

CITY COUNCIL
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE OF ENVIRONMENTAL PROTECTION

----- X

March 13, 2015

Start: 1:10 p.m.

Recess: 3:20 p.m.

HELD AT: Committee Room - City Hall

B E F O R E: DONOVAN J. RICHARDS
Chairperson

COUNCIL MEMBERS:
Stephen T. Levin
Costa G. Constantinides
Rory I. Lancman
Eric A. Ulrich

A P P E A R A N C E S (CONTINUED)

World Wide Dictation 545 Saw Mill River Road – Suite 2C, Ardsley, NY 10502

Phone: 914-964-8500 * 800-442-5993 * Fax: 914-964-8470

www.WorldWideDictation.com

Emily Lloyd
Commissioner
New York City Department of Environmental Protection

Steve Lawitts
First Deputy Commissioner
New York City Department of Environmental Protection

Joseph Murin
Assistant Commissioner for Budget
New York City Department of Environmental Protection

CHAIRPERSON RICHARDS: All rightee. Good afternoon. Are we ready for it? This hearing is now in session. Good afternoon, and welcome to the Committee on Environmental Protection's Hearing on the Fiscal 2016 Preliminary Budget and the Fiscal 2015 Preliminary Mayor's Management Report for the Department of Environmental Protection. My name is Donovan Richards, and I am the Chair of the Committee on Environmental Protection. Today, we will hear testimony from the Department of Environmental Protection on its expenses and capital budgets for fiscal year 2016 and general agency operations. The Department's proposed Fiscal 2016 Expense Budget totals \$1.2 billion, which is \$65.7 million more than the Fiscal Year 2015 adopted budget. However, this increase is almost entirely due to increased federal funding going to the Mayor's Office of Housing Recovery Operations for the critical Build It Back Program. The department is a fiscal conduit for the Office of Housing Recovery Operations. DEP's proposed capital budget for fiscal year 2015 through 2018 totals \$8.2 billion, an increase of \$122.2 million or 1.5% since the latest--since the last budget adoption.

This committee looks forward to hearing the department's testimony on several important issues including the agency's work to reduce flooding and combined sewer overflows; the planned Delaware Aqueduct Bypass Tunnel; and preparations to minimize service impacts including restarting the Queens groundwater system. Efforts to help New Yorkers struggling to pay their water bills, agency headcount changes, and the four-year capital plan. And last but not least, the ten-year capital plan strategy.

Next, we will hear from the Commissioner Lloyd of the Department of Environmental Protection, but before we begin, I would like to acknowledge my colleagues who are present my colleagues who are present. At this time, I have Council Member Costa Constantinides from Queens who is present, and Commissioner you now may begin.

COMMISSIONER LLOYD: Thank you, Mr. Chair and Council Member. Good afternoon. My name is Emily Lloyd. I'm the Commissioner of the New York City Department of Environmental Protection. I'm joined today by First Deputy Commissioner Steve Lawitts; Assistant Commissioner for Budget Joseph Murin, and other senior managers behind me in the

room. Thank you for the opportunity to testify of DEP's Fiscal Year 2016 Preliminary Budget. As you know, DEP has overall responsibility for the city's water supply and sewer system including providing drinking water to all New Yorkers, maintaining pressure in the fire hydrants, managing storm water, and treating wastewater. In addition, DEP also regulates air quality, hazardous waste, and critical quality of life issues including noise. All of our water related expenses both operational and capital are paid for with money collected from the water and sewer rate charge billed all New York City property owners and authorized annually by the New York City Water Board.

The Water Board will be holding this year's public rate hearing on the week of April 27th, and I look forward to working with members of the Council to publicize those hearings. Before I get to the substance of my testimony today, I especially want to thank the Council for its support and advocacy of three major pieces of our legislative agenda this year. Thanks to the significant work of the Council, Mayor de Blasio recently signed Intro 612, the Reauthorization of the Lien Sale Authority

providing the Department of Finance and Environmental Protection the ability sell liens on delinquent property tax and water rate payers. This legislation is vital to DEP ensuring that everyone who benefits from our water and wastewater systems pays their fair share. As well as helping us keep water rates as low as possible, particularly for our most vulnerable communities including seniors and low-income customers. We look forward to working with the Council and other members of the newly established task force to ensure that the tax and water lien sales process is fair, efficient, and effective.

We are very optimistic also about Intro 666 recently introduced by Council Members Reynoso, Richards, Constantinides, Espinal, Mendez, Rodriguez, which prohibits the sale of non-urban [sic] disposable products, commonly known as wipes, marked as flushable. When flushed, these wipes cause significant problems at our wastewater treatment plants, and we estimated that it costs us an additional \$3 million annually in cleaning our fouled screens, repair of ceased pumps, as well as extra landfill costs. We are glad to work with this committee as the bill progress. Third, we appreciate

all the hard work the Council's stakeholders and the administration have done in drafting an updated air pollution control code. We will continue to work with the Council in the coming weeks towards its passage. It will be another significant milestone on the way to improving air quality for all New Yorkers.

I'd like to give some brief remarks on what we consider to be important accomplishments, and add some updates as well. To provide some additional context to our capital expense budgets, I believe it would be helpful to share some of DEP's recent accomplishments, a brief overview of a number of metrics, and an update on key programs and projects. Following those will be highlights from our Fiscal Year 16 Preliminary Expense and Capital Budgets as well as planned capital investments in each borough. This past year, we completed an \$83 million upgraded to the Jamaica Wastewater Treatment Plant, significantly improving the health of local waterways. We developed a plan for a major expansion of our green infrastructure program to further improve the health of the local waterways. We completed more than 50% of the \$250 million water tunnel connecting Brooklyn and Staten Island. We

developed plans to build a new hydroelectric facility at the city's Cannonsville Reservoir located at Delaware County. Advancing the city's goal of developing affordable, clean, and renewable energy supplies that support economic growth while reducing the city's overall carbon footprint. And we completed a \$22 million expansion of sewer and Bluebelt drainage system on Staten Island's South Shore. [coughs] Excuse me.

Over the last several years we, DEP has increased its focus on proactive maintenance techniques in the area of water and sewer operations with the aim of improving efficiency and the operations of our vast infrastructure network. For example, we now proactively inspect and maintain key valves and pressure regulators in our water system to reduce the potential for water main breaks due to pressure changes. An example of our program to improve sewer service is our Sewers Operations and Analysis Program, which analyzes trends in data, and investigates areas that have a high frequency and density of confirmed issues. Analysts create maps of reported sewer backups to better identify sediments in neighborhoods that have recurring problems. Once

DEP identifies the likely factors behind confirmed backups or other service issues, we develop a remediation plan that can include degreasing, regular cleaning, and repair or replacement of infrastructure. Although we can't prevent sewers from surcharging during storms that exceed the design capacity of the sewer, we can deploy resources more efficiently to ensure that the existing system consistently meets the criteria for which it was designed. DEP's successes achieved through a focus on enhancing operational efficiency and targeting our resource deployments have been supported by positive trends in our metrics for the last several years.

On the state of the sewers, as this committee may know, fat, oil and grease buildup was the cause of 72% of confirmed sewer backups this past year. Over the past year, DEP has improved coordination among units that handle grease public outreach; grease trap inspection and sewer maintenance. Because grease entry into sewers is preventable and relies on choices made by individuals, we are focused on public education as a way to reduce it. We have targeted education programs in schools and at professional

organizations. We have also given out educational materials on a door-to-door basis in neighborhoods that we know have a prevalent grease problem. Where field crews observe persistent or systematic grease buildup in a commercial area especially where restaurants are concentrated, they refer the location to DEP's Enforcement Unit for targeted grease interceptor inspections.

Some key performance statistics showing changes from fiscal year '10 to fiscal year '14 include: Sewer backup resolution time decreased by 33%. Catch basin resolution time decreased by 55%. The number of catch basins with open work orders showed a 79% decrease from July 2010 to today. Confirmed sewer backups showed a 45% decrease. Sewer segments with recurring backups decreased by 45% as well. Sewer segments with recurring backups in dry weather decreased by 53%. Total sewer cleaning increased by 158%.

Moving now to discussion of our air and noise responsibilities. A significant part of our mission is to reduce air, noise, and hazardous material pollution. In addition to responding to air and noise complaints around the city, we also look

for ways to improve New Yorkers' experience when working with DEP. One such example is our Clean Air Tracking System or CATS, a web based interface that allows for the electronic filing of boiler registrations, boiler work permits, and certificates to operate. Implementing CATS has resulted in improved compliance and enforcement; dramatic reductions in permit application turnaround time; and reductions in paper handling and storage. In order to enhance our enforcement capability, we changed three administrative staff positions to air inspector positions in early November. The three additional came on board in January, and are currently in training.

And I am pleased to inform the Committee that DEP will be hiring eight new environmental compliance inspectors, which will give us the flexibility to employ inspectors on weekends and evening when many of the violations occur. These additions will also increase the number of inspections in all five boroughs enabling DEP to send inspectors to even more events and projects to ensure compliance with the Air and Noise Codes. We've already begun the hiring process, and hope to have

these new inspectors on board by the end of the fiscal year. And we're particularly pleased to report this because we know that this was a high priority for this committee.

In the area of customer services, as you know, we operate a customer service office in each borough in addition to a call center to collect water and sewer rate payments, enroll customers in payment agreements and answer questions. To address peaks in call volume, our Bureau of Customer Services continued to use a virtual call center initiated last year. Staff has been identified in all borough offices and other non-call center units to support the call center during peak periods. Our response time to calls has slightly increased this year to 46 seconds as we have lost some staff to attrition. However, we are hiring additional staff to support the call center. Which will enable us to maintain our stated goal of answering all calls within 30 seconds.

Moving to our Green Infrastructure Program, DEP continues to implement its Green Infrastructure Program, which we will call GI generally. Which incorporates different techniques

to handle combined sewer overflows as an alternative to gray infrastructure, which is generally building massive tanks and tunnels. We are also expanding it to address additional kinds of issues, but we'll talk about that more later. The GI program reflects the City's goal to improve water quality, as outlined in the NYC Green Infrastructure Plan by reducing combined sewer overflows in waterways by 40% by 2030.

In fiscal years 2016 to 2025, \$786 million is planned for various GI projects on public property including in the public right-of-way. Some examples of GI projects include permeable paving and rain gardens at city schools, parks and public housing. And most notably, bioswales and storm water green streets within city streets and sidewalks. Bioswales look like large and densely planted tree pits. But are designed with specific plants species known to soak up a significant amount of water as well as below grade soil engineering to make the soil more water retentive. Bioswales intercept storm water coming down the street preventing it from going into the sewer system. In addition, they provide other hugely important environmental benefits

including improved air quality, and greening of the street.

DEP along with the Economic Development Corporation and the Department of Design and Construction is designing and constructing green infrastructure in priority watershed areas of the Bronx, Brooklyn, and Queens. Including Hutchinson River, Westchester Creek, and Bronx River in the Bronx, Flushing Bay, Flushing Creek, parts of Newtown Creek, and parts of Jamaica Bay in Queens, Gowanus Canal, parts of Newtown Creek and parts of Jamaica Bay. And DEP is working with selective areas of the East River and Opens Waters Watershed in all three boroughs.

The Repair of the Delaware Aqueduct. As you--as many of you know from your previous test--from previous testimony, a portion of the Delaware Aqueduct to round out West Branch Tunnel is leaking and needs repair. DEP has plans to build a new three-mile tunnel to bypass the leaking portion Upstate. Currently, the Aqueduct carries approximately half of New York City's drinking water to more than 8 million people daily within the city, and another million beyond, approximately 500 million

gallons per day. DEP has developed a comprehensive plan to supplement our water supply while the aqueduct will be shut down in order to connect the new bypass, including commissioning the Croton Water Filtration Plant to full capacity. Which will allow the city to use water from reservoirs in Putnam and Westchester County, optimizing the Catskill Aqueduct to increase its capacity. Introducing additional conservation methods to reduce water usage in New York City and reactivating the Queens groundwater system to be used during the shutdown and switchover.

Two shafts, one at each end of the planned three-mile bypass tunnel are currently being drilled and blasted. Once the shafts are completed, the tunnel-boring machine can be lowered to begin the tunnel work. The Fiscal Year '26 Preliminary Capital Plan includes \$606 million planned in Fiscal 2015 for the construction of the bypass tunnel. The goal of our conservation program is to achieve a 5% reduction in current demand by 2022 by means by both passive and active water conservation. Including replacing toilets in municipal buildings and working with other city agencies to reduce water consumption.

Regarding the reactivation of the Queens Groundwater System, we have identified 20 well stations that could be used during the shutdown, which we are currently in the process of planning renovations and improvements to. We have developed an initial conceptual design for the rehabilitation of the well stations, and we are working closely with the Public Design Commission on that undertaking. We expect to develop the scope of a draft environmental impact statement this fall, and look forward to working with local community and our elected officials on it.

In December 2013, DEP began testing the Croton Filtration Plant, a facility in the Bronx built to treat drinking water provided by the Croton System, the oldest of the three drinking water systems serving New York City, and the only one, which is required to be filtered. Once fully operational, as expected this May, the plant will ensure that the water from the Croton supply will meet all drinking water quality goals, and provide up to 200--290 MGD, million gallons a day. A consistent and reliable Croton Water Supply is a key part of our plan to meet the City's drinking water needs in the

21st Century as well as a critical component of helping us ensure we meet New York City's daily drinking water demand during the repair of the Delaware Aqueduct.

In connection with the construction of the Croton Filtration Plant, DEP is also undertaking significant construction at the 108-year-old Jerome Park Reservoir, the only drinking water reservoir actually inside New York City. To date, we have constructed the new Croton Distribution Chamber, which is used to connect the plant with the city distribution system. In addition, we have decommissioned Marshall Pump Station, and constructed a part of shaft 3 to accommodate plant needs.

At Newtown Creek, as you know, after a \$5 billion upgrade, DEP began providing full secondary treatment, the Federal Standard for Wastewater Treatment at the new facility in 2011. This year marked the completion of additional projects at Newtown Creek totaling \$45.7 million worth of work. The construction of new flood stocking facilities, dredging of both Newtown Creek and Hoyle Creek navigation channels and the demolition of the East River sludge storage tank. Finally, we recently

received approval from the Public Design Commission to begin construction on the Newtown Creek Nature Walk Phase 2. This project designed by George Trakas, will extend the existing nature walk from its current end point along Whale Creek Canal to Kingsland Avenue.

Now, I'd like to give an update on the Service Line Protection Program. As the committee knows, the water and sewer service lines that connect homes to city owned water and sewer mains are the responsibility of the homeowner. Repairs to broken service lines can cost between \$3,000 and \$15,000, and can be financially devastating to a homeowner. Therefore, in January 2013, DEP announced the availability of an optional service line protection program, or SLPP. Under the SLPP, American Water Resources will repair and enroll customer's leaking water service line or broken or clogged sewer service line for a small monthly fee. Currently, \$4.49 per month for the water service line, and \$8.47 a month for the service--sewer service line. [coughs] Excuse me. Homeowners who choose to enroll in the program sign a contract with AWR and have the convenience of paying the enrollment fees through their water bills.

In a little over two years, over 176 customers have enrolled in the plan with 97% of subscribers having enrolled in both the water and the sewer plans. Based on historical repair rates, the enrolled customers are likely to generate over 5,800 repair calls per year. Coverage under the SLPP will save these enrolled customers collectively more than \$8.7 million per year, we estimate.

As of March 3, 2015, automated meter reading transmitters have been installed in nearly 817,000 meters representing almost 97% of meters citywide based on the citywide total of approximately 845,000 meters. With an increasing percentage of our accounts moving into AMR, we are seeing a corresponding decrease in the percentage of monthly bills that are estimated. In January, 17.4% of bills were estimated while in February-- In January 2009, 17.4 were estimated while in February 2015, only 3.1% of bills were estimated. Additionally, as a part of this effort, DEP has replaced over 431,000 meters citywide. DEP is now in the eighth year of the 10-year Filtration Avoidance Determination secured in 2007 to protect the West of Hudson water supply.

Land acquisition continues to be an important part of our source water protection program, and DEP remains on track to meet the land solicitation goals established in the FAD. We continue to prioritize solicitation taking into account the high levels of protection we've attained in many parts of the watershed, and focusing on the areas that we think are particularly important.

The preliminary-- Let me switch now to the Preliminary Fiscal Year 2015 Budget. It snuck up on me. Turning now to some specific highlights of our Preliminary Fiscal Year 2016 Expense and Capital Budget. The projected Expense Budget for the current fiscal year, fiscal year 15 is \$1.7 billion including approximately \$492 million in community development block grant funds for the Build It Back program for which DEP serves as the contracting entity for the city. For fiscal year '16 we expect DEP's Expense Budget to be \$1.2 billion. The Preliminary Fiscal Year '16 Expense Budget breaks down into four--into the following large categories: \$483 million or 40% in personnel services to pay the salaries for our nearly 6,000 funded positions. \$750 million or about 60% for other than personnel service costs, which

include taxes on Upstate watershed lands. Which make up the next largest category of spending in the agency, accounting for \$162 million or nearly 14% of the Expense Budget.

As you know, the ownership of watershed lands represents a critical investment in maintaining the high quality of New York City's drinking water by protecting it at the source and ensuring that it does not require more expensive treatment such as filtration. I am 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 even to reduce them.

Heat, light and power or DEP's energies costs account for \$101 million or 8% of the Fiscal Year '16 Expense Budget. DEP is the third largest municipal consumer of electric power in New York City after the Department of Education and the Health and Hospitals Corporation. And our consumption will grow as we bring online new treatment facilities for both drinking water and wastewater. To control energy costs and meet Mayor de Blasio's major commitment to greenhouse gas reduction, DEP is investing in

projects to reduce energy needs including a co-generation plant at North River. Chemicals are estimated to cost \$53 million in fiscal year '16 or about 4% of the Expense Budget. For drinking water DEP continues to add chlorine and fluoride to Catskill [sic] water in order to meet federal and state treatment requirements. Also for drinking water the treatment processes at the new Croton Filtration Plant will require chemical additions. Our wastewater plans rely on the addition of polymers and other chemicals to improve removal rates and continue to disinfect their effluent with chlorine. Sludge management of about 1,200 tons per day is projected to cost about \$37 million in fiscal year '16 or about 3% of the expense budget. DEP's Fiscal Year Preliminary Capital Budget is \$12.8 billion for fiscal years '16 through '25 as presented by Mayor de Blasio on February 9th, 2015.

Highlights of the Preliminary Ten-Year Plan are as follows:

Wastewater Treatment. The Preliminary Ten-Year Plan projects a \$5.4 billion investment in wastewater treatment projects; \$3.1 billion of which is for the reconstruction or replacement of

components of the wastewater treatment plants and pumping stations. The remaining \$2.2 billion investment will be used to mitigate combined sewer overflows with \$786 million for green infrastructure such as green roofs and bioswales, and the remainder for gray infrastructure such as tanks and tunnels to store wastewater. In addition, \$168 million is budgeted for the construction of the new cogeneration plant at the North River Wastewater Treatment Plant. The new cogeneration plant will use renewable digester gas produced by the wastewater treatment process to both power equipment and heat the facility. It will help us reduce our energy use, and help the City meet the Mayor's major commitment to reduce greenhouse gas emissions.

Over the next ten years the Administration is proposing to invest an additional \$3.6 billion in protecting the quality of our reservoirs and the integrity of our dams providing for treatment where necessary, and maintaining and repairing the water main system conveying potable water to all New Yorkers. We have budgeted \$184 million for the reconstruction of the dams in our three watersheds, and \$511 million for pressurization

of the 2.5 mile segment of the Catskill Aqueduct, which will increase the volume of water available to the city. And re-establish DEP's ability to bypass the Kensico Reservoir when necessary to access the highest quality water. For the continuation of our current FAD, the Preliminary '16 to '25 Capital Plan includes \$185 million covering all our capital needs for the current FAD including \$128 million for land acquisition, the Roundout West Branch Tunnel and water for the future. Although this project extends even beyond the Ten-Year Plan, in the fiscal year, '16 to '25 period, the Preliminary Budget provides over \$244 million for projects related to providing supplemental sources of water during the Delaware Aqueduct shutdown. Increasing the capacity of the Catskill Aqueduct, a project distinct from pressurization, accounts for an additional \$130 million.

There is also \$1.3 billion of funding to cover planned consent order work related to the long-term control plans for combined sewer overflows and storm water control. This is a portion of a larger commitment being negotiated with DEC to invest \$3 billion over 30 years to improve water quality in

designated water bodies. The most significant element of this commitment is \$300 million for improvements to reduce CSA discharges into the Gowanus Canal. In addition, DEP will undertake projects such as disinfection in Alley Creek, Hutchinson River, and Flushing Creek, and measures in other water bodies yet to be agreed upon.

The Preliminary Fiscal Year '16 to '25 Capital Plan allots \$340 million for City Tunnel No. 3 and related work with a total of \$416 million in funds including modifying the chambers built during stage 1 at the Hillview Reservoir. We have also allocated \$76 million for stage 2 of City Water Tunnel 3, including the section running through Lower Manhattan, as well as the section running from Astoria, Queens to Red Hook, Brooklyn. DDC has completed those water mains critical to activating the Manhattan leg, and on October 16 of 2013, we marked the activation of that section of Tunnel No. 3, enabling us to provide much needed redundancy to City Water Tunnel No. 1, which has been in continuous use since 1917.

The Preliminary Fiscal Year '16 to '25 Capital Plan project \$2.6 billion of spending on

sewers including \$786 million for replacement of
sewers, storm, sanitary or combined, including the
Mayor's Initiative for Accelerated Replacement. \$1.2
billion for new sewers of all types of which storm
sewers is a category by itself, either new or
reconstructed account for \$966 million of projected
spending of which \$277 million is for high-end--high
level storm sewers including Ferry [sic] Avenue in
Brooklyn, and \$449 million of the total is for both
the conventional sewers and lands necessary to create
Bluebelt systems, which are being extended beyond
Staten Island to Springfield Lake in Queens, Van
Cortlandt Park, the Bronx Botanic Garden and other
locations.

Looking at some of the boroughs
individually, in the Bronx the Preliminary Budget
Project, projects \$658 million of capital spending
from fiscal years '16 to '25. Approximately \$172
million is budgeted for the Hunts Point Wastewater
Treatment Plant including \$30 million for new
centrifuges and \$66 million for new digesters.
Restoration of the Marshall Luke [sic] Driving Range,
Clubhouse and related work is budgeted for \$46
million in fiscal year 2015. To reduce CSOs in

Pugsley Creek in Long Island Sound, DEP has budgeted \$72 million in fiscal year 2016 for construction of a parallel sewer that will help divert flow away from the creek.

In Brooklyn, the Preliminary Budget includes \$1.5 billion of planned commitments. The 26th Ward Wastewater Treatment Plant and associated sewer work to reduce CSOs into Fresh Creek account for \$261 million. Coney Island Sewer Improvements are funded at \$17 million in fiscal year '16. An additional \$137 million is projected in fiscal years '17 to '25 for Coney Island sewers. In Manhattan, the Preliminary Budget shows \$1 billion over the ten years between fiscal year '16 and fiscal year '25. The largest single project is the \$168 million cogen plant at the North River Wastewater Treatment Plant. The cogeneration project will replace existing equipment for recycling digester gas for a more efficient system that will allow much of the plant's energy needs to be generated by the plant itself. Thereby, reducing energy costs and air emissions. Another \$252 million is for the several projects at the Wards Island Wastewater Treatment Plant. Reconstruction of final tanks; reconstruction of the

boiler complex; and installations of emergency generators. The construction of water mains connecting two of City Water Tunnel No. 3 shafts with the local water distribution system is funded at \$73 million. In Queens, the Preliminary 10-Year Plan shows a total of \$1.8 billion allocated for projects of all types. Sewers account for \$567 million.

We project \$143 million to evaluate, assess, and restore the groundwater wells in Southeast Queens for the purpose of providing additional water during the Roundout Bypass construction. And during any droughts or other instances where the city's surface water supplies are not adequate. In Staten Island, the Preliminary Ten-Year Plan projects a total of \$1.1 billion of which \$606 million is for sewers. The Snug Harbor Sewer Project is budgeted for \$24 million. Repairs to the Oakwood Beach Wastewater Treatment Plant and to the Hannah Street Pumping Station are projected to cost \$146 million.

I will note that the Preliminary Ten-Year Plan does not include the cost of repairing damage to the Staten Island Siphon Project caused by Sandy. The cost of the damage to that project, which will

replace the two existing underwater siphons that supply drinking water to Staten Island are under discussion. Some of the costs may be covered by the contractors insured. We are hopeful that the federal government will cover any uninsured costs.

As a guiding principle, DEP is committed to employing scientific analysis in all decision making with a keen awareness of preserving public health. As the committee is well aware, all of DEP's water activities are entirely funded by the water and sewer rates paid by all New York City property owners, and we prioritize our activities in an effort to maintain acceptable levels of service while remaining ever conscious of our consumers. Unfunded mandates can place a significant strain on that effort, and greatly affect rates in ways we would not choose independently.

Finally, I'd like to say a quick word on resiliency. DEP is implementing a suite of measures to enhance climate resiliency. First, moving forward we were applying resiliency design standards to all new wastewater projects to incorporate flood protection storm surge and sea level rise. Where feasible, we are incorporating these resiliency

measures and standards into projects that are already in the planning and design phase. And we have been identifying and securing funding to implement the remaining recommendations of the Wastewater Resiliency Plan. Since the signing of the Sandy Recovery Improvement Act, we have been actively identifying and pursuing potential federal funding sources to aid in this undertaking. The most viable identified were various FEMA sources including the Hazard Mitigation Grant Program, and a special loan program, the Storm Mitigation Loan Program set up specifically for these types of projects. Currently, \$156 million has been allocated to DEP through the Storm Mitigation Loan Program, and will be administered through the EPA Clean Water State Revolving Fund. While the exact amount and timing of additional funding will be determined by many factors, we expect that the remaining gap between our needs and outside sources will be filled by our own capital investment.

On behalf of almost 6,000 employees of the department, I want to express our appreciation to Chairman Richards's strong leadership and continued commitment to work closely with the members of the

Committee and the Council as a whole. That concludes my prepared statement. I thank you for the opportunity to present such complete testimony today, and I look forward to answering any questions you have.

CHAIRPERSON RICHARDS: Thank you, Commissioner, and we've certainly heard some good things in your testimony, and we certainly have questions on other things. So I'll start here with in particular-- I guess we'll go into green infrastructure, and I'm very happy to see obviously an increase in green infrastructure funds. I wanted to know first how do you intend on distributing green infrastructure across the boroughs. And I know that you're also going to be hiring an additional 86 people. Where are those individuals coming from, and what is your plan, I guess if they're not coming from in-house? If you're hiring from outside, what is your plan on outreach to ensure that there's opportunities for everyday New Yorkers to get these jobs?

COMMISSIONER LLOYD: [off mic] Well, there is a plan--

[pause]

COMMISSIONER LLOYD: [on mic] My mic is not on. It started as part of an agreement with the Department of Environmental Conservation to supplement our gray infrastructure investments to control combined sewer overflows in the two-thirds of the city that has combined sewers. And that has because that is a mandate with a time table that started out really driving our choice of locations, and where we will put those first. And that continues to be where we are concentrated on rolling them out. However--

CHAIRPERSON RICHARDS: [interposing] Can you give me an example of those locations?

COMMISSIONER LLOYD: Well, obvious ones are Gowanus and Newtown Creek. We're doing them in the Bronx. We're doing some in Staten Island. We're doing some in Brooklyn. Let me provide you follow up by providing you with a map.

CHAIRPERSON RICHARDS: [interposing]
Okay.

COMMISSIONER LLOYD: But we're doing them in conjunction with DOT and the Economic Development Corporation, and they're spread all over the city. But concentrated around those long-term control

plans, which are in turn focused on the tributaries along the waterfront that have been used, many of the industrial over the years and need a lot of upgrade. We are now starting to think about how we can use the green infrastructure to move beyond the CSO areas. We are in the process of negotiating, and we'll soon sign our first MS-4 agreement for municipal separate storm sewer systems, and that means that we have to start thinking about how to manage all storm water. Not just storm water that becomes part of the CSO. So we see this as an important part of the portfolio for what we can do to manage storm water. Because storm water needs less treatment. It has less problems obviously than CSOs that have sanitary sewage. And green infrastructure is made up of elements that can capture a lot of the pollutants that are of concern before the storm water goes into the surrounding waters. Which is trash pathogens largely from the animal waste, and if properly done even collect some of the settlement, that gets washed down the street, settle to the bottom. So we are starting to look now as to where else we can deploy those. Both of those-- This is a long answer I know, and I apologize, but I think it's a really important

question. Both of those are geared to water quality, and that has been the driving thinking behind green infrastructure, our green infrastructure up until now, the CSOs and MS-4 coming along. But the third part that we're starting to look at now is the part that has to do with neighborhood quality of life. That there are areas of the City that with the kind of more frequent, more intense rainfall we're getting--is getting flooding. Some of them it's a persistent problem that will only be fixed by the build-out of storm sewers, a full storm sewer system. But we're looking to see because we think in some spots they may offer some help around pooling in streets. Around water--storm water running off of streets onto properties that are below grade perhaps. So we're looking particularly starting in Southeast Queens where we're focusing a lot of our storm water thinking at this point to see where else we can use them to address these problems. Not just the problems that goes with the water running into the surrounding waters.

CHAIRPERSON RICHARDS: Can you just go and elaborate a little bit more on-- So the 86 new

hires are they being paid for by New York City taxpayers or how are they being--how are we--?

COMMISSIONER LLOYD: [off mic] They will be DEP employees.

CHAIRPERSON RICHARDS: Put your mic.

COMMISSIONER LLOYD: Sorry.

CHAIRPERSON RICHARDS: Just keep it on.

COMMISSIONER LLOYD: They will be DEP employees, and they will be paid for with the water and sewer rates, and the work that--

CHAIRPERSON RICHARDS: [interposing] So no new hires? So these are just--?

COMMISSIONER LLOYD: No, there will be new hires. Right now through the Parks Department we are paying for about 12 people who are working on the maintenance of the bioswales that have been installed to date. We will be hiring, I think it's an additional 56. An additional 50--we will--to the degree that they're good--good employees, we will bring those people over in the new fiscal year to work for us, and we will add 56 additional people. And then we will keep scaling that number up over the next couple of years as we build out additional bioswales.

2 CHAIRPERSON RICHARDS: So it's 56 new
3 hires then?

4 COMMISSIONER LLOYD: Fifty-six
5 additional--

6 CHAIRPERSON RICHARDS: [interposing]
7 Okay.

8 COMMISSIONER LLOYD: --to the 14--to the
9 12 that we're already paying for. Yes.

10 CHAIRPERSON RICHARDS: Okay.

11 COMMISSIONER LLOYD: Fiscal year '16.

12 CHAIRPERSON RICHARDS: And if they're not
13 qualified, how do you plan on doing outreach to get
14 new people in?

15 COMMISSIONER LLOYD: Well, we've already--
16 --we've been--we've thought a lot about that because
17 we didn't want to go out and do a huge thing because
18 we only had 56 jobs. And we didn't want to have
19 5,000 people applying for the jobs. We didn't want
20 to cause people hoping and go to the trouble of
21 coming up to apply if there wasn't a chance to get
22 it. So what we did was we've gone out to two job
23 fairs where other jobs are also being discussed that
24 were sponsored by several agencies together. And
25 from those two, we've received several resumes, which

we are going to put--consider as applicants for these jobs. And then we will be posting the job on the City Job List. And we would be very happy to work with Council members to think about how to get that word out into the communities so that people are aware of them.

CHAIRPERSON RICHARDS: And would you have to be trained, or do you require a college degree or a high school diploma or any particular training for this?

COMMISSIONER LLOYD: Well, the jobs will be different kinds of jobs. Some will be horticulturalist jobs. Some will be really doing very basic maintenance to the bioswales and other green infrastructure. So I think there will be a range, but one of our goals. While some people will need some specific--have to bring some specific training to the job, we see many of them being hires of people who don't have background and who can be trained to do the job. As was the case with the people who were hired by the Parks Department. We hope it will be a great entry level to come into DEP, and have an opportunity to be in the agency. And perhaps move onto other jobs in the agency.

2 CHAIRPERSON RICHARDS: Right. So we at
3 the Council obviously, and I know I speak for many of
4 my colleagues here would certainly appreciate the
5 opportunity to get the word about--

6 COMMISSIONER LLOYD: [interposing]
7 Absolutely.

8 CHAIRPERSON RICHARDS: --this particular
9 program because it's a--while it is a miniscule
10 amount of jobs, it provides us an opportunity to help
11 56 people who may not have jobs now. Especially
12 since it's entry level. I know I speak for my
13 colleagues on that. So we would appreciate that.

14 COMMISSIONER LLOYD: Yes, and if I may
15 add to that, I think that one of the things we always
16 see is that frequently jobs--people learn about jobs
17 by word of mouth. And if we are good at doing hiring
18 in a way that's distributed out in the neighborhoods.
19 And, those people get the jobs and then their friends
20 know about the jobs, you build a really good feeder
21 base that way.

22 CHAIRPERSON RICHARDS: Great. Thank you
23 so much. I wanted to speak a little bit about the
24 Green Infrastructure Grant Program that was utilized
25 to incentivize property owners to install our green

infrastructure in 2016. In the past, in particular, this program homeowners obviously would have to pay money upfront. Have you guys--and obviously, you couldn't attract it because, you know, how many people have the money to pay money upfront. So are you guys rethinking the way that you work this program and not obviously-- And think of-- and thinking of ways obviously to have homeowners pay costs upfront on it on it?

COMMISSIONER LLOYD: Yes, we are definitely trying to think about how we can expand this program, and make it easier to people to use. We have had some real successes like the Brooklyn Grange and various other projects with schools and hospitals where they have done greening, and done green roofs or blue roofs. And we just did a project with Banana Kelly a few months ago where they put tanks on their--they captured storm water from their roof, put it into tanks. And then are using it to water gardens on the--on the area around the--the housing. So there's some really success stories, but we understand that there are barriers to using it. Frequently, there are upfront costs that are difficult for the property owner to bear. For

example, if they need to strengthen the roof for a green roof or put on a new roof because they don't want to make sure--they want to make sure that--they want to make sure they can get water penetration. So we have been talking to various people who have come into the program to find out from them what would have made it easier. And we are going to do some outreach to people who did not come into the program, who inquired, and then didn't come all the way through. To ask them what go into them becoming part of the program. And we are also very interested in looking at some programs that have been tried in some other cities where they're third party aggregators who work with clusters of property owners. They in some cases can help find some financing to do some of the front up investment that's not specifically water related. So we can't do it with our money. So we think there's a lot of ability to do this better, and we hope to grow it more quickly.

CHAIRPERSON RICHARDS: And how much money is in that program?

COMMISSIONER LLOYD: We have \$3.9 million in it. It's level funding at this point. We've been

committing to that at a little over \$3 million a year.

CHAIRPERSON RICHARDS: Okay. I would hope we one day can speak of expanding this particular program, and thinking once again more grant friendly.

COMMISSIONER LLOYD: Yes.

CHAIRPERSON RICHARDS: Especially as we try to, you know, move our city forward. I wanted to get into your headcount in terms of how many workers currently do you have cleaning sewers and catch basins?

COMMISSIONER LLOYD: We have-- Let me check within my papers a little bit here. 545 employees in field operations. That's not the only work they do, but the are the staff that's responsible for cleaning sewers and catch basins.

CHAIRPERSON RICHARDS: So I know I mentioned this earlier in the year--

COMMISSIONER LLOYD: [interposing] Yes, you have.

CHAIRPERSON RICHARDS: --in particular at our catch basin bill hearing. We would certainly like to see people just designated to doing this

particular work, and I'll tell you why. I had fun and I saw Mario the other night. [sic] But, you know, I'm getting around and hearing from other communities. And I had the fun of being in Brooklyn, a land that I'm normally not in. And, you know, we hear the same consistent complaints obviously across New York City. In speaking to some of my colleagues, they certainly are giving me information to let me know that obviously it is not happening as frequently as we would like to see, our sewers and catch basins being cleaned up. And then to make matters worse, according to the EPA, we are one of the--we are one of the worst cities when it comes to cleaning out our catch basins and our sewers in a timely fashion. So what would be your response to that, and do you think that we should update the count in particular on this particular issue?

COMMISSIONER LLOYD: Well, you--Council Member you may--you may be getting me a little feisty here because I have strong feelings about EPA's--

CHAIRPERSON RICHARDS: [interposing] I certainly do, too.

COMMISSIONER LLOYD: --recommendations. I think the catch basin cleaning, I think that we

have not successfully tracked and conveyed information about what we think is a strong program because. Clearly, many communities residents as well as elected officials don't think it's a good program for catching basin cleaning, and we have to fix that. And it was probably some combination of more frequent cleaning. Maybe a lot better documentation of the individual catch basins and what the problem is. Whether it's a catch basin, or if they have a failing seepage basin. One of the things we have quite a few of in Queens and some in Brooklyn are these old seepage basins that used to work fine--

CHAIRPERSON RICHARDS: [interposing] Uh-huh.

COMMISSIONER LLOYD: --but when they get clogged, they can't really be cleaned. And I suggested we just take them out, but I'm told no they actually are over a couple of days it's better to have them than not have them. But what they look like is a clogged catch basin because it takes them a long time to absorb the water. So I think we need to do a much better job of giving people information about exactly what's going on. I think we need to accommodate your concern about more frequent

cleaning. And I think we really want to move to a place where on both sides we have-- We understand that they did it the same way, and we can talk together about how we're addressing the problem more effectively. And how do you feel confident that we are making real progress in that area. And we hope to do that over the next year.

CHAIRPERSON RICHARDS: Yeah.

COMMISSIONER LLOYD: On the sewers if I may speak about the sewers, we--I as well as the staff think that, you know, we are always unlike any other city agency, it's both a blessing and a difficulty. What any other city agency can say EPA says we should clean our sewers, every sewer every year, or whatever it is they would like us to do. That's great. Let's go to OMB and ask for the money out of the General Fund, and we can elbow DOT out of the way, or the Parks Department, and we'll get more money. But we can't do that. We have to take it back to the public as the water rate, and everything that we do gets paid for out of that. So we try to be very mindful of using our resources as cost-effectively as possible.

We really think that the EPA approach of just cleaning everything all the time is not the most cost-effective way to do it because some sewers never, ever have a problem. They can run for 100 years and never have a problem. Maybe they have a little more gravity pulling them. Maybe they're a little bigger? You know, there can be a million reasons, but there's not a problem. Others have chronic problems frequently, and what we've been doing over the past I think it's three or four years is really analyzing where we're getting the blockages, and going in and cleaning those much more frequently programmatically. And we are seeing very dramatic improvements in terms of the numbers of sewer backups. So we would like to continue with that program because we think that we're getting ever better at it. And we think it's really having a big effect, and we think it's the more cost-effective way to do it.

CHAIRPERSON RICHARDS: So obviously, part of our problem is the water rate, and I'm--you know, I'm going--I'm going to not be the pit bull on this issue. I'm going to let Rory Lancman dive into that issue [laughter]--

2 COMMISSIONER LLOYD: [interposing] Okay.

3 CHAIRPERSON RICHARDS: --in a second, but
4 I do want to say that obviously--

5 COMMISSIONER LLOYD: [interposing] I
6 know--I know that he was going to say that, but I
7 don't know. [sic]

8 CHAIRPERSON RICHARDS: --perhaps we
9 should be re-thinking our strategy, and dipping into
10 the General Fund because obviously, you know, to
11 charge-- And, you know, I say this not even kidding,
12 it's very unfair for homeowners all across New York
13 City to have to dip in and pay the water bill every
14 month, and not have proper service. I mean it's very
15 unfair to them for us every year to continue to have
16 this conversation on raising the water rate on them.
17 And then, you know, they can't even enjoy the luxury
18 of owning a home because they have backups in their
19 home or water or their basement is flooded every time
20 even a small rain comes. And, you know, I'm really,
21 as more-- I'm trying to choose my words wisely. But
22 as more frequent storms happen as predicted, as we
23 have seen already and witnessed already, to say that
24 we should clean our sewers every three years is in
25 adequate in my opinion. And I think that EPA is

correct that we should be looking at cleaning our sewer systems more. And perhaps that may mean us dipping into the General Fund, and not charging rate payers, you know, more and more every year for inadequate service. So I'm going save that for Rory Lancman a little bit more because I know this is an issue that we all care about, but in particular he's been leading. But once again, it is very unfair for us to go to taxpayers, and I just want that to be heard here on this particular issue. I'm going to move into the lien sale stuff. Well, I guess I'll stay on water rates now. When do you project that the Water Board will be presenting its water rate proposal this year?

COMMISSIONER LLOYD: I would like to ask Steve Lawitts, who is First Deputy Commissioner and Executive Director of the Water Board to take these questions.

DEPUTY COMMISSIONER LAWITTS: Good afternoon, Mr. Chair and Council Member Lancman. On the current schedule, the DEP is scheduled to propose a water rate to the Water Board on March 27th, two weeks from today, and hearings are scheduled one in each borough the week of April 27th to May 1st. And

2 the Water Board is scheduled to adopt a rate for
3 Fiscal Year 2016 on May 8th.

4 CHAIRPERSON RICHARDS: And how are you
5 guys going to promote these hearings in particular--

6 COMMISSIONER LLOYD: [interposing] Yeah,
7 so--

8 CHAIRPERSON RICHARDS: --on the water
9 passing?

10 COMMISSIONER LLOYD: We will be
11 publishing notices in several daily New York
12 newspapers, and we will be issuing a press release on
13 the morning of March 27th when DEP proposes the water
14 rate to the Water Board. And we expect to get a fair
15 amount of press coverage as to hearing schedule, and
16 we'll continue to publicize it also, as the
17 Commissioner said in her prepared testimony through
18 council members.

19 CHAIRPERSON RICHARDS: I'm going to jump
20 into the CAT Rental Payment Pilot Program, which is
21 coming to an end. Do you foresee, Commissioner, the
22 program returning?

23 COMMISSIONER LLOYD: Well, we are in
24 conversation with OMB and the First Deputy Mayor and
25 through the Mayor about exactly how that is going to

be handled next year. So it's really premature for us to speak on it today, but certainly it's very much on their minds, as it is on ours.

CHAIRPERSON RICHARDS: And how much money is being returned this fiscal year?

COMMISSIONER LLOYD: The return from the past fiscal year, which we'll get in the coming fiscal year is I believe \$3 million.

CHAIRPERSON RICHARDS: And how do we plan on spending that money?

[background comment]

COMMISSIONER LLOYD: I don't think it's dedicated to any particular thing, but I'll ask Steve if I'm wrong about that.

DEPUTY COMMISSIONER LAWITTS: That's right and it would just go to pay for any expenses of the water and sewer system, and help keep the rates low.

CHAIRPERSON RICHARDS: Are you sure?

DEPUTY COMMISSIONER LAWITTS: Yes.

CHAIRPERSON RICHARDS: So \$31 million is going to go towards keeping the rate low?

DEPUTY COMMISSIONER LAWITTS: Yes, any revenue that we get helps to keep the rates lower.

2 CHAIRPERSON RICHARDS: So what's the
3 projected-- Is there going to be an increase this
4 year?

5 DEPUTY COMMISSIONER LAWITTS: It's--the
6 rate will be proposed on March 27th.

7 CHAIRPERSON RICHARDS: Do you project an
8 increase?

9 COMMISSIONER LLOYD: Well, last year--
10 every year we have to project an increase for the
11 coming year as part of our statement that we put out
12 to potential investors. And the projected increase
13 was 4.9% for this year, and that's largely driven--
14 the projection is largely driven on a guess of what
15 the operating budget will be. And a projection of
16 the cost of debt service based on the anticipated
17 interest rates. So I would say we hope--we hope the
18 rate will not be that high. We hope it will be
19 lower, but we are in conversations now with OMB and
20 the Water Finance Authority, and your colleagues at
21 the--in the City Hall.

22 CHAIRPERSON RICHARDS: If we can get a
23 breakdown on exactly how that \$31 million-- I
24 understand what you're saying, but I just want to get
25 more-- I want to see more transparency around that

as we move forward. And I guess we'll--I'll wait to get that report back from you guys later in the year.

DEPUTY COMMISSIONER LAWITTS: Okay.

CHAIRPERSON RICHARDS: I know we went into automated meter reading. So when do we foresee everybody in New York City in this program or meters installed? And I want to congratulate guys.

Obviously, you guys have made a lot of progress--

COMMISSIONER LLOYD: [interposing] Thank you.

CHAIRPERSON RICHARDS: --in this area. So, can we anticipate by the end of this year we'll finally be there.

DEPUTY COMMISSIONER LAWITTS: Sure, well--

-

CHAIRPERSON RICHARDS: [interposing] And if not, will it come out of that \$31 million.

DEPUTY COMMISSIONER LAWITTS: Right. So currently, 97% of our customers have automated meter reading. The 3% who don't are mostly large buildings with large water meters, and unlike the 97% who have the AMR, those are mostly smaller meters. The larger meters are much more complex to replace because they often involved significant construction. And we have

to work closely with the building management to ensure that in the process of replacing the meter, we don't disrupt building operations. And one example of that would be the Empire State Building for example, and just imagining--imagine having to disrupt the flow of water to that building during normal hours. We have a very aggressive program underway to replace 30,000 large meters. And when that's completed over the next year, then the remaining homes without automated meter reading will be those customers who basically have refused to grant us access necessary to replace the meters.

CHAIRPERSON RICHARDS: Okay, Commissioner, so when do we anticipate moving away from I guess every three months people being billed. When do we anticipate we'll go back to the option of monthly billing?

COMMISSIONER LLOYD: This fiscal year we are going to make monthly billing available.

CHAIRPERSON RICHARDS: So monthly billing this fiscal year?

COMMISSIONER LLOYD: Yes.

CHAIRPERSON RICHARDS: Do we have a timeframe on that, or--

2 [background comment]

3 DEPUTY COMMISSIONER LAWITTS: We--right,
4 July 1st.

5 CHAIRPERSON RICHARDS: July 1st?

6 DEPUTY COMMISSIONER LAWITTS: Yes, and it
7 will be offered as an option to the customers because
8 we know from some customer feedback that some
9 customers prefer to remain on quarterly billing.
10 But, starting July 1st, anyone who wants monthly
11 billing will receive it.

12 CHAIRPERSON RICHARDS: So why not require
13 this monthly billing because the danger with that and
14 obviously this relates to tax liens obviously. And,
15 you know, people obviously are going to feel a
16 certain way. They're saving time, but I believe that
17 if we just went strictly to monthly billing we would
18 cut down on the lien sales that we're--that we're
19 seeing across the city. So, would you agree with
20 that statement or what's your opinion on that?

21 DEPUTY COMMISSIONER LAWITTS: Well, we do
22 think that those who have more difficulty managing
23 their personal and household finances that the
24 monthly billing will provide a benefit to them. And,
25 as customers are coming into us now, and through the

middle of May in order to-- These are customers who have been noticed for the lien sale, And we're coming in to mostly work out payment agreements with us. We're encouraging them to switch to monthly billing when we bring it up July 1st. As well as we will be sending out materials to all of our customers encouraging them to sign up.

CHAIRPERSON RICHARDS: Okay. I wanted to go into the Municipal Separator Storm--Storm Sewer Assessment Program, which is funded for around \$1.8 million this year. One, I wanted to know how the-- was anything valuable learned from the parking lot storm water pilot in 2011? And are there any plans to obviously re-visit this particular program by working with private property owners?

DEPUTY COMMISSIONER LAWITTS: So, I'll answer that, Mr. Chair. So the parking lot pilot and again for those who may not know, this was a pilot we began to build street level parking lots that have no water service to build them for the cost of treating and handling the storm water that those parking lots generate. So, it was a success in the sense that we got very little pushback from the parking lot owner community. They've been largely paying those bills.

We had also offered to them that if they were to install storm water retention infrastructure then we would relieve them of that storm water charge. I don't--I don't think any of them took us up on that offer.

CHAIRPERSON RICHARDS: They didn't want to save any money?

DEPUTY COMMISSIONER LAWITTS: And--and then--

CHAIRPERSON RICHARDS: Hold up. So you said they did not take you up on your offer to save money?

COMMISSIONER LLOYD: Yeah, that's right.

DEPUTY COMMISSIONER LAWITTS: Right. In other words, they could be relieved from the charge if they installed green infrastructure for example. But we also learned that because of the data management involved in the pilot that it would be very difficult to expand a storm--a specific storm water charge to a wider community. For example, single-family homes, large apartment buildings, commercial buildings and so on.

CHAIRPERSON RICHARDS: So what about at city facilities?

DEPUTY COMMISSIONER LAWITTS: Well, again the parking lot universe was relatively small. We could manage the data on that with city buildings because they're different sizes. And they generate storm water at different rates. It becomes a--

CHAIRPERSON RICHARDS: [interposing] So have you guys done that?

DEPUTY COMMISSIONER LAWITTS: We have not done that.

COMMISSIONER LLOYD: No, we're just getting into it. So the MS4, we're just starting.

DEPUTY COMMISSIONER LAWITTS: [interposing] Uh, yes.

COMMISSIONER LLOYD: We will be starting the inventory.

CHAIRPERSON RICHARDS: Okay.

COMMISSIONER LLOYD: And because it's a large number of properties--

CHAIRPERSON RICHARDS: [interposing]

COMMISSIONER LLOYD: --the way we're doing it is we're going to--DEP is going to manage it--

CHAIRPERSON RICHARDS: [interposing] Uh-huh.

2 COMMISSIONER LLOYD: --on half of the
3 City, but each of the departments will participate.
4 And I think--I think one of the things we learned
5 from the--from the Storm Water Parking Lot Program
6 was that people- What seems to us to be an obvious--
7 an easy thing to do, which is put some green
8 infrastructure in to soak up some of the water--is
9 not always attractive. People either think it's
10 going to be a maintenance headache or whatever. So
11 that we're going to I think have to do a lot of
12 educating and selling to make even our sister
13 agencies see this as a helpful way to address
14 problems we may have.

15 CHAIRPERSON RICHARDS: Well, I would hope
16 that--

17 COMMISSIONER LLOYD: [interposing] Storm
18 water.

19 CHAIRPERSON RICHARDS: --that they would
20 certainly--

21 COMMISSIONER LLOYD: [interposing] Storm
22 water responsibilities.

23 CHAIRPERSON RICHARDS: Yeah, I would
24 certainly hope that they would sign onto that, and
25 that we wouldn't have difficulty getting them on

board in particular on this issue. And obviously, we'll look forward to having conversations with the Administration on this particular issue. All rightee, I'm going to let--I'm going to be kind and let-- Because I have more questions. I'll come back for a second round. I'll let Council Member Rory Lancman.

COUNCIL MEMBER LANCMAN: Thank you, Mr. Chairman, and good afternoon everyone.

COMMISSIONER LLOYD: Good afternoon.

COUNCIL MEMBER LANCMAN: It's good to see you again. I do want to talk about the water rates, although not as a pit bull. I just want to have a conversation about it, and hopefully we'll bring it to a close. But even the Mayor himself agreed when-- before he was Mayor is a real injustice. And I'm not reluctant to use that term because we are talking in a city all the time now about the moral dimension to the decisions that we make, the policies that we decide to adopt or not adopt. We backed into this conversation a little bit. So let's--let me just give the background as I see it. [coughs] Before the Water Financing Authority was established in 1984, the city issued bonds to finance the

construction [coughs] of the City's water and sewer infrastructure. To pay back this debt, the deal was that the City would charge the Water Board rent to lease these facilities. But starting in 2005, the City began charging the Water Board more in rent than was necessary to pay that year's debt service. So, in other words, the Water Board was paying rent to the city not to offset the City's own debt payments, but to fill the City's General Fund. And, of course, the water rates paid by homeowners and businesses were adjusted upwards accordingly. So my first question is, do you know what is the City's debt service obligation in the Coming year approximately?

DEPUTY COMMISSIONER LAWITTS: Yes, I assume you mean the debt service on those older general obligation--

COUNCIL MEMBER LANCMAN: [interposing]
Yes.

DEPUTY COMMISSIONER LAWITTS: --bonds.
It's approximately \$35 million.

COUNCIL MEMBER LANCMAN: Okay. Now, if one holds the Mayor is going to present a rent demand to the Board, if he hasn't already. And that rent demand is going to be far in excess of \$35 million.

There will be adjustments. There is a cap or there was a cap. We talked about a refund from the General Fund, but at the end of the day, the City is going to demand from the Water Board rent far in excess of that \$35 million. Unless we can persuade him to do otherwise. And maybe I'm missing something. Is there a sound rationale or a policy reason that relates to the delivery of water and sewer service for why homeowners and businesses should be required to pay water and sewer fees that some portion goes to the City's General Fund as opposed to DEP to pay for the water and sewer service? Why are we funding the General Fund?

DEPUTY COMMISSIONER LAWITTS: [off mic]

Should I--? [sic]

COMMISSIONER LLOYD: [off mic] Okay.

DEPUTY COMMISSIONER LAWITTS: So just as an additional piece of legal background, if you will, Council Member Lancman because you referred to the founding of the Water and Finance Authority, the Water Board in 1984. At that same--

COUNCIL MEMBER LANCMAN: [interposing]

They can ask for the debt service now or 15%?

DEPUTY COMMISSIONER LAWITTS: That's right.

COUNCIL MEMBER LANCMAN: Okay.

DEPUTY COMMISSIONER LAWITTS: That's contained in the least among the Water Board, the Water Finance Authority has--

COUNCIL MEMBER LANCMAN: [interposing] I don't question the Mayor's legal authority. That's right.

DEPUTY COMMISSIONER LAWITTS: I just wanted to get that on the record.

COUNCIL MEMBER LANCMAN: Okay.

DEPUTY COMMISSIONER LAWITTS: And so that is set, as you said, at 15% of Water Finance Authority debt service, which has been hovering around \$200 million a year in recent years. So, then we looked several years ago, and we continue to look at what other cities, other water utilities across the country are paying to their host jurisdictions. And when we did that survey, it was averaging around 7% of their revenues going towards something that resembles our rental payment. It's called different things in other cities. It's sometimes called the rental payment. Sometimes called payments in lieu of

taxes, but it was hovering around 7%. And at that time our rental payment was approximately 7% of our revenues. At an annual rental payment of \$200 million, that is now for us about 4% of our annual revenue. So, we've in fact percentage wise have come down below that large city utility average.

COUNCIL MEMBER LANCMAN: All right, so I just--I get it. The City wants it's VIG,[sic] but there's no benefit that I get as a homeowner paying my water bill from giving the City this additional, which we call here rent, which elsewhere might be called something else. But it's not like this additional \$50 million, \$100 million, whatever it is beyond the \$35 million. It's like that is being used in some way to improve my water or sewer service. It's just the payment that Water Board pays for kind of as the cost of doing business within the jurisdiction of New York City. Is that a fair description?

DEPUTY COMMISSIONER LAWITTS: Correct. That's fair.

COUNCIL MEMBER LANCMAN: Okay. I understand that this is an argument, a fight, if you will, for us and the Mayor, and not for you. But you

heard from the Chairman, and you know our view. And I don't know that there is anyone in the City Council who supports the current arrangement. And we all know for the record that before the Mayor was the Mayor, he shared our views. Let me ask you just a couple of questions on a different topic, the Service Line Protection Program. So I know that it's only been in operation for a couple of years. But I'm inferring from the language that you use in your testimony, Commissioner: Based on historical pay rates, these enrolled customers are likely to generate over X number of repair calls. Do we not have actual data for how many repair calls have been made for those like I think myself who are participants in this program? It sounds like we're just estimating that.

DEPUTY COMMISSIONER LAWITTS: Now, we do have actual data. We get actual data every month, and we present that at the public meetings of the Water Board every month among other places. So that in the Commissioner's prepared statement that estimate of 5,800 repairs and \$3.8 million of benefits to the customers is--that reflects our

2 experience over the two years that we've had the
3 program.

4 COUNCIL MEMBER LANCMAN: Got it. It's
5 not based on prior to the program. This is the
6 estimate of the number of people who had problems
7 with their lines. It's two years of actual hard
8 data--

9 DEPUTY COMMISSIONER LAWITTS:
10 [interposing] That's correct.

11 COUNCIL MEMBER LANCMAN: --in projecting
12 what the third year will look like.

13 DEPUTY COMMISSIONER LAWITTS: That's
14 correct.

15 COUNCIL MEMBER LANCMAN: Okay, I get it.
16 Does the department have, or the vendor, have any
17 mechanism for measuring customer satisfaction?
18 Whether people are happy with the program?
19 Ordinarily, we would like the marketplace determine
20 whether customers are happy or not. And if they
21 didn't like this vendor, they've got another one.
22 But, AWR, if I'm not mistaken, is the exclusive
23 vendor. And so, I think that we need to be very
24 vigilant in making sure that they're providing very
25 good customer service.

1 COMMITTEE ON ENVIRONMENTAL PROTECTION

65

2 DEPUTY COMMISSIONER LAWITTS: Right. So,
3 two things Council Member Lancman. One is yes, they
4 do survey every customer who calls and requests a
5 repair. After AWR has serviced that customer, they
6 ask the customer to complete a brief survey about
7 their satisfaction. For the two years that the
8 program has been in effect, the customer satisfaction
9 rate has been above 90%. And I--I don't know what
10 the precise percentage, but it's been consistently
11 above 90%. And, while you're correct in saying that
12 AWR is the exclusive provider that--whose services
13 get billed to the subscribers through the DEP water
14 bill, there are others in the New York area who
15 offer--

16 COUNCIL MEMBER LANCMAN: [interposing]
17 Nothing precludes the homeowner from going out into
18 the marketplace outside of--

19 DEPUTY COMMISSIONER LAWITTS: They offer
20 a similar service, yes, and at least one of those
21 providers competed to get the contract that AWR has.

22 COUNCIL MEMBER LANCMAN: But when is this
23 contract up?

24 DEPUTY COMMISSIONER LAWITTS: It--it is
25 for an initial period of five years. So that would

2 expire in approximately three years. And then there
3 is an option to renew for another five years.

4 COUNCIL MEMBER LANCMAN: Right. Okay.
5 Thank you very much.

6 CHAIRPERSON RICHARDS: Thank you, Rory.
7 All right. I'm just going to get into a few more
8 questions.

9 [background comment]

10 CHAIRPERSON RICHARDS: Oh, okay. I will--
11 --let me just ask a few, and then certainly we'll
12 conclude. So I wanted to go into the street cave-ins
13 and I know that anybody driving on New York City
14 roads, and obviously we've had a rough winter. Your
15 car is in its own hands at this moment. I wanted to
16 know what are we doing, and obviously there has been
17 an increase in cave-ins. How closely, Commissioner,
18 are you working with DOT to ensure that our roads are
19 less caved in, and how much are we going to see an
20 increase in the budget on this issue? Because I can
21 tell driving on these city streets is dangerous now
22 days.

23 COMMISSIONER LLOYD: Sorry. You'd think
24 I'd never done this before. We are in very close
25 conversation with DOT and DEC on this. There is--

there's lots of possible causes of cave-ins obviously. And what we want to do is make sure that the right agency has the authority to fix it. But even more importantly, that somebody is able to get to it quickly, and that money is not an issue. And that means having enough--everyone having enough in their emergency budgets to address this. There are a lot of underlying issues. It can be water. It can be sewer. One of the things we saw or have seen after all the cable franchises were put in place, and the cable companies went out and ran lines through so many city streets, was that in some cases, they were not as experienced perhaps in reconstructing the street. And subsequent to those, we've had a lot more problems with either trench depressions or cave-ins. So we're in a very active conversation right now about what's going on. How should we handle it? How should we pay for it. Going back to what is becoming our favorite topic, you know, we're protective of water money. We don't want to pay for it if it's not related to our infrastructure. Generally, if it's not a sewer problem or a water problem, we would like to hand it off to DOT. But, we're part of--very much part of that conversation.

So, yes, we've certainly heard all of the concerns coming from Council Members and from community residents in the areas where there's been a lot of problems through the really cold weather. And I'm sure we'll be able to talk to you about that more as we get a little farther along in those conversations.

CHAIRPERSON RICHARDS: And our water main breaks has been-- I mean we've certainly seen, and once again I know going back to a rough winter once again. But it just--it seems like every day there's a new water main break or--

COMMISSIONER LLOYD: [interposing] Yeah.

CHAIRPERSON RICHARDS: --or five or ten.

COMMISSIONER LLOYD: So what are we doing to ensure that our infrastructure--and I know we're focusing a lot on green infrastructure and I'm very--very happy about that. But I don't want us to lose sight that gray infrastructure is just as important. And, why is gray--green infrastructure once again is important. You know, I want to underscore that heavily. But it seems as if we're not doubling the number on gray infrastructure in particular as well. And I wanted to know why--why are we--I don't want them to be a competing factor in one sense.

2 COMMISSIONER LLOYD: Yes.

3 CHAIRPERSON RICHARDS: And are we looking
4 to--I mean we would love to see more money in the
5 gray infrastructure area as well this fiscal year.
6 And so, can you just speak a little bit on that.

7 COMMISSIONER LLOYD: Yeah, we have been
8 doing a lot of work looking at the water mains just
9 to talk about them first. As you know, an enormous
10 number of the, and I'm sorry I can't give it to you.
11 But I don't have the percentage right at my
12 fingertips, of our water mains that are cast iron.
13 And they were used up through the '50s I think. So
14 it's not just--they were used in the 1880s, too.
15 But it's not just very old ones, and interestingly
16 it's not always age that determines how a cast iron
17 water main is going to hold up. It has a lot to do
18 with the location and how much vibration it gets from
19 truck traffic. A whole variety of things can affect
20 whether or not--how long it holds up, but when they
21 break, they tend to really break and cause big
22 problem.

23 So we're focused on all of the cast iron
24 water mains, and trying to look at how to accelerate
25 them. One of the things that has come out of the

agency in the past five years while I was not in the agency that I think is a terrific tool is that they have been looking at the metrics a lot. And starting to think that they can see patterns that may have to do with truck traffic and other things. See patterns of early warning signs if a main is going to go. And to start to focus in on those areas for replacement. Not just going by what's oldest, and working their way through the 1880s ones first. But, really going to where they see some early warning signs. They've also been doing some work that shows that if they adjust the pressure with the regulators rather than just leaving them on at full blast all the time, that more pressure is always--is not always better.

And that if they adjust to the needs as they wax and wane a little bit, that takes some of the--that actually reduces wear and tear on the mains. And they've seen some improvements and some drop in water main breaks they think related to that. So they're using metrics to do some really interesting analysis that we hope will bring improvements. In fact, the number of water rates have dropped over several years. This year we've had a little bump. I really think that's weather

related. Our performance nationally is significantly better from national numbers in terms of numbers of water main breaks per mile. And so, I think that we're doing fairly well, but we can still do better. And that we will be able to continue to do preventive things more effectively as we do more monitoring.

CHAIRPERSON RICHARDS: Yeah, that's what I was going to say. So how often are we checking the infrastructure? And I know that obviously we have water mains all over the city. So how often-- So let's get into the conversation that obviously we check sewers every three years. So, how often are you guys checking water mains?

COMMISSIONER LLOYD: I don't have that number for, but I--we can get it to you. And at this point it's really--it's not every water main the city system avidly. It's really focused on the areas that seem to be developing problems to try to go in there and identify them. But let us send you some additional information that.

CHAIRPERSON RICHARDS: [interposing] And we don't have a goal necessarily on--So, you know, I know every three years. So there's no goal on checking on--

COMMISSIONER LLOYD: [interposing] On every--

CHAIRPERSON RICHARDS: --water mains.

COMMISSIONER LLOYD: --I don't think they're--I think it's more developing the program around the problem areas first. And then taking it to the next step.

CHAIRPERSON RICHARDS: All right. So I think just around the recommendation, if I may, it's to say that we should start thinking in terms-- Because obviously we're going to have rough winters. This was a rough winter and I think we should take more proactive steps on this particular--

COMMISSIONER LLOYD: [interposing] Okay.

CHAIRPERSON RICHARDS: --issue. I wanted to get into noise and air monitors, one of my favorite, you know, conversations. I'm very happy that we got eight new monitors. So that brings us to a total of how many? Forty-eight if I think on mine-- If I remember, we had 48 last year.

COMMISSIONER LLOYD: Fifty-seven is the total number.

DEPUTY COMMISSIONER LAWITTS: [off mic] That will bring us up to 57.

COMMISSIONER LLOYD: That will bring us up to 57.

CHAIRPERSON RICHARDS: [interposing]
Well, last year we only had 40. So we're hiring-- So there's even more?

COMMISSIONER LLOYD: So we--we reassigned some people.

CHAIRPERSON RICHARDS: Okay.

COMMISSIONER LLOYD: We changed and we created--we did away with some jobs--administrative jobs that we thought were less critical, and created some more inspector jobs in addition to the new ones that were added.

CHAIRPERSON RICHARDS: And how many summonses were issued on noise last year?

COMMISSIONER LLOYD: I'm not going to be able to tell you. I don't have that at my fingertips. I'm sorry.

CHAIRPERSON RICHARDS: Air complaints?

COMMISSIONER LLOYD: Bear with us a minute.

CHAIRPERSON RICHARDS: Okay.

[pause]

2 COMMISSIONER LLOYD: Do you have the
3 number of complaints.

4 CHAIRPERSON RICHARDS: One more and then
5 I'll it to Steve. It's nice to have both out, Eric.

6 COMMISSIONER LLOYD: I'm going to have to
7 provide that. I'm sorry.

8 CHAIRPERSON RICHARDS: [interposing]
9 Okay.

10 COMMISSIONER LLOYD: I had it written
11 some place, but I don't have it right here.

12 CHAIRPERSON RICHARDS: So I still think
13 that we have a lot of work to do in this particular
14 area. I am happy that you obviously moved some folk
15 over, and that you're hiring eight people. But in a
16 city of eight million people, and as many complaints
17 that our offices and I know all of our offices
18 combined, you know, can certainly give you a great
19 number of complaints. Forty or 57 is still not
20 enough. And I think we need to get to a place where
21 we're--we're having a more serious conversation. And
22 once again, I'm very happy that we're seeing some
23 progress in this area, but we know there's-- You
24 know, especially in the summer, you know, we are
25 inundated with noise complaints. That is the number

one 311 complaint in New York City, and we only have 57 people to deal with it. So I think we should get more serious about it. I'm not going to go into what we've been speaking about for the last two years, but I'm hoping that the staffing levels are going to continue in this area as well as sewer and catch basin cleaning--

COMMISSIONER LLOYD: [interposing] Uh-huh.

CHAIRPERSON RICHARDS: --clean out. And I still think based on what we're hearing around the city that we can do better in these areas, and would you agree?

COMMISSIONER LLOYD: I think that we can do--I think that we can do better in-- I'm hesitating because of the--so much of the noise is so hard to catch. But I think that we can do better in getting on--get more satisfaction to the people who have the complaint. And I think that--I think we've done a lot. I think--I think particularly the noise folks are terrific, and I think they've done a lot of figuring out how to be--how to be on the site when the noise is happening. I think the thing that is still--the thing that is still very hard to do is

the--the one-time off noise or the periodic noise.
It really is--there's somebody who lives in the
neighborhood who has a really loud motorcycle. That
kind of problem is still very hard for us to address.
Barking does is still hard to address.

CHAIRPERSON RICHARDS: [interposing] Uh-
huh, uh-huh.

COMMISSIONER LLOYD: So there are some
that continue to be difficult, and I think we have to
continue to be innovative to think about how to get
them. But the ones who I think we are doing better
with are things like the--the private carters [sic]
who tend to congregate in some areas with those odor
and noise--noise problems at 2:00 and 3:00 in the
morning. I think on some of those--I think we've
gotten much better at pinpointing those, and having
the additional staff available is going to make it
easier for us to have people out during those hours
at 2 o'clock in the morning. So I think we're going
to see some improvement there, but yes, I think that
we could do more to give people relief. I think we
follow up a lot, but catching people and getting them
to change their behavior is still difficult.

1 COMMITTEE ON ENVIRONMENTAL PROTECTION 77

2 CHAIRPERSON RICHARDS: And idling. One
3 of my favorite subjects--

4 COMMISSIONER LLOYD: [interposing]
5 Idling. Yes.

6 CHAIRPERSON RICHARDS: --as you know. So
7 how many tickets were issued on idling last year
8 especially truck idling?

9 COMMISSIONER LLOYD: Yeah, we're going to
10 have-- I'm sorry. I apologize.

11 CHAIRPERSON RICHARDS: I know the number.
12 It's--

13 COMMISSIONER LLOYD: [interposing] You
14 know the number?

15 CHAIRPERSON RICHARDS: Yeah, it's 209--

16 COMMISSIONER LLOYD: [interposing] All
17 right.

18 CHAIRPERSON RICHARDS: --in New York
19 City.

20 COMMISSIONER LLOYD: Yep.

21 CHAIRPERSON RICHARDS: And once again, I
22 think we should be having conversations with traffic
23 enforcement. And I think this is something we should
24 revisit. You don't have to give me all the answers
25 today.

2 COMMISSIONER LLOYD: Right.

3 CHAIRPERSON RICHARDS: But I think that
4 this is an areas that we--we can do better in. In
5 particular like I said trucks and tour buses--

6 COMMISSIONER LLOYD: [interposing] Yes.

7 CHAIRPERSON RICHARDS: --our real
8 problem, as you know. And I'm hoping that, you know,
9 we're going to go further in this area as move over--
10 move into the new year. And then last--my last two
11 questions, and then I'm going to pass it over to
12 Council Member Levin. Let's go into clean heat, the
13 Clean Heat Program--

14 COMMISSIONER LLOYD: [interposing] Yes.

15 CHAIRPERSON RICHARDS: --where are we at
16 there? Will everybody meet this deadline of April
17 1st.

18 COMMISSIONER LLOYD: Yeah. So we are
19 down to a very short list of people, some of whom we
20 think have changed their equipment, but haven't
21 gotten the paper in yet. We have 400 something who
22 we still have not gotten moving we don't think on
23 changing over, and we are really concentrating on
24 them now, and paying a great deal of attention. And
25 as you know, we have gone to giving the violation

more quickly and not--not having to do so many visits before we're able to issue the violation. And getting them before the ECB more quickly, and we are trying very hard to get those last few in before July 1st. I don't know if we'll get absolutely everyone, but I think we're going to be close--

CHAIRPERSON RICHARDS: [interposing]

Okay.

COMMISSIONER LLOYD: --on the number six.

CHAIRPERSON RICHARDS: Okay, and then can I ask you about MWBEs. So how are we doing in that particular area?

COMMISSIONER LLOYD: Yeah, I'm gong to ask Steve to cover that.

DEPUTY COMMISSIONER LAWITTS: So for this fiscal year to date, we've awarded over 30% of our subcontracting activity to MWBE subcontractors--

CHAIRPERSON RICHARDS: [interposing]

Totaling? I meant how much?

DEPUTY COMMISSIONER LAWITTS: Yes.

CHAIRPERSON RICHARDS: I the dollars there.

DEPUTY COMMISSIONER LAWITTS: It's \$34 million worth of subcontracting activity this year so

far has been awarded to MWBE subcontractors. So that's 37% of total subcontracting activity. So that's in excess of the goal that's set in Local Law 1 to award 30% of subcontracts to MWBE subcontractors.

CHAIRPERSON RICHARDS: Well, let's not set our goal so low. [laughter]

DEPUTY COMMISSIONER LAWITTS: Well, that's why we're--we're above the goal, and we're trying to get higher.

CHAIRPERSON RICHARDS: So, and how much in contracts have you given out a year?

DEPUTY COMMISSIONER LAWITTS: Well, in subcontracts in total it's \$94 million.

CHAIRPERSON RICHARDS: In subcontracts?

DEPUTY COMMISSIONER LAWITTS: Yes.

CHAIRPERSON RICHARDS: And how many general contractors are--

DEPUTY COMMISSIONER LAWITTS: I don't--I don't have that figure with me, Mr. Chair. As we testified previously, our--our general contracts, our prime contracts are often too large for most MWBE firms that provide the services and the trades that we most frequently use.

2 CHAIRPERSON RICHARDS: So--so let's go
3 back to the--to the \$34 million for a second. So,
4 how are you doing outreach in particular to MWBEs,
5 and is there a way we can do better?

6 DEPUTY COMMISSIONER LAWITTS: Sure we--

7 CHAIRPERSON RICHARDS: [interposing] And
8 I noticed that everybody's goal is 30%, but I know--I
9 believe being is that sewer and water rates are
10 paying everything here that we certainly can do
11 better in this area.

12 DEPUTY COMMISSIONER LAWITTS: Right. We
13 have an outreach program. It's a combination of
14 going out into the boroughs and speaking to the
15 contracting community. And inviting them into DEP
16 where we gave them most recently, two months ago how
17 to do business with us. If they're a contractor that
18 has never worked with DEP before we--and we organize
19 events to marry, if you will, subcontractors with
20 prime contractors.

21 CHAIRPERSON RICHARDS: Okay. I think we
22 should revisit that because I've heard necessarily--
23 I'm not saying it's not happening, but I've never
24 heard of that before. So I would love to, and
25 perhaps the Council this is something we can

certainly look at working with you guys to ensure that we're promoting this program a little bit better. And doing outreach to ensure that we can do better. And I do applaud you for doing over 30%. Without a doubt, I don't want to minimize that, but I think we can certainly move. The last question is for the Commissioner, and then I'm moving on to my colleagues. I know I said that a million times. SO the Ten-Year Capital Strategy can you--can you just speak and summarize a few of your priorities and how did you arrive at obviously making some of your proposals in the Ten-Year Capital Strategy priority? And what was your thinking be behind halting the Tunnel No. 3 project to focus on--Well, I'll let you answer that.

COMMISSIONER LLOYD: [off mic] I need my summary. I need my cheat sheet. I apologize for doing that.

CHAIRPERSON RICHARDS: No problem.

COMMISSIONER LLOYD: [off mic] But I did find the error in the notice. [sic] [on mic] I did find the error on my notice [sic] if you want to go back to that.

CHAIRPERSON RICHARDS: Okay.

2 COMMISSIONER LLOYD: I'm having trouble
3 remembering, too.

4 CHAIRPERSON RICHARDS: No problem.

5 [background conversation, pause]

6 COMMISSIONER SILVER: So, I think to give
7 you a general overview, first--first and foremost we
8 always have to make sure that we are addressing our
9 mandates, and we've already talked about that a
10 little bit. There is always a significant amount of
11 money in the Capital Budget to address the Clean
12 Water Act projects that we are required to do. And
13 that's at the wastewater treatment plants as well as
14 the CSOs. And now, there will be some money for MS4.
15 Another big part of our budget always focuses on the
16 watershed and our water supply.

17 CHAIRPERSON RICHARDS: [interposing] Uh-
18 huh.

19 COMMISSIONER LLOYD: We have some money
20 in for dam safety work that we need to do up there,
21 and we also have money into complete the build-out of
22 the Croton Filtration Plant. We have money in to
23 complete the build-out of some of the connections for
24 Water Tunnel 3, which is very important for us to do
25 the last pieces of that in Manhattan. And so, those

big things always take a lot of our attention. In addition to that, we have been thinking very much over the past few years now that we have some of those really all-consuming big mandates out of the way. The Croton Filtration Plan, the Ultraviolet Plant, and the Newtown Creek Wastewater Treatment Plant. It is a very important time for us to be thinking about state of good repair. And that goes-- we talked about it a little bit ago. It obviously goes to water and sewer. It also goes to our wastewater treatment plants. I mean there are 14 big plants. They have lots of big equipment, a lot of them were built 30 and 40 years ago. And some of that is wearing out. So we need to be investing in the digesters, in the pumps. We have just brought online three new flood vessels and we--some of the equipment that enables us to connect with those needs to be put in place. We also have money in for doing some energy efficient projects, the Cogen at the North River Plant, which will allow us to use the methane. And we are looking for other opportunities. We are also doing a hydroelectric facility at up Cannonsville up in the watershed. So trying to become more energy efficient and reduce the--the

creation of greenhouse gases is a priority for us as well. So some of the--those are some of the--the sort of big themes of what we're trying to do, I would say. And always around everything is an awareness of climate change, which I know is as much on your mind. And the problems it will create upstate. We are so lucky that we are in a wet slice of climate change in general. But it does create problems Upstate. It sets up--the heavy rain stirs up turbidity, and that makes it more of a challenge for us to maintain. Not having to filter 90% of our water. And, of course, within the city it creates this--these very intense flows of storm water that are both neighborhood quality of life problems, and environmental problems. And I think that's going to be what we're going to try as we go into our--into the Executive Budget to make sure that we reflect as much of work in that area as we can.

CHAIRPERSON RICHARDS: Okay, great. All right, I'm going to go over to Council Member Steven Levin and then to Council Member Eric Ulrich.

COUNCIL MEMBER LEVIN: Thank you very much, Mr. Chairman and thank you, Commissioner. I'm going to keep my questions very brief because I have

to go to Greenpoint where we're honoring Irene Clements Tovich [sp?] for Women's History Month. She'll allow me to be a little bit late, but if I'm asking question regarding the Newtown Creek Wastewater Treatment facility. So, my question is if you could give us a status update on-- I know you mentioned the National Grid Project, but exactly where is that in the process? And then where is the project--the pilot project with the Department of Sanitation around the organics. If you could speak a little bit as to how those projects interrelate with one another. And if there's kind of room for both projects to kind of work in cohesion with your partnership.

COMMISSIONER LLOYD: Well, Irene may be disappointed because I don't have a very--I don't have a great answer for you. I did decide not to bring all my deputy commissioners today. And so, I may not, without Vinny here, I may not give you as complete an answer as would like to have. But I think the short answer is that the pilot is getting started. We're doing the construction of the equipment that's going to allow us to do that. I think one of the problems, I think you know that

we've encountered is that some of the organics that we've been getting from Sanitation through Waste Management have not been--have had more contamination in them than we had hoped. So they're having to look at that. But I do know from my recent conversation is we don't think any of that's insurmountable. And we are planning in the last quarter of '15 to go into the next phase of the organics program with Waste Management and Sanitation and National Grid and roll that out. So, we do think that that will be going ahead.

COUNCIL MEMBER LEVIN: So the next phase being? What's the next phase?

COMMISSIONER LLOYD: Well, the next phase will be to--I think it's a 50 now and the ultimate goal is something like 250. I don't think we're envisioning getting it up to that right away. But we would probably try to take it up another 50. We've just been starting to think about how we would do that. But let me get back to you so I give you really accurate information.

COUNCIL MEMBER LEVIN: Okay, and then the National Grid component of the conversion to usable methane that's--where is that now in the process?

2 COMMISSIONER LLOYD: Well, the--the--the
3 placement of the building I believe has been approved
4 by PDC, and I think we're going ahead with the
5 construction, but I don't have a red light?

6 DEPUTY COMMISSIONER LAWITTS: [off mic]
7 I believe so.

8 COMMISSIONER LLOYD: I don't have an
9 exact time table.

10 COUNCIL MEMBER LEVIN: Okay. Speaking of
11 PDC, I noticed in your testimony you spoke about the
12 Nature Walk Phase 2, and I'm very excited about that.
13 I will bring your testimony over to Irene so that she
14 can see it in writing.

15 COMMISSIONER LLOYD: [laughs]

16 COUNCIL MEMBER LEVIN: But what is the
17 status now on the perimeter fence with regard to PDC,
18 and how is that process moving forward?

19 COMMISSIONER LLOYD: The way--the way the
20 conversation at PDC now is we were going to go back
21 to them about that because they wanted to make sure
22 that we had the maintenance in place for the Nature
23 Walk before they would consider anything else. And I
24 think there was also a conversation to be had about
25 the last remaining construction building, and that is

2 taken out of use. And we haven't--we haven't
3 completed that conversation yet both with the
4 community and with PDC.

5 COUNCIL MEMBER LEVIN: The building where
6 we have the meetings?

7 COMMISSIONER LLOYD: Right, right.

8 COUNCIL MEMBER LEVIN: Okay.

9 COMMISSIONER LLOYD: So we have to do
10 that before. But I'm optimistic that they will be
11 comfortable with the fence that Nick Nicholas had
12 signed off on, and that we wanted to do.

13 COUNCIL MEMBER LEVIN: Okay, and then
14 last question I wanted to ask about the Flushing
15 Tunnel, which is at the other end of my district in
16 the Gowanus Canal. And what the status on the
17 Flushing Tunnel?

18 COMMISSIONER LLOYD: The want us [sic]
19 Gowanus?

20 COUNCIL MEMBER LEVIN: Yes.

21 COMMISSIONER LLOYD: It is working well.
22 We have some preliminary water quality testing that
23 seems to be quite positive from having that clean
24 water coming in. There were a couple of little bumps
25 in starting up with use of the screens, but those are

now also in place. And our--we've just had I think one or two storms that we thought would really test them that we thought the results were pretty good. So, we think--we think that's going very well.

COUNCIL MEMBER LEVIN: Okay, and--and you've been in--I'm assuming--conversations with EPA then around--around the quality--

COMMISSIONER LLOYD: [interposing] Yeah--

COUNCIL MEMBER LEVIN: --and you're monitoring that?

COMMISSIONER LLOYD: --we've been briefing--we've been briefing them on that, yeah. And, of course, as you know, we're rolling into the time when both the long-term control plan and the site selection for the two tanks are going to get resolved over the next three or months.

COUNCIL MEMBER LEVIN: [interposing] Okay.

COMMISSIONER LLOYD: And we're trying to knit those conversations together with DEC on the one side and the EPA on the other.

COUNCIL MEMBER LEVIN: Right. Okay.

Thank you very much, Mr. Chairman. Thank you Commissioner and I will pass along your regards to--

2 COMMISSIONER LLOYD: [interposing]

3 Please.

4 COUNCIL MEMBER LEVIN: --Irene.

5 COMMISSIONER LLOYD: Please do.

6 COUNCIL MEMBER LEVIN: Okay, very good.

7 CHAIRPERSON RICHARDS: Council Member
8 Ulrich. Thank you, Steve.

9 COUNCIL MEMBER ULRICH: Thank--thank you,
10 Mr. Chairman and thank you Commissioner for your
11 testimony. I apologize for being late to today's
12 hearing, but I will blame the MTA. And need I say
13 more. So anyway. I did get a chance to review your
14 testimony, and I first want to begin by thanking and
15 Deputy Commissioner Roberts and so many other people
16 on your staff who have been so helpful to my
17 district. Both before, during and after Hurricane
18 Sandy continued to recover and identify problems with
19 the physical infrastructure in places like Broad
20 Channel where we recently had an issue that your
21 office was able to resolve. And my constituents are
22 very, very grateful. So I know you come to these
23 hearings, and you're expecting to get beat up and
24 pelted with questions. But, it's nice to hear a
25 thank you every now and then because there are some

2 things we don't always do right, but there are a lot
3 of things that we're doing right, and people need to
4 hear that.

5 COMMISSIONER LLOYD: [interposing] Well,
6 it will give--it will give Council Member Richards
7 hope.

8 COUNCIL MEMBER ULRICH: Yes, I'll help
9 him out with that. Anyway, I'm just kidding.

10 COMMISSIONER LLOYD: But he'll get--his
11 constituents will see relief, too.

12 COUNCIL MEMBER ULRICH: Yeah, I mean
13 there's a tremendous amount of resources being
14 invested as evidenced in the Capital and the Expense
15 Budget, and we know that a lot that is coming to
16 areas like the Rockaways that for a very long time
17 had been in need of those resources. In particular,
18 I wanted to bring up the sewage treatment plan in
19 Rockaway. I know that--I think a year and a half
20 ago, DEP had announced that they were dedicating some
21 funding to upgrading some of the technology there.
22 But I didn't see that in the testimony. Maybe
23 because it's already been paid for, and it's in the
24 process. But do you have an update or know anything
25

about any upgrades coming to the sewage treatment plant in the Rockaways?

[background comments]

COMMISSIONER LLOYD: Okay, so the gentleman tells me that we are doing a study, and I believe that money is in place--

COUNCIL MEMBER ULRICH: [interposing] Oh, great.

COMMISSIONER LLOYD: --to see if an upgrade, what kind of an upgrade makes sense for that plant, and to also-- I know we--we did some small scale upgrades just to move some of the electrical equipment up--

COUNCIL MEMBER ULRICH: [interposing] Right.

COMMISSIONER LLOYD: --and that--

COUNCIL MEMBER ULRICH: [interposing] I know you were very helpful in trying to mitigate the smell because sometimes there's an offensive odor that emanates from the facility. I know DEP I think had--

COMMISSIONER LLOYD: We put in the noise--the odor control, and I hope that that's been helpful and we covered the tanks.

COUNCIL MEMBER ULRICH: It has been, but, you know, clearly there is still a lot more we can do. Regarding flooding in Lindenwood, I know that you were down the Howard Beach-Lindenwood section of Howard Beach right after the storm. Your staff was there. We also had a water barrel distribution event, and again we really appreciate that. But I'm more concerned with the cause of that event, which was the mechanical function of equipment in East New York. And I'm wondering if that's been fixed or addressed in any way. Do we know any updates about, you know, what really exacerbated the flooding there that day?

COMMISSIONER LLOYD: Yeah, it was--it was a malfunction of sensors that wanted to open the-- open the tank, the retention tank and not have it back up, obviously. And we both had done a temporary repair on the sensors. We were also doing a larger piece of work to look to see if they were properly designed and installed. But meanwhile, every time it works, we have-- Every time there is rain, we have staff there to--

COUNCIL MEMBER ULRICH: [interposing]
Okay.

2 COMMISSIONER LLOYD: --watch it to make
3 sure that if it needs a manual override, it has it.

4 COUNCIL MEMBER ULRICH: So even if it--
5 even if the sensors break down or God forbid some
6 piece of equipment were not to function properly
7 there's staff there in severe weather events to
8 manually I guess override the system--

9 COMMISSIONER LLOYD: [interposing] That's
10 correct.

11 COMMISSIONER LLOYD: --and control the--
12 the combined sewer wastewater plant.

13 COMMISSIONER LLOYD: Yes, until--until
14 we're confident that--that it is reliable.

15 COUNCIL MEMBER ULRICH: Well, that's--
16 that's very reassuring, and I want to let my
17 constituents know that at the next meeting that we
18 have in Lindenwood that DEP is still to this day even
19 though it's almost a year later, manually operating
20 that system, if need be, when we expect a heavy
21 rainfall. Finally, the Chairman and I and along with
22 Council Member Treyger, who chairs the Resiliency
23 Committee, introduced a resolution this week urging
24 the City to enroll in a community rating system
25 program, the FEMA CRS Program. And basically, the

idea behind that would be to control the future potential skyrocketing flood insurance premiums that our constituents would face as a result of being coastal communities where, God forbid, another hurricane is likely to happen.

And our constituents are very concerned about this because the hold that the Congress and the President have put on the Biggert Waters Act, you know, essentially have delayed increases in flood insurance premiums. We now only have another four years before that kind of goes back to the drawing board. And we believe that if New York City were to start having a conversation now about trying to get FEMA to recognize a lot of the resiliency projects and infrastructure--resources that you're putting into these infrastructure projects in making them more resilient. That that could play a very important role in controlling the cost of flood insurance premiums, or lowering the cost of flood insurance premiums. So it's not a question. It's something that I'm--I just want to bring to your attention. We just introduced it this week.

It's a resolution urging the Mayor and the City to a very good look at this. I know that

Amy Peterson and folks at HRO are already aware of it. And I'm sure that they may even be--You know, be in conversations. But we want DEP to be aware of this, too, because you're investing a tremendous amount of money into upgrading the physical infrastructure in all these communities affected by Hurricane Sandy. And we want to make sure not only that it's made more resilient, but that our constituents can somehow benefit from it. Because their homes and their properties are more resilient. And maybe they might not have to pay as much for flood insurance because one day for some, it will be really, really unaffordable.

COMMISSIONER LLOYD: [interposing] Uh-huh, room.

COUNCIL MEMBER ULRICH: Again, that was a community rating system, and it's something that we're kind of talking about now. We just want respectfully to bring it to your attention.

COMMISSIONER LLOYD: Thank you. We'll--we'll make sure, too, to be in touch with Amy about it.

COUNCIL MEMBER ULRICH: Thank you, Commissioner. Thank you, Mr. Chairman.

CHAIRPERSON RICHARDS: Thank you, Eric,
and I'm glad that you started to touch on local
issues. So one of my favorite issues is Southeast
Queens, and obviously, I didn't have the fun of
speaking on that today as much as I would have liked
to. So I noticed that the 143 million for
groundwater to address groundwater--the groundwater
issue has moved again. And I'm not happy about it,
and I just want to know why are we moving this once
again.

[background conversation]

COMMISSIONER LLOYD: Okay. I apologize.

DEPUTY COMMISSIONER LAWITTS: It's still
in there.

COMMISSIONER LLOYD: Yeah, it is--it is
still in there, as you know, and the reason it moved
was because the--the--the projected date to do the
switchover has moved out.

CHAIRPERSON RICHARDS: So the money is
there?

COMMISSIONER LLOYD: The money is there.

CHAIRPERSON RICHARDS: Okay.

COMMISSIONER LLOYD: The money is there.
It's just out--it's just out to--

2 CHAIRPERSON RICHARDS: [interposing] But
3 it was moved to fiscal year '19?

4 COMMISSIONER LLOYD: Yes, yes, yes. But
5 we are starting. We're working on the SCOPE for the
6 EIS. We'll have the public SCOPING meeting in
7 September. We have gone a little more slowly on that
8 to give our colleagues in Nassau County a little more
9 time to talk about things they would like to be
10 included in the EIS. And so--

11 CHAIRPERSON RICHARDS: [interposing] But
12 why to 2019 then?

13 COMMISSIONER LLOYD: Well, 2019 is just
14 to sync it with the--when we do the crossover of the--
15 --of the Delaware Aqueduct.

16 CHAIRPERSON RICHARDS: Uh-huh. So I'm
17 aware of that, but okay. So you're--you're just
18 timing it along with that, but the money is there?
19 Can we be assured that--

20 COMMISSIONER LLOYD: [interposing] Yes.

21 CHAIRPERSON RICHARDS: --it won't move to
22 2025 next?

23 COMMISSIONER LLOYD: No, we're--were--no.

24 CHAIRPERSON RICHARDS: Or to 2022?
25

1 COMMITTEE ON ENVIRONMENTAL PROTECTION 100

2 COMMISSIONER LLOYD: No, the bids--the
3 bids are coming in on the work on the tunnel. It's--
4 the tunnel it's moving so yes.

5 CHAIRPERSON RICHARDS: Okay, we got that
6 on the record.

7 COMMISSIONER LLOYD: It's on the record.

8 CHAIRPERSON RICHARDS: Okay, it's on
9 record. Can we speak about-- So, my--I have
10 introduced a bill earlier in the year on the
11 biodiesel going into the tug boats, DEP tug boats
12 where--Are we going to see movement on that? Are
13 you--?

14 COMMISSIONER LLOYD: [interposing] Yeah,
15 my understanding on--

16 CHAIRPERSON RICHARDS: --are we moving?

17 COMMISSIONER LLOYD: --my understanding
18 on that is that the concern that came from DOT and
19 from--from our vessel operators was that that was--
20 whether--whether the engines would do well with that
21 fuel. And my understanding also is that there is a--
22 Is it a federal agency or a federal--a federal?

23 DEPUTY COMMISSIONER LAWITTS: [off mic]
24 The Federal Maritime Administration.

25 COMMISSIONER LLOYD: The Meritime--?

DEPUTY COMMISSIONER LAWITTS:

Administration.

COMMISSIONER LLOYD: The Federal Maritime Administration is looking at bio-fuels, and going to make a recommendation to standardize what kinds are used. So I think we're all in agreement that we want to see that, and that we can all then embrace that.

CHAIRPERSON RICHARDS: And when is that decision--

COMMISSIONER LLOYD: [interposing] I--I think--

CHAIRPERSON RICHARDS: --anticipated?

COMMISSIONER LLOYD: --my sense is-- I'm sorry that Angela is not here. I should have brought. I was being very, very independent, but I think that--

CHAIRPERSON RICHARDS: [laughs]

COMMISSIONER LLOYD: --fairly well said.
[sic]

CHAIRPERSON RICHARDS: [interposing] As you should.

COMMISSIONER LLOYD: But I think it's within--You know, I think we expect it to be reconciled in the next year or so. I don't think

it's--I don't think it's, you know, they're doing a ten-year study. My sense was it was coming down soon.

CHAIRPERSON RICHARDS: It's just the City should lead by example?

COMMISSIONER LLOYD: Yes, I understand.

CHAIRPERSON RICHARDS: I wanted to get into--I know Eric spoke of some of the HR or Super Storm Sandy relief. So I know a lot of the money that is obviously moving through DEP. Is that hindering? Did that take away from your operation in anyway or--

COMMISSIONER LLOYD: [interposing] Not at all.

CHAIRPERSON RICHARDS: --or is this simply a pass-through?

COMMISSIONER LLOYD: Yeah, yeah.

CHAIRPERSON RICHARDS: So our catch basin people aren't being used to--

COMMISSIONER LLOYD: [interposing] No, no.

CHAIRPERSON RICHARDS: Okay.

COMMISSIONER LLOYD: The--the--the decision was right after Sandy that because of the

construction capacity that DEC--that DEP had but it would be good to have them handle those contracts. But that operation has moved out of DEP. We're just an contracting mechanism for them, and do you want to elaborate on that, Steve?

DEPUTY COMMISSIONER LAWITTS: Sure.

[coughs] So, yes, at the time right after Sandy when the City was beginning the \$600 million Rapid Repair Program, DEP was determined to have the resources to get a large program like that up and running quickly. And then [coughs] when Mayor de Blasio took office it was shortly after that, he and his housing recovery people reassessed whether the--the program--the new Build It Back Program should remain under DEP as the agency that contracts, and pays the contractors and so on. And they determined that DEP continued to be the--the most appropriate agency to continue that program.

CHAIRPERSON RICHARDS: Okay.

COMMISSIONER LLOYD: But it doesn't take any--it's not--not--none of the water money. It doesn't take any of DEP's money.

CHAIRPERSON RICHARDS: Okay. I just wanted to go back to--So I'm very happy to have you

2 obviously expand on hydroelectricity energy, and the
3 question I had and wanted to know is so-- We're
4 obviously saving money. Is that money going back
5 into the sewer system or into the General Fund?

6 COMMISSIONER LLOYD: It goes into the
7 General Fund.

8 CHAIRPERSON RICHARDS: Why?

9 [background conversation]

10 COMMISSIONER LLOYD: This is the
11 hydroelectric money.

12 [background conversation]

13 COMMISSIONER LLOYD: It's the way--it's
14 the way it always is set up, but revenues like that
15 that are for commercial enterprise go back to the
16 General Fund. I don't have a very sophisticated
17 answer, but let us send you the legal background on
18 that.

19 CHAIRPERSON RICHARDS: So any plan to
20 revisit some of this stuff because I'm very concerned
21 that it just seems like everything is going into the
22 General Fund. And, you know, I think that, you know,
23 change is not a bad thing. You know, I--when I first
24 came into the Council I had a connecting beard. I
25 now shave. A clean face. You know, so I don't

think, at least my wife doesn't think change is bad.

[laughter] So I'm hoping that, you know, as we move forward, you know, in all seriousness that we start to stop putting stuff into the General Fund. If your agency is saving, then that money should go into hands rate payers. And then, guess what, we wouldn't have to raise the water rate as much every year.

Would you agree?

DEPUTY COMMISSIONER LAWITTS: And if I could just clarify the legal basis for that, Mr. Chair.

CHAIRPERSON RICHARDS: There are a lot of legal bases here.

DEPUTY COMMISSIONER LAWITTS: So--so--

CHAIRPERSON RICHARDS: [interposing] A lot of legal bases that go into the General Fund and which that money is being spent everywhere else. I want to know who wrote this law.

DEPUTY COMMISSIONER LAWITTS: Right. So, so would we.

CHAIRPERSON RICHARDS: Eric, you did.
[sic]

COMMISSIONER LLOYD: So when the Financing Agreement was executed among the Water

Board the Water Finance Authority and the City in 1984, that specified that revenues from hydro power would go to the City's General Fund--

CHAIRPERSON RICHARDS: [laughs]

DEPUTY COMMISSIONER LAWITTS: That lease and its provisions are in effect, and remain in effect while there is outstanding Water Finance Authority debt. And so that is basically in perpetuity.

CHAIRPERSON RICHARDS: So I think that was written 33 years ago. You, know I think--is there any chance we're going to revisit some of this stuff, or are we going to go with this the next 100 years, the next century? Are we going to continue to have the same agreement in place? Is there any plan to revisit some of these agreements?

DEPUTY COMMISSIONER LAWITTS: Well, again, my understanding is the--that--

CHAIRPERSON RICHARDS: [interposing] The law that was written. Uh-huh.

DEPUTY COMMISSIONER LAWITTS: --that agreement as it was worded, must remain in place as long as there is outstanding debt.

CHAIRPERSON RICHARDS: As long as there's
outstanding debt.

DEPUTY COMMISSIONER LAWITTS: The Water
Finance Authority debt.

CHAIRPERSON RICHARDS: And go back into
your debt again?

DEPUTY COMMISSIONER LAWITTS: I'm sorry?

CHAIRPERSON RICHARDS: How much debt are
we in?

DEPUTY COMMISSIONER LAWITTS: There is
currently approximately \$30 billion of Water Finance
Authority debt outstanding.

CHAIRPERSON RICHARDS: And you're going
to say that's because the mandates obviously play a
big portion of that?

[background conversation]

DEPUTY COMMISSIONER LAWITTS: Mostly,
yes.

CHAIRPERSON RICHARDS: So is there any
way to bring this debt down without killing rate
payers?

DEPUTY COMMISSIONER LAWITTS: We are
bringing the debt down. We're retiring bonds early
because it's fiscally advantageous to do that. We're

also doing--like many homeowners have done--take advantage of low interest rates to refinance older bonds into newer bonds that have lower interest rates. And we're paying more of our capital costs with cash rather than debt.

CHAIRPERSON RICHARDS: And when do we expect to retire this debt? Do you have an idea--

DEPUTY COMMISSIONER LAWITTS:
[interposing] Well, the--

CHAIRPERSON RICHARDS: --over the next ten years how much will we decrease it by?

DEPUTY COMMISSIONER LAWITTS: Bonds that the Water Finance Authority issues are typically 30-year bonds. And so, the--the very first bonds that the Authority issued when it was created in 1984, are just being retired now. And the Authority continues to issue one--one to four billion dollars of bonds each year depending on the spending rate of our Capital Program. So--

CHAIRPERSON RICHARDS: [interposing] So, in my lifetime will this debt ever be retired?

COMMISSIONER LLOYD: [off mic] I hope so.

DEPUTY COMMISSIONER LAWITTS: We wish you
a long life but--

CHAIRPERSON RICHARDS: [laughs]

DEPUTY COMMISSIONER LAWITTS: --but
we'll--but yes, I think that's a true statement no
matter how long you live.

CHAIRPERSON RICHARDS: You sure you wish
me a long life?

COMMISSIONER LLOYD: [off mic] Yes.

DEPUTY COMMISSIONER LAWITTS: Yes.

COMMISSIONER LLOYD: But I will say, if I
may, that the--the energy investment that the
hydroelectric investments are never going to be cash
cows. I think we would probably be much more
agitated about it, if they--if we thought that they
were going to throw off a lot of money that we could
invest in our infrastructure up there or anywhere in
the system. But what they really yield is going to
be relatively modest for a whole array of reasons.
You know, they're not huge dams. We don't always
spill the water. We use the water for a lot of other
things as well. So the net gain is not--is not huge,
and they're still important to do because--because of
what they do for the environment. And we--we don't

lose money on them. We don't lose money to the water system on them. But I think that--that--I understand your point completely, and I'm not eager--I'm never eager to give money to the General Fund. But I don't think--I don't think that that's--I don't think they're creating a huge hole in our capacity by doing that in this particular case. I don't think any of the hydro projects are going to be huge.

CHAIRPERSON RICHARDS: The last two questions so the Rose Hill Auburn, and I know we spoke of a capital project and Mario-- I want to thank your staff who have been, and we have to point out when you're doing right--have been I would say overly aggressive in aiding us, and that's a good thing. We want them to stay that way, but there are communities in this city who still lack infrastructure. From Staten Island, parts of Brooklyn, Southeast Queens, Rockaway, and I wanted to know is there any updates on these particular two projects, the Brookville Triangle Project? And I know the last we left off, you were working with DOT. And then Auburn we had the fun of having just about every city agency out last year. And I want to know if we have moved that project up from 2020. As you

know, it's very unfair to tell a city that--and tell homeowners in particular who are in these Sandy areas to look their homes up. But yet, they still can't walk outside during rainstorm because water is literally in their yard because they have no infrastructure. So are there any plans at these two locations--for these two locations?

[background conversation, pause]

CHAIRPERSON RICHARDS: So Brookville Triangle, which is Snake Road, Rosedale.

DEPUTY COMMISSIONER LAWITTS: You're talking about the--

CHAIRPERSON RICHARDS: And then Auburn where we toured with the community board.

COMMISSIONER LLOYD: Yeah, let us--let us get right back to you on that because--

CHAIRPERSON RICHARDS: [interposing] All right, I would really appreciate that.

COMMISSIONER LLOYD: Yeah. I know Rosedale. I know we had Rosedale in the budget, but, you know, that's a project that keeps slipping. So we have to-- Because of the right-of-way issues I think. So we have to--let me double check that and make sure--and make sure it's still there. [sic]

1 COMMITTEE ON ENVIRONMENTAL PROTECTION 112

2 CHAIRPERSON RICHARDS: [interposing] And
3 I know there was a place I believe that I saw perhaps
4 some seepage basins maybe a temporary fix, but, you
5 know, I'm interested in hearing where we're going
6 from there at the end of the day?

7 COMMISSIONER LLOYD: Okay.

8 CHAIRPERSON RICHARDS: Wit that being
9 said, any speakers for the public session should sign
10 in and see these fine gentlemen in the back if you--
11 the public would like to speak and just sign a slip,
12 and we will allow you to speak. With that being
13 said, I want to thank you, Commissioner, and I do
14 want to thank you guys for the hard work that you are
15 doing across New York City. And in particular in
16 Southeast Queens and the Rockaways where we have seen
17 significant progress in areas. And areas obviously
18 where there has been no progress. There are hammers
19 in the ground as we speak, and I'm very grateful for
20 that and grateful for your commitment to New York
21 City and for bettering our communities. So wit that
22 being said, you are now relieved. Look at that, you
23 got out of here in historic fashion.

24 COMMISSIONER LLOYD: [interposing] Thank
25 you.

1 COMMITTEE ON ENVIRONMENTAL PROTECTION 113

2 CHAIRPERSON RICHARDS: Before 6 o'clock.

3 COMMISSIONER LLOYD: Thank you very much
4 and thank you for the--

5 CHAIRPERSON RICHARDS: [interposing]
6 Thank you very much.

7 COMMISSIONER LLOYD: --the opportunity to
8 work with you and with the Council on this.

9 CHAIRPERSON RICHARDS: Thank you.

10 [pause]

11 CHAIRPERSON RICHARDS: Since there are no
12 public speakers, this hearing is now finished.

13 [gavel]

14

15

16

17

18

19

20

21

22

23

24

25

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date March 18, 2015