help and have been happy to get it on hydro fracking and any number of issues.

CHAIRPERSON GENNARO: Right.

CARTER STRICKLAND: So we won't hesitate. I think this is--

CHAIRPERSON GENNARO: [interposing]  
I don't want to jump in if I'm not needed.

1  
2 CARTER STRICKLAND: No, but I think  
3 it's an important time to mark the evolution of  
4 the program. You know, with all the state land  
5 that's been, you know, obviously state forests,  
6 state parks and the like, reservoir lands that we  
7 have had since the beginning in the program, those  
8 that we've acquired since 1997, there's a lot of  
9 both outright acquisitions and conservations  
10 easements. There's a lot of land tied up and you  
11 have to look at what the--the whole reason for  
12 that acquisition program was to say, you know, the  
13 Croton system, not enough was acquired to  
14 forestall filtration. We want to do that on the  
15 Cat-Del system but what's the big--obviously,  
16 there's a bigger threat of land development in  
17 Westchester County.

18 CHAIRPERSON GENNARO: Right, sure.

19 CARTER STRICKLAND: Than in Greene  
20 County or Delaware. I think we have to be very  
21 clear-eyed at what we need to add to the system  
22 versus maintain it. It's true system wide. I  
23 mean we are spending now a lot on state of good  
24 repair. You could say the equivalent of keeping  
25 the fires burning in the upstate watershed is all

the money we spend on forest management and all  
the money we spend in taxes, \$153 million a year--

CHAIRPERSON GENNARO: [interposing]  
Right.

CARTER STRICKLAND: You know,  
continual rehabbing of Gilboa Dam, other  
impoundments and the like. You know, do we need  
to add to the system or do we need to make sure  
that the current system is strong and well funded.  
Do we need to maybe pay more attention to erosion  
control in our streams--

CHAIRPERSON GENNARO: [interposing]  
Right.

CARTER STRICKLAND: --than  
acquisition. Those are all very valid questions.  
I think we have to follow the science on it.

CHAIRPERSON GENNARO: Right.

CARTER STRICKLAND: I appreciate  
your background in geology because not everybody  
is willing to follow the science there.

CHAIRPERSON GENNARO: Sure. You  
know, certainly it's always been kind of a focus  
of mine, right around Kensico, I mean we can't let  
that get away. If we let Kensico get away, then,

1  
2 you know, it's like that's all she wrote. So  
3 anything I could do on this--again, I've only got  
4 a couple more months and it would be great to go  
5 out with the Fad extension being in a really good  
6 place. So let me know if you need my help on  
7 that. That'd be great.

8 What else do I have? I'll be  
9 brief. The hour is late. With regard to the  
10 status on Hillview, staff tells me that for now  
11 we've got the feds kind of at bay with regard to  
12 their insistence that we cover, we're kind of  
13 coasting for now. We're not building it. They're  
14 not yelling at us. Could you kind of characterize  
15 what's going on there?

16 CARTER STRICKLAND: Sure. There  
17 was an EPA administrative order to cover it. Then  
18 we entered into negotiations with the Department  
19 of Justice and have been discussing, with some  
20 favorable reception, deferral at a minimum. Sort  
21 of an intervening event is President Obama's--I  
22 call it, for lack of a precise number, the  
23 regulatory reform executive order--we put in  
24 extensive comments. Part of that, I'm happy to  
25 say, I think as a result of our pressure was to

1  
2 take another look at the LT2 rule which is what  
3 the motivating force behind the Hillview cover  
4 was. We have submitted a proposal to the U.S. EPA  
5 for a process and new regulation. That's under  
6 consideration by the EPA now. So we are a little  
7 bit in a holding pattern. I wouldn't say we're  
8 coasting because we are maintaining that. But,  
9 obviously, at the same time the basis for our  
10 whole proposal was our robust monitoring program.

11 CHAIRPERSON GENNARO: Right.

12 CARTER STRICKLAND: That continues,  
13 obviously as well as our bird control. So we  
14 think the operational elements are there to keep  
15 that site secure. We are--fingers crossed--  
16 working with our regulators to make sure we get a  
17 reasonable result.

18 CHAIRPERSON GENNARO: Okay, thank  
19 you. It looks like Steve wants to jump back into  
20 the mix with a question. I'm happy to recognize  
21 Council Member Levin for a question, but I'm  
22 coming back.

23 COUNCIL MEMBER LEVIN: Thank you,  
24 Mr. Chairman. I just had one question that I  
25 meant to ask before and I didn't get a chance.

You might have addressed this when I was not in the room. In our--

CHAIRPERSON GENNARO: [interposing]  
Steve, one thing I have to say about you, of all the committee members, you are the one most in the room.

COUNCIL MEMBER LEVIN: Thank you.

CHAIRPERSON GENNARO: It's 4:00, you're still here. You're normally here at the end of the hearings. You know, you get a gold star.

COUNCIL MEMBER LEVIN: It's my pleasure. It's always a learning experience for me. The quick question that I had with upstate water supply, so just going back to previous budgets, there looks to be a \$31 million increase from the adopted budget of FY 13. I was wondering if you could address what that's going to pay for.

STEVE LAWITTS: Council Member, that was actually a budget error that was--you know, when we were working with DCAS last year, there was a mistake made in a calculation of the energy that was going to be required for UV, so an extra \$30 million was put on the agency's budget.

It did not make its way into the rate model, so it did not impact rate setting. Discussions with OMB, that will be fixed with the upcoming executive budget.

COUNCIL MEMBER LEVIN: It will be fixed in that it's--

STEVE LAWITTS: [interposing] In the executive budget. It will be taken away. It's not money that we needed or spent.

COUNCIL MEMBER LEVIN: I see.

STEVE LAWITTS: It was just a pure calculation error that we didn't catch in time for the budget process.

COUNCIL MEMBER LEVIN: So that's coming out of the 2014 budget?

STEVE LAWITTS: Yes, it will be coming out of the budget.

COUNCIL MEMBER LEVIN: Okay.

STEVE LAWITTS: As I said, it was not included in rate setting, so it had no impact on the rates, for the good or the bad, however you want to look at it.

COUNCIL MEMBER LEVIN: Thank you.  
Thank you very much, Mr. Chairman.

CHAIRPERSON GENNARO: Sure thing.

I made some notes on your statement as well. On page 7 of your statement, with regard to the service line protection plan, that seems like a very good idea. What gave rise to that? With people always suffering these very high charges when the sewer line or the water line break, but what happened within DEP? I guess there was some kind of solicitation put out for this, but there was, obviously, like a back story to that and I just want to hear the back story and how this came to be. It seems like a very good program.

STEVE LAWITTS: Sure, Mr. Chair.

The back story is as part of our frequently getting together with our fellow water utilities in other large cities, we learned--I think it was the city of Louisville had just rolled out a program very similar to this--in a meeting that were in four years ago. Then we brought that idea back here. We looked at the experience of several other cities. Then we issued a solicitation and we had four proposers. And two of them emerged with significantly better programs than the other two. One of those two emerged as the best of all

1  
2 of them in terms of both the lower price that they  
3 were willing to offer to their subscribing  
4 customers, and also ratings that they had had by  
5 the Better Business Bureau in the cities where  
6 they had been operating for a while, and also in  
7 terms of the number of subscribers who become  
8 repeat subscribers. So based on all those  
9 criteria, we awarded a contract to American Water  
10 Resources.

11 CHAIRPERSON GENNARO: People are  
12 notified by DEP directly about the existence of  
13 the program and that they pay the charges for it  
14 through their water bill.

15 STEVE LAWITTS: There was a mailing  
16 sent out to over 500,000 customers whose water  
17 lines are two inches or less, which is where the  
18 program is aimed for, which is most of our  
19 residential customers.

20 CHAIRPERSON GENNARO: Right.

21 STEVE LAWITTS: There is also  
22 information on our website, on American Water  
23 Resources' website, and there's been a fair amount  
24 of press in this. As the Commissioner said, the  
25 last of those mailings went out only a little over

a month ago and we have, as of today, 49,000 enrollees.

CHAIRPERSON GENNARO: Yeah, it seems like it's really catching on, which is great. I should look into it for myself. Members of the Council would be eligible for that.

STEVE LAWITTS: Oh yeah.

CHAIRPERSON GENNARO: Okay.

CARTER STRICKLAND: DEP managers and anybody who has a house with a two-inch line or less.

STEVE LAWITTS: Even members of the Council.

CHAIRPERSON GENNARO: Good.

CARTER STRICKLAND: We highly recommend it.

CHAIRPERSON GENNARO: I'm for that. I'm for that. On page 13 of your statement, there's a big expenditure about all the money going for the bypass. One of the expenditures is to increase the capacity of the Catskill Aqueduct. I was just wondering how that happens to increase the capacity of an aqueduct that already exists and presumably has a certain capacity.

CARTER STRICKLAND: Well, you know, it does. You're right. And the interesting thing is that--

CHAIRPERSON GENNARO: [interposing] I'm not challenging it. I'm just curious.

CARTER STRICKLAND: No, no. It's a little bit, I don't know if counterintuitive, but it's not well known that one thing that can reduce the capacity of an aqueduct is the growth of biofilm. So if that is removed, then we can increase the capacity. It's less friction, essentially, in some space, obviously.

CHAIRPERSON GENNARO: Right, sure.

CARTER STRICKLAND: So that's what can reduce the flowing capacity.

CHAIRPERSON GENNARO: Not so much that it would increase the volume because the film would be minimal; it flows through faster.

CARTER STRICKLAND: Correct.

CHAIRPERSON GENNARO: And therefore increases. Okay, I was just curious how you do that with a fixed pipe, and now I know. So I'm ready to go on "Jeopardy" now.

Some of the things I checked in

1  
2 your statement have already been spoken to by  
3 other members. I certainly look forward to  
4 working with you on the air code stuff, which we  
5 had a preliminary meeting on. I look forward to  
6 getting that from you.

7 I guess I'll close with something  
8 that might be just a little bit off topic, but  
9 I'll give myself a little latitude. I mentioned  
10 at a meeting recently, and you also mentioned  
11 about the noise code, when you were talking with  
12 Council Member Brewer. I had mentioned to you  
13 that we have some pushback from the hospitality  
14 community who worked with us all those years ago  
15 to develop a very particular section in the noise  
16 code that would deal with bars and restaurants and  
17 entities within the hospitality realm.

18 We worked long and hard to do like  
19 a decibel level standard rather than the plainly  
20 audible standard, which was what the  
21 administration was pushing back then. We managed  
22 to do the decibel standard. That's what was  
23 written into the code, it's like very specific for  
24 that sector.

25 It's been perceived by people in

1 the hospitality industry that there's a little bit  
2 of a movement towards using the unreasonable noise  
3 standard, which is like a more generalized  
4 standard and it's I guess their position, and I  
5 tend to be very sympathetic to it. That if we  
6 went to the time and trouble to develop a very  
7 specific part of the code for that sector that  
8 that's the code that should apply and not the more  
9 general one. I just wanted to check in with you  
10 on that. This is certainly going to be part of  
11 any dialogue that we have going forward regarding  
12 noise code stuff.  
13

14 CARTER STRICKLAND: Sure. I did  
15 take that concern that you expressed back to  
16 staff. You know, we went through the numbers and  
17 they have assured me as well that that is applied  
18 very rarely. In the cases you mentioned,  
19 generally it is the numeric standard. I think  
20 there's one particular incident that gave rise to  
21 these concerns, and that was essentially, you  
22 know, with these nightclub noise concerns, we do  
23 participate with the Police Department in the  
24 march initiative to get a number of agencies  
25 together. That was due to the particulars of that

case and--

CHAIRPERSON GENNARO: [interposing]

I think this was--

[Crosstalk]

CHAIRPERSON GENNARO: We've talked about the march initiative before.

CARTER STRICKLAND: Yes.

CHAIRPERSON GENNARO: And I think people get that. But I just think--

CARTER STRICKLAND: [interposing]

There's no general--you know, we can certainly go through the numbers with you but there's no general pattern we see of using this and supplanting more specific numerical levels. We know that that's a concern of folks out there.

CHAIRPERSON GENNARO: Okay. I just wanted to kind of keep that in people's minds and I felt compelled to do that.

With that said, I think we had a very successful little hearing, which is not quite over. We have other witnesses to come forward. We have unofficial scorers here who will make a determination of the hearing, sort of like who won the hearing, whether like this side or that side.

1 So we'll have to see. Maybe other witnesses will  
2 bring their A game, because I like to win my  
3 hearings. We'll see. I think we're kind of even  
4 now. I think we're kind of even. I think it's a  
5 draw and we'll see what the next panel brings.  
6 Just let me see if I can pull out a victory here.  
7 I'll do my best. You guys brought your A game and  
8 I appreciate it. It's always a pleasure working  
9 with you guys. Thanks to the whole team for being  
10 here. Certainly, I want you to leave some key  
11 people behind to hear the good testimony of people  
12 who testify from here out.  
13

14 CARTER STRICKLAND: We certainly  
15 want to hear community concerns and we will.  
16 Thank you, Chairman.

17 CHAIRPERSON GENNARO: Thank you.

18 [Pause]

19 CHAIRPERSON GENNARO: We have one  
20 witness slip remaining. Deacon John Butler, we  
21 have a statement from Deacon Butler. I would call  
22 Deacon Butler to the witness table. Thank you.

23 Thank you, Deacon Butler for being  
24 here. I will note that DEP, in the form of Rick  
25 Moller [phonetic], a deputy commissioner level

1 person in the room from DEP to hear your good  
2 testimony. Out of respect for the title Deacon, I  
3 am not going to put you under oath. I thank you  
4 for coming. I thank you for providing leadership  
5 to the group Equal. I would ask you to state your  
6 name for the record and to proceed with your good  
7 testimony. You got to turn that--push the button.  
8 Let's try that again.

9  
10 DEACON JOHN BUTLER: My name is  
11 John Butler.

12 CHAIRPERSON GENNARO: Thank you,  
13 Deacon Butler, please continue.

14 DEACON JOHN BUTLER: Good  
15 afternoon. My name is Deacon John Butler and I'm  
16 a leader of the Bethany Baptist Church and Equal,  
17 a group of congregational and other organization  
18 representing over 4,400 families of Queens and  
19 part of metro, the IAF representing 118  
20 organizations, 10,000 or more families across New  
21 York. I'm here to speak about a problem of  
22 flooding, excessive water in southeast Queens.

23 For more than 40 years, our  
24 communities have been plagued with such intense  
25 flooding that the basements are constantly

1  
2 inundated where people have to move their cars  
3 every time it rains and during even moderate  
4 storms, people have to have puddle down resident  
5 streets and canals. This flooding has destroyed  
6 the foundations of many homes, cause huge repair  
7 bills and other economic damages, even created  
8 significant amount of molds that have led to  
9 serious health problems.

10 For example, during any significant  
11 rain, the streets and basements of my church, the  
12 Bethany Baptist Church, will flood so heavily that  
13 toilets will overflow. Elderly people sometimes  
14 couldn't even enter the church. In order to solve  
15 this, leaders from Equal and other organizations  
16 have gathered specific information about problems.  
17 And we learned what some of the real solutions  
18 are. We and others have brought this to the  
19 attention of the City Department of Environmental  
20 Protection and other relevant agencies that have  
21 taken some steps to solve the problem. But much  
22 more is needed.

23 For example, after numerous calls  
24 to 311, along with correspondence and meeting, DEP  
25 launched a major cleaning blitz to clean storm

sewers and drains. They have removed over 1,500 tons of garbage, and we saw some flood relief in key areas, including around my church, which floods far less frequently now. However, money must be allocated to ensure the improvement of maintenance to keep up and expand as many areas have not seen relief.

We have identified several other steps that must be implemented, which are outlined further in our accomplished report, or which need funding. One, the extension of storm sewers, the flood prone areas without them. Current city plan have huge parts of our community waiting years and longer for relief. That is not acceptable.

Two, beginning to pump the Jamaica Water Company wells again immediately. When one of them, Station 24 was pumped, these living near the pumps said the water level in their basement decreased, declined. This must happen on a wider scale. This will likely require non-portable use for water such as improving the water balance of Jamaica Bay and washing planes at JFK.

Three, the expansion of new drainage methods like reverse seepage basins,

1  
2 which lower the water table by draining excessive  
3 groundwater into nearby storm sewers. All  
4 available evidence suggest these basins are  
5 working and they are very cost effective. The  
6 reported cost between \$10,000 and \$35,000 a piece.  
7 DEP must move as quickly as possible to install as  
8 many wells to be effective.

9 Four, environment friendly, the  
10 cost effective methods increasing drainage, the  
11 green infrastructure, GI, must be used as much as  
12 possible to help solve this problem.

13 I appreciate this opportunity to  
14 appear before this committee to discuss how  
15 flooding situation will finally be solved. This  
16 is a major problem that has gone on for over 40  
17 years and it cannot be allowed to continue. I'm  
18 confident money will be set aside to help solve  
19 this problem.

20 By the way, I have some members of  
21 our congregation who are present.

22 CHAIRPERSON GENARO: Yes, I saw  
23 them. I saw them. Thank you for your--

24 DEACON JOHN BUTLER: [interposing]  
25 Thank you, sir.

CHAIRPERSON GENNARO: Thank you, Deacon Butler. Let me just say a few things. I've met several times with Bill Scarborough [phonetic], of course, Council Member Comrie is kind of leading the charge here, but I've also had detailed discussions with Council Member Wills. I speak for myself. I don't speak for the institution.

It's difficult for me to see how this problem that you've outlined in your statement here today does not become an institutional issue for the Council. Like one of the reasons or the main reason that we have these budget hearings, both the ones we're having now for the preliminary budget and later on for the executive budget--we have two rounds of budget hearings before we go to the final budget negotiation and budget adoption--is for this body as an institution to indicate to the administration what the budget priorities of the Council are with respect to the budget. That is something that I predict will absolutely happen. I don't see how that doesn't happen. This is important to too many members of the Council for

1  
2 it not to be.

3                   So this will percolate up to the  
4 Council leadership. This will be made very  
5 apparent to the administration. I think that  
6 Equal is doing things exactly right in that you're  
7 talking to the right elected officials. It is  
8 exercising a good amount of pressure on folks that  
9 can make a difference. It is impossible for me as  
10 chairman of this committee to have any  
11 conversation with the leadership of DEP that  
12 doesn't begin with them telling me what's going  
13 on, like in southeast Queens, because it's very,  
14 very much on their mind.

15                   Your presence here today is one  
16 more good step in building the case that needs to  
17 be made to sort of get the attention of members  
18 and people who are key to the budget process. I  
19 think you've done your community a very good  
20 service by being here today.

21                   I'll be seeing Council Member  
22 Comrie. I'm sure he knows you were here, by  
23 virtue of the fact that he was here before. You  
24 being here today and your members being here today  
25 makes it easier for the Council to do what it

wants to do which is give you the relief you need  
and frankly deserve.

DEACON JOHN BUTLER: Thank you. By  
the way, thanks for showing up at York College  
last week.

CHAIRPERSON GENNARO: Pardon me?

DEACON JOHN BUTLER: I said thanks  
for showing up at York College last week.

CHAIRPERSON GENNARO: Actually,  
that must have been some other good Council  
Member. I actually wasn't able to--

DEACON JOHN BUTLER: [interposing]  
Someone from your office.

CHAIRPERSON GENNARO: Yes, someone  
from my office. Yes. I was represented, but I  
had a health issue that I had to deal with. So  
yes, we normally participate in everything going  
on. This is a real concern for us. Thank you,  
Deacon, for being here today. I want to wish you  
and your members all the best. We thank you.

With no one else wishing to be  
heard, and with me saying on the record that I was  
a good-looking Council Member, in that moment of  
vanity, this hearing is adjourned.

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 8, 2013