

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson
Speaker of the Council

Hon. Daniel Dromm
Chair, Finance Committee

Hon. Costa Constantinides
Chair, Environmental Protection



Report to the Committee on Finance and the Committee on Environmental Protection
on the Fiscal 2019 Executive Budget for

Department of Environmental Protection

May 10, 2018

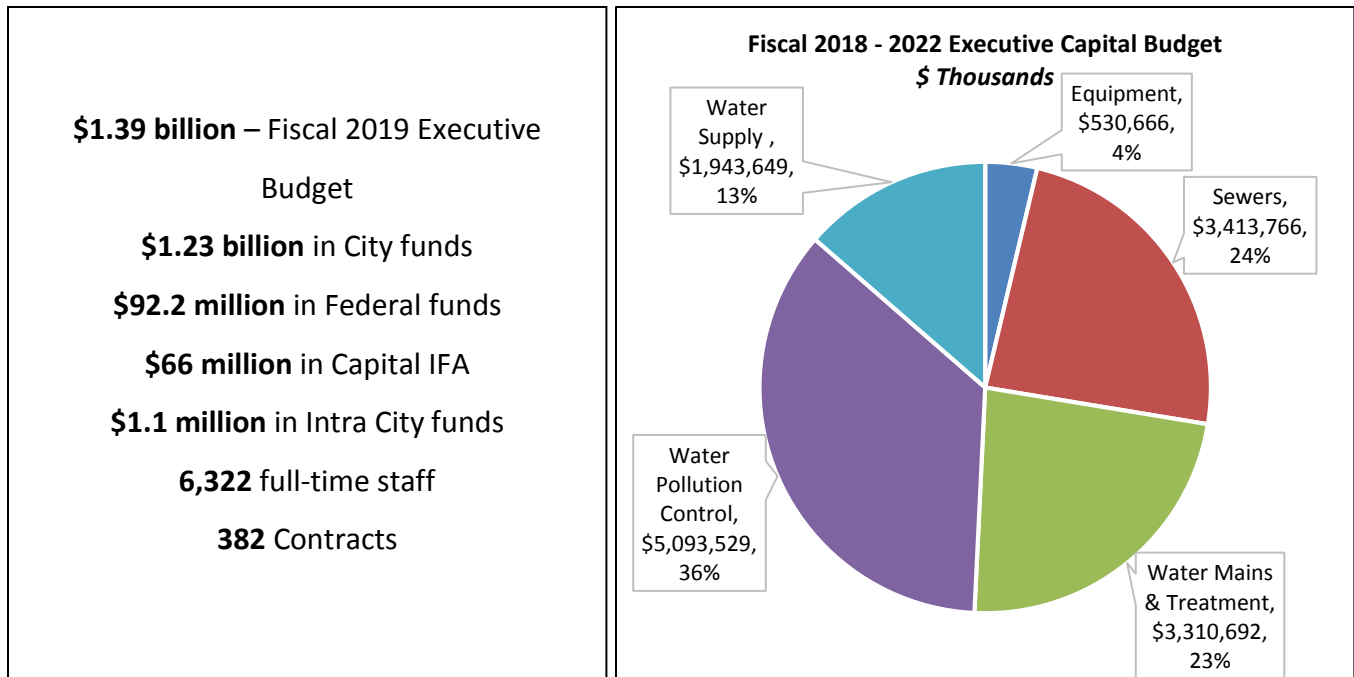
Finance Division

Jonathan Seltzer, Financial Analyst
Crielhien Francisco, Unit Head

Latonia McKinney, Director
Regina Poreda Ryan, Deputy Director

Paul Scimone, Deputy Director
Nathan Toth, Deputy Director

Executive Budget Overview

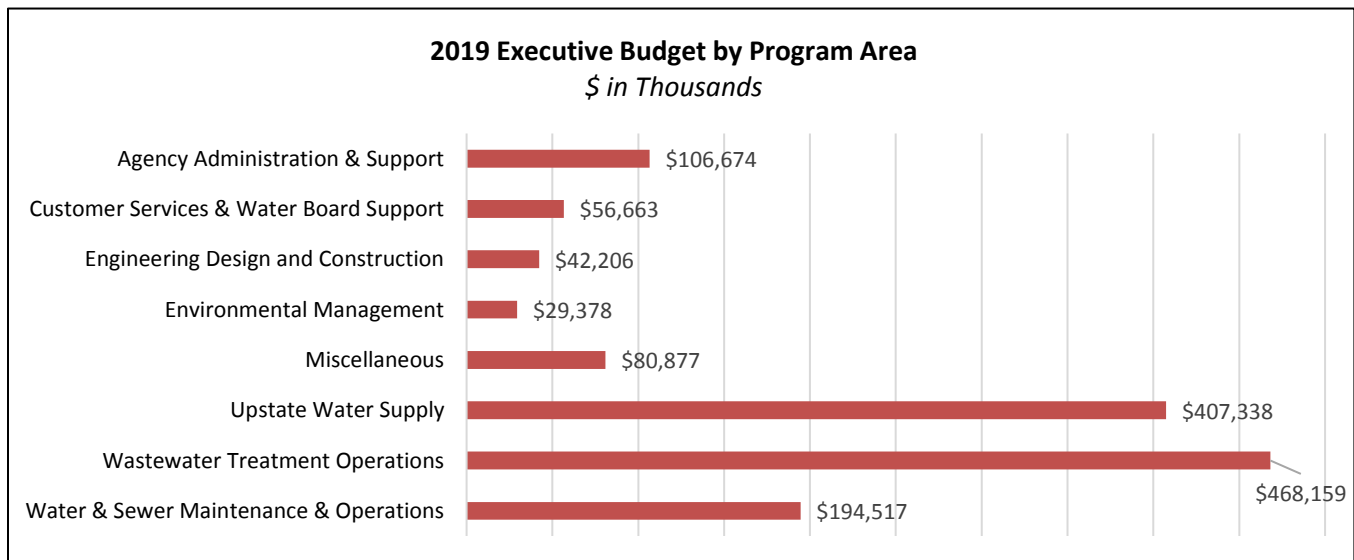


- Executive Budget Changes**
- New Needs total \$62.6 million in Fiscal 2019
 - Other Adjustments total \$15.6 million in Fiscal 2019
 - Re-estimates total \$25.6 million in Fiscal 2019

Capital Budget: Fiscal 2018 – Fiscal 2022

1,135 Projects

67 Budget Lines



DEP Overview

This report presents a review of the Department of Environmental Protection’s (DEP or the Department) Fiscal 2019 Executive Budget. The section below presents an overview of the Department’s budget and how it has changed during the course of Fiscal 2018, followed by a review of the significant budget actions introduced in the Fiscal 2019 Executive Budget. Major issues related to the Department’s budget are then discussed. Analysis and highlights of the DEP’s Capital Commitment Plan for the Fiscal 2018 – 2022 follows the discussion of the expense budget. Appendix 1 reports the changes made to the Fiscal 2018 and Fiscal 2019 Budgets since Adoption of the Fiscal 2018 Budget. For additional information on the Department’s budget and its various programs, please refer to the Fiscal 2019 Preliminary Budget Report for the DEP at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2018/03/FY19-Department-of-Environmental-Protection.pdf>

DEP Financial Summary						
<i>Dollars in Thousands</i>						
	FY16	FY17	FY18	Executive Plan		*Difference
	Actual	Actual	Adopted	FY18	FY19	FY18-FY19
Spending						
Personal Services	\$492,278	\$549,731	\$538,970	\$537,024	\$545,910	\$6,940
Other Than Personal Services	774,880	886,164	873,801	947,506	839,903	(33,899)
TOTAL	\$1,267,157	\$1,435,894	\$1,412,772	\$1,484,531	\$1,385,813	(\$26,959)
Budget by Program Area						
Agency Administration & Support	\$99,414	\$105,056	\$102,529	\$109,032	\$106,674	\$4,146
Customer Services & Water Board Support	46,566	50,936	54,218	51,961	56,663	2,445
Engineering Design and Construction	34,400	35,612	42,025	39,708	42,206	180
Environmental Management	28,179	28,899	35,461	32,836	29,378	(6,083)
Miscellaneous	153,304	199,722	138,343	197,805	80,877	(57,466)
Upstate Water Supply	352,782	365,146	395,302	382,546	407,338	12,036
Wastewater Treatment Operations	398,813	483,703	467,029	495,304	468,159	1,130
Water & Sewer Maintenance & Operations	153,700	166,820	177,863	175,338	194,517	16,654
TOTAL	\$1,267,157	\$1,435,894	\$1,412,772	\$1,484,531	\$1,385,813	(\$26,959)
Funding						
City Funds			\$1,187,275	\$1,189,481	\$1,225,892	\$38,617
Other Categorical			0	7,769	0	0
Capital- IFA			66,484	63,426	66,641	157
State			0	2,956	0	0
Federal - Community Development			157,498	209,998	92,049	(65,449)
Federal - Other			146	6,241	151	5
Intra City			1,369	4,660	1,080	(290)
TOTAL	\$1,267,157	\$1,435,894	\$1,412,772	\$1,484,531	\$1,385,813	(\$26,959)
Budgeted Headcount						
Full-Time Positions - Civilian	5,720	5,748	6,251	6,392	6,332	81
TOTAL	5,720	5,748	6,251	6,392	6,332	81

*The difference of Fiscal 2018 Adopted Budget compared to Fiscal 2019 Executive Budget.

New in the Executive Budget

The following are major financial plan actions in the Fiscal 2019 Executive Plan. See Appendix 1 on page 7, for additional Department new needs and other adjustments.

New Needs

- **Filtration Avoidance Determination (FAD).** The Fiscal 2019 Executive Plan includes \$12.6 million in Fiscal 2019 to ensure the water entering the upstate watersheds is clean. To achieve that, the FAD program focuses on forestry, land management, flood hazard mitigation and storm water, wastewater, and stream management.
- **Sewer and Catch Basin Repairs.** The Fiscal 2019 Executive Plan includes \$12.5 million in Fiscal 2019 and in the outyears for emergency repair work to replace failing sewer and catch basin systems.
- **Combined Sewer Overflow Long Term Control Plan.** The Fiscal 2019 Executive Plan includes \$4.3 million in Fiscal 2019 to develop a citywide combined sewer overflow long-term control plan.
- **Software Licenses.** The Fiscal 2019 Executive Plan includes \$4.6 million in Fiscal 2019 to procure software licenses for various agency operations.
- **Retrofit Accelerator Program.** The Fiscal 2019 Executive Plan includes \$3.3 million in Fiscal 2019, growing to \$6 million in Fiscal 2022 to develop a help center for homeowner technical assistance regarding energy efficiency and retrofit programs.
- **Equipment for Wastewater Operations.** The Fiscal 2019 Executive Plan includes \$3.2 million in Fiscal 2019 and in the outyears to replace parts and equipment at various wastewater treatment plants.
- **Municipal Water Efficiency Program.** The Fiscal 2019 Executive Plan includes \$3.1 million in Fiscal 2019 for water conservation and demand management reduction initiatives.
- **Treat and Optimize the Catskill Aqueduct.** The final connection for the new bypass tunnel will require the shutdown of the Delaware Aqueduct for up to eight months. In order to increase the capacity of the Catskill Aqueduct to former levels, the Fiscal 2019 Executive Plan includes \$2.4 million in Fiscal 2019, growing to \$5.9 million in Fiscal 2021 to help remove biofilm that developed on the aqueduct and thus, increase the City's water capacity.
- **Rapid Response Unit for Noise Complaints.** The Fiscal 2019 Executive Plan includes \$1.8 million in Fiscal 2019 and \$1.45 million in the outyears to hire 19 full-time staff for noise complaint response.
- **OneNYC Update.** The Fiscal 2019 Executive Plan includes \$1.27 million in Fiscal 2019 for the OneNYC report update to be completed by April 22, 2019. As mandated in Local Law 84 of 2013, the City must update its long-term sustainability plan every four years and issue a progress report every year in between updates.

Other Adjustments: Re-estimates

- **Vacancy Reduction.** The Department includes a re-estimate of \$868,000 in Fiscal 2019 as the DEP realigned its forecast for personnel spending.
- **Toilet Replacement Program Surplus.** Participation in the toilet replacement program has decreased year-over-year, resulting a re-estimate of \$273,000 in Fiscal 2019.

Budget Issues

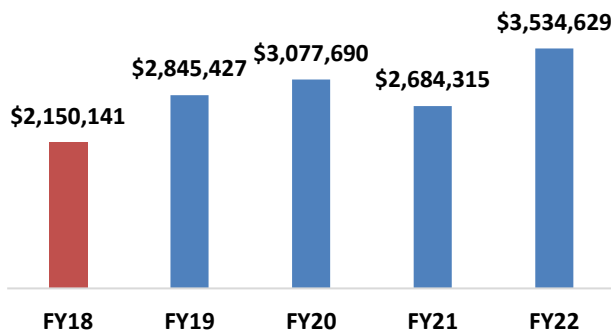
The Council's response to the Mayor's Fiscal 2019 Preliminary Budget included several recommendations for the Department of Environmental Protection. The recommendations called on the Administration to provide funding to increase combined sewer overflow capture rates, to accelerate the

pace of sewer build-out in South East Queens, as well as the groundwater study, and to examine the feasibility of ultraviolet versus chlorination to treat discharge in to local waterbodies. Of the three recommendations, \$108 million was included for citywide sewer buildout in the Executive Capital Commitment Plan.

Capital Program

Fiscal 2019 Executive Capital Budget and Commitment Plan for Fiscal 2018-2022

DEP's Fiscal 2018 Available Appropriations and FY19-FY22 Capital Budget

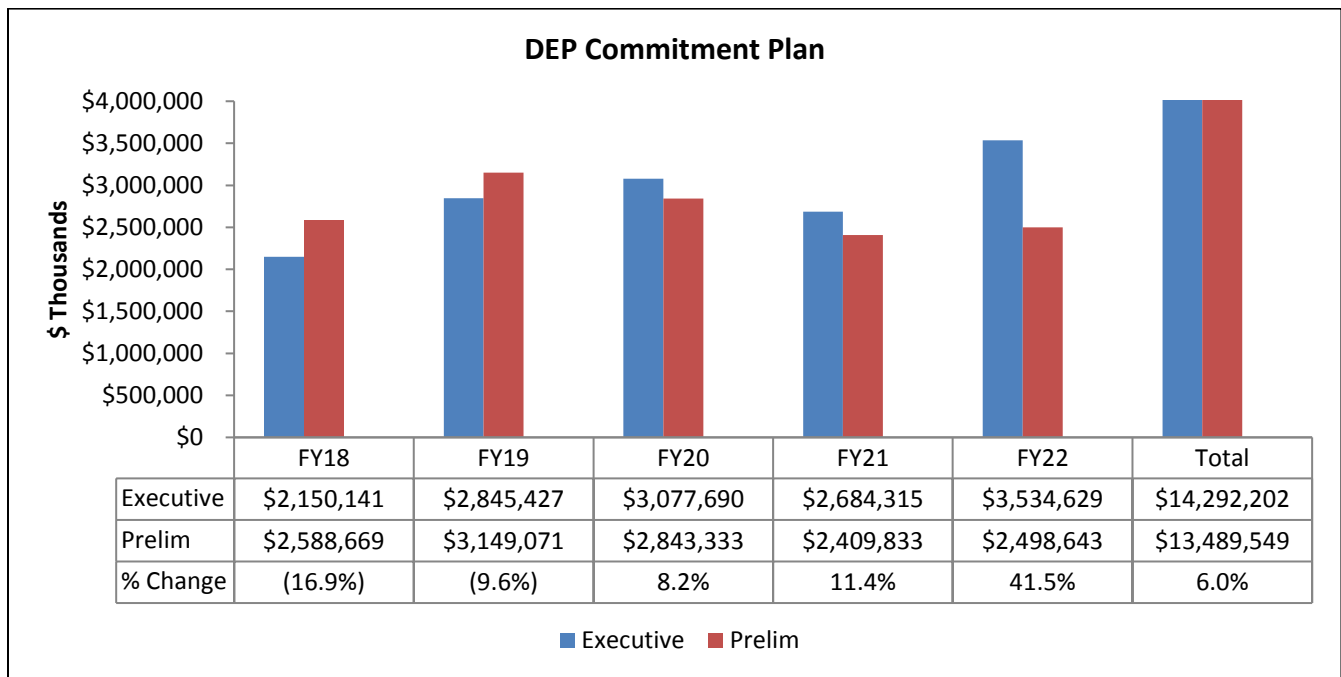


The DEP’s Fiscal 2019 Executive Capital Budget includes \$12.13 billion in Fiscal 2019-2022, with \$2.15 billion in Fiscal 2019. This represents 25.9 percent of the City’s total \$46.8 million Capital Budget for 2019-2022.

Capital Commitment Plan

The Department’s Executive Capital Commitment Plan includes \$14.29 billion in Fiscal 2018-2022. This represents less than one percent of the City’s total \$79.6 billion Executive Capital Commitment Plan.

The Department’s Capital Budget is significantly less than the Capital Commitment Plan because it does not include the current appropriations for Fiscal 2018, or the amount of funding that may be reappropriated or rolled into the Fiscal 2019 Adopted Budget. The following section will provide an overview of the Capital Budget and Commitment Plan for the DEP.



The following is a list of new projects added in the Department’s Fiscal 2019 Executive Budget.

- **Flushing Bay Combined Sewer Overflow.** The Executive Capital Commitment plan includes \$90 million for the design and construction of Flushing Bay combined sewer overflow abatement facilities.
- **Catskill Aqueduct Repair.** The Executive Capital Commitment Plan includes \$78 million for the design and rehabilitation of several sections of the Catskill Aqueduct.
- **Filtration Avoidance Determination.** The Executive Capital Commitment Plan includes \$48.6 million for upstate watershed protection programs.
- **Hardening of Wastewater Treatment Plants.** The Executive Capital Commitment Plan includes \$54 million to harden the infrastructure of various Department pumping stations and treatment plants.
- **Customer Billing System.** The Executive Capital Commitment Plan includes \$32 million to implement new customer billing technology.
- **Whitestone Sewer System.** The Executive Capital Commitment Plan includes \$20.4 million to restore and install new sanitary and storm sewers to reduce flooding in Whitestone Queens.

Appendix 1: Fiscal 2019 Budget Actions since Fiscal 2018 Adoption

<i>Dollars in Thousands</i>	Fiscal 2018			Fiscal 2019		
	City	Non-City	Total	City	Non-City	Total
DEP Budget as of the Adopted 2018 Plan	\$1,187,275	\$225,497	\$1,412,772	\$1,168,910	\$75,251	\$1,244,161
New Needs - Prelim. 2018						
Biosolids Disposal	\$3,155	\$0	\$3,155	\$4,316	\$0	\$4,316
Cannonsville Dam Hydroelectric Study	944	0	944	(380)	0	(380)
Computer Systems Manager for the Office of Env. Remediation	42	0	42	95	0	95
Enterprise Mobile Application Licenses Use for Inspections	740	0	740	133	0	133
Environmental Quality Review Database Upgrade	0	0	0	234	0	234
Flushing Bay Dredging	12,670	0	12,670	1,265	0	1,265
Maintenance for DEP's New Data Storage Centers	1,135	0	1,135	555	0	555
Mandated Conceptual Design for Catskill/Delaware Filtration Plan	(717)	0	(717)	(860)	0	(860)
Mandated Site Acquisition for Gowanus Canal Cleanup	10,000	0	10,000	0	0	0
Pilots and Mechanic for DEP Owned Helicopter	120	0	120	240	0	240
Rondout West Branch Tunnel Shutdown Plan	556	0	556	889	0	889
Subtotal, New Needs	\$28,645	\$0	\$28,645	\$6,487	\$0	\$6,487
Other Adjustments - Prelim 2019						
Biowatch	\$2,318	\$0	\$2,318	\$0	\$0	\$0
Brownfield Grants	0	182	182	0	0	0
Bureau of Customer Services Surplus	(650)	0	(650)	(650)	0	(650)
Crane Operator Collective Bargaining L14	17	0	17	16	0	16
Carpet Personal Services Overtime	0	51	51	0	0	0
Croton Filtration Maint. & Repair Contracts	(1,298)	0	(1,298)	(1,298)	0	(1,298)
Disaster Recovery	0	6,708	6,708	0	0	0
Excel Program	0	904	904	0	0	0
FEMA Sandy Utilities	0	380	380	0	0	0
Food Waste Grant	0	137	137	0	0	0
HRO Rollovers	0	55,538	55,538	0	4,529	4,529
Intra-City Auditors	0	700	700	0	0	0
Lefrak Carpet	0	990	990	0	0	0
Lower Security Guard Contract Costs	0	(361)	(361)	0	(747)	(747)
Mayor's Office of Sustainability GreeNYC	100	0	100	100	0	100
New York State Energy Research and Development	0	50	50	0	0	0
New York State Energy Research and Development Retrofit/Neslin Lab	0	201	201	0	0	0
Oysters	0	507	507	0	0	0
Penn and Ftn Landfills	0	1,367	1,367	0	0	0
HRO Takedown	0	(30,000)	(30,000)	0	0	0
Retrofit Rollover from Fiscal 2017	0	2,570	2,570	0	0	0
Rodman's Neck Lead Remediation	0	952	952	0	0	0
Stationary Engineers L3 Collective Bargaining	7,528	0	7,528	7,417	0	7,417
Surplus in Retrofit Accelerator Program Funding	(459)	0	(459)	0	0	0
Trash Challenge Grant	0	20	20	0	0	0
Vacancy Savings	(2,004)	0	(2,004)	0	0	0
Wastewater and Water Treatment Chemical Savings	(4,022)	0	(4,022)	(9,322)	0	(9,322)
Water Reuse Grant Program Savings	(1,199)	0	(1,199)	0	0	0
Watershed Taxes Savings	(2,250)	0	(2,250)	0	0	0
Water Use Cost Sharing Program Adjustment	(301)	0	(301)	0	0	0
Arterial Highway Catch Basin Cleaning Contract	(1,996)	0	(1,996)	(790)	0	(790)
Biowatch Rolldown	0	59	59	0	0	0
Personal Services Savings from Delayed Hiring	(2,000)	0	(2,000)	0	0	0
Centrifuge Maintenance	(1,000)	0	(1,000)	(1,000)	0	(1,000)
City Seasonal Aides Collective Bargaining	2	0	2	4	0	4
Citywide Infiltration/Inflow Analysis	(142)	0	(142)	0	0	0

<i>Dollars in Thousands</i>	Fiscal 2018			Fiscal 2019		
	City	Non-City	Total	City	Non-City	Total
Citywide Stormwater Engineering Analysis	(\$169)	\$0	(\$169)	\$0	\$0	\$0
Collection Contract Reduction	(400)	0	(400)	(400)	0	(400)
Croton Filtration Maint. Repair Contracts	(2,932)	0	(2,932)	(340)	0	(340)
Croton Filtration Plant Chemicals	(1,200)	0	(1,200)	0	0	0
Citywide Storm water Study	0	2,000	2,000	0	0	0
Data Processing Software License Reduction	(95)	0	(95)	0	0	0
Auditors	0	800	800	0	0	0
Elimination Owls Head Treatment Plant Contracts	(961)	0	(961)	(4,000)	0	(4,000)
Flow Monitor Purchases	(155)	0	(155)	0	0	0
Glycerin Reduction	(4,000)	0	(4,000)	(4,000)	0	(4,000)
Green Infrastructure Maintenance	0	0	0	(500)	0	(500)
Green Infrastructure Research Contract	1,000	0	1,000	706	0	706
HRO Jan Plan Realign	0	36,769	36,769	0	68,442	68,442
Long Island Sound	0	1,400	1,400	0	0	0
Organizational Development Training Surplus	(100)	0	(100)	(75)	0	(75)
Reduction in Overtime Budget	(500)	0	(500)	0	0	0
Resiliency Program Contract	0	0	0	(250)	0	(250)
Surplus in Health and Safety Contracts	(30)	0	(30)	(70)	0	(70)
Termination of IBM Database Contract	(100)	0	(100)	0	0	0
Toilet Replacement Program	(275)	0	(275)	(278)	0	(278)
Water and Sewer Field Operations	0	0	0	(488)	0	(488)
Water and Sewer Savings	(50)	0	(50)	(50)	0	(50)
TOTAL, All Changes Prelim. 2019	\$11,322	\$81,924	\$93,246	(\$8,781)	\$72,224	\$63,443
DEP Budget as of the Preliminary 2018 Plan	\$1,198,597	\$307,421	\$1,505,899	\$1,160,129	\$147,475	\$1,307,605
New Needs - Exec. 2019						
Aquatic Invasive Species Control	\$0	\$0	\$0	\$200	\$0	\$200
Aqueduct Leak Monitoring	0	0	0	1,015	0	1,015
Backup Water Supply for the City of Newburgh	0	0	0	700	0	700
Building Information Management Software	0	0	0	664	0	664
Bureau of Police and Security Van	0	0	0	60	0	60
Catch Basin Spoils	0	0	0	1,494	0	1,494
Catskill Watershed Environmental Impact Statement	0	0	0	220	0	220
Combined Sewer Overflow Long Term Control Plans	259	0	259	4,263	0	4,263
Coney Island Environmental Benefit Project	0	0	0	792	0	792
Cyber Command - Cybersecurity	0	0	0	282	0	282
Dam Monitoring Instrumentation	0	0	0	158	0	158
Demolition Abandoned Buildings Upstate	(124)	0	(124)	180	0	180
Environmental Internships Contract	0	0	0	162	0	162
Filtration Avoidance Determination Requirements	(600)	0	(600)	12,619	0	12,619
Highway Drainage Assessment	0	0	0	101	0	101
Increased Staff for Asbestos Audits	0	0	0	587	0	587
Industrial and Commercial Storm water Inspections	0	0	0	970	0	970
Long Term Energy Plan	0	0	0	795	0	795
Municipal Water Efficiency Program	0	0	0	3,053	0	3,053
New Billing System Rollout and Maintenance	0	0	0	1,728	0	1,728
OneNYC 2019 Update	0	0	0	1,272	0	1,272
Parts & Equipment for Wastewater Operations	0	0	0	3,179	0	3,179
Rapid Response Unit for Noise Complaints	0	0	0	1,786	0	1,786
Reservoir Feasibility Study	0	0	0	275	0	275
Retrofit Accelerator Program	0	0	0	3,337	0	3,337
Sewer & Water Main Distribution Needs	0	0	0	1,022	0	1,022
Sewer and Water Main Emergency Repair	0	0	0	12,517	0	12,517
Sewer Infrastructure Parts	0	0	0	1,563	0	1,563
Subsurface Drilling Permitting Unit	0	0	0	222	0	222
Technology Needs	0	0	0	4,590	0	4,590
Treat and Optimize the Catskill Aqueduct	0	0	0	2,355	0	2,355
Water for the Future Program	0	0	0	300	0	300

<i>Dollars in Thousands</i>	Fiscal 2018			Fiscal 2019		
	City	Non-City	Total	City	Non-City	Total
Water Supply Engineering Services	0	0	0	127	0	127
Subtotal, New Needs	(\$465)	\$0	(\$465)	\$62,588	\$0	\$62,588
Other Adjustments - Exec. 2019						
Arterial Highway Catch Basin Contract Savings	(\$422)	\$0	(\$422)	\$0	\$0	\$0
Brookfield Landfill Maintenance Surplus	(245)	0	(245)	0	0	0
Brookfield Park	0	0	0	(1,763)		(1,763)
Citywide Savings: Agency Phone Plan Review	0	0	0	(8)	0	(8)
Citywide Savings: Enterprise Print Management Adoption	0	0	0	(100)	0	(100)
Citywide Savings: Electric Vehicles	0	0	0	(196)	0	(196)
Citywide Savings: Fleet Optimization Completion	0	0	0	0	0	0
Citywide Savings: Procurement Reform	0	0	0	(782)	0	(782)
Citywide Savings: Standardize Travel Policies (TL)	0	0	0	(6)	0	(6)
Citywide Savings: Standardize Travel Policies (Utility)	0	0	0	(114)	0	(114)
Civilian Overtime Cap Waivers	(187)	0	(187)	(1,496)	0	(1,496)
Collective Bargaining Construction	478	467	945	406	152	558
Delays in the Wastewater Control System Contract	(300)	0	(300)	0	0	0
DEP Workwell Funds	0	20	20	0	0	0
Distribution Operations Surplus	(335)	0	(335)	0	0	0
Electrical Control System Contract Savings	(500)	0	(500)	0	0	0
Green Infrastructure Vacancy Savings	(255)	0	(255)	0	0	0
Heat, Light and Power	5,671	0	5,671	3,361	0	3,361
Heating Fuel Adjustment	(1,630)	0	(1,630)	1,041	0	1,041
HRO Rollover of Surplus	0	(11,833)	(11,833)	11,833	0	11,833
IFA Surplus Take Down	0	(3,500)	(3,500)	0	0	0
Lease Adjustment	0	0	0	528	(290)	238
Mayor's Office of Sustainability Contract and Vacancies	(525)	0	(525)	(171)	0	(171)
Motor Fuel	170	0	170	142	0	142
Municipal Separate Storm Sewer System	(50)	0	(50)	0	0	0
Programmatic Delays - Utility Programs	(3,386)	0	(3,386)	886	0	886
Programmatic Delays - Tax Programs	(3,545)	0	(3,545)	3,335	0	3,335
Surplus Funds for Flow Monitors	(60)	0	(60)	0	0	0
Funding Takedown - ExCEL	0	(85)	(85)	0	0	0
Toilet Replacement Program Surplus	(300)	0	(300)	(273)	0	(273)
Upstate Property Tax Savings	(300)	0	(300)	0	0	0
Vacancy Reductions	0	0	0	(868)	0	(868)
Bureau of Environmental Compliance	(253)	0	(253)	0	0	0
Subtotal, Other Adjustments	(\$5,974)	(\$14,931)	(\$20,905)	\$15,755	(\$138)	\$15,617
TOTAL, All Changes - Exec. 2019	(\$6,439)	(\$14,931)	(\$21,370)	\$78,343	(\$138)	\$78,205
DEP Budget as of the Fiscal 2019 Executive Plan	\$1,189,481	\$295,050	\$1,484,531	\$1,225,892	\$159,921	\$1,385,813