

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. Costa Constantinides
Chair, Committee on Environmental Protection



Report on the Mayor's 2017 Preliminary Budget and the Fiscal 2016 Preliminary Mayor's Management Report

Department of Environmental Protection

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Department of Environmental Protection Overview

The Department of Environmental Protection (DEP or the Department) protects public health and the environment by supplying clean drinking water, collecting and treating wastewater and reducing air, noise and hazardous materials pollution. The Department manages the City's water supply, which provides more than one billion gallons of high quality drinking water daily to more than half the population of New York State; builds and maintains the City's water distribution network, fire hydrants, storm and sanitary sewage collection systems and Bluebelt and green infrastructure systems; and manages 14 in-City wastewater treatment plants as well as seven treatment plants in the upstate watershed. DEP also implements federal Clean Water Act rules and regulations, handles hazardous materials emergencies and toxic site remediation, oversees asbestos monitoring and removal, enforces the City's air and noise codes, bills and collects on approximately 836,000 water and sewer accounts and manages citywide water conservation programs.

This report provides a review of the DEP's Preliminary Budget for Fiscal 2017. In the first section, the highlights of the \$1.23 billion Fiscal 2017 expense budget are presented. The report then presents the Department's budget by program area and provides analysis of significant program areas, discusses initiatives included in the November and Preliminary Financial Plans and reviews relevant sections of the Preliminary Mayor's Management Report for Fiscal 2016. This is followed by a review of the proposed capital budget for the Department with a discussion of significant changes proposed to the \$13.7 billion Capital Plan for Fiscal 2016-2019. Finally, the appendices are included to highlight the Budget Actions in the November and Preliminary Plans and the Contract Budget.

Fiscal 2017 Preliminary Budget Highlights

The City's Fiscal 2017 Preliminary Fiscal 2017 Budget is \$82.1 billion, \$3.6 billion more than the Fiscal 2016 Adopted Budget of \$78.5 billion. The Preliminary Plan includes an increased headcount of 91 employees across green infrastructure, environmental remediation, police, catch basin inspection and water supply operations. This is offset by a reduction of 35 federally funded Housing Recovery Operations (HRO) Build It back positions in the Fiscal 2017 Preliminary Budget that are not included in Fiscal 2017. As a general rule, federal categorical funding is not baselined in the City's budget but is added on an annual basis as funding is allocated by the federal government. Since the City and federal fiscal years are not aligned, temporary variances occur.

DEP Expense Budget						
	2014	2015	2016	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2016	2017	2016 - 2017
Personal Services	\$501,833	\$477,217	\$484,798	\$500,265	\$498,780	\$13,982
Other Than Personal Services	690,749	738,837	768,763	1,042,608	731,949	(36,814)
TOTAL	\$1,192,582	\$1,216,054	\$1,253,561	\$1,542,873	\$1,230,729	(\$22,831)

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.

The Department of Environmental Protection's Fiscal 2017 Preliminary Budget totals \$1.23 billion (including City and non-City funds); this represents approximately two percent of the City's total Budget. The Department of Environmental Protection's Fiscal 2017

Preliminary Budget is \$22.8 million less than the Fiscal 2016 Adopted Budget of \$1.25 billion.

The key actions affecting the agency's proposed plan include:

- **System Operation, Maintenance, and Support Needs.** Approximately \$23.1 million was added in Fiscal 2016 to fund various Job Order Contracts related to digester repair, electrical, HVAC work and emergency generator repair; asbestos abatement; storm water reduction; and Combined Sewer Overflow monitoring.
- **Capitally Ineligible Items.** Based on the City Comptroller's Directive #10, there were two items that could not be charged to the capital budget in Fiscal 2016. The first is the Queens Groundwater Design for \$1.3 million. Since DEP no longer utilizes the Queens aquifers as part of the Water for the Future project, then all costs incurred or scheduled to be incurred are no longer capitally eligible. The second item for \$3 million is for the Cannonsville Dam repair which cannot be charged to the capital budget due to it being an emergency repair.
- **Removal, Transportation, and Disposal of NYC Biosolids.** An additional \$6.1 million was added in the Fiscal 2017 Preliminary Plan, which gradually grows to \$7.3 million in Fiscal 2020 as a result of increased costs for recently bid landfill disposal contracts. Contractors had been disposing of NYC biosolids at landfills close enough to the City to allow for two truck trips per day. These landfills have significantly reduced the amount of material they will accept from NYC. As a result, disposal will have to occur further away from the City thus increasing the costs.
- **Arterial Highway Catch Basin Cleaning and Repair.** An additional \$5.5 million is included in the Fiscal 2017 Preliminary Plan for Arterial Highway Catch Basin Maintenance. This includes annual cleaning and maintenance of the catch basins as required, as well as minor repairs not requiring capital reconstruction.
- **Catch Basin Inspections.** In Fiscal 2016, the Council passed Intro. No. 240-A which required the DEP to inspect catch basins on a one-year cycle as opposed to a three-year cycle. To comply with local law 48, the Fiscal 2017 Preliminary Plan includes an additional \$3.9 million, with \$2 million to cover Personal Services (PS) costs for 27 positions and \$1.93 million for Other Than Personal Services (OTPS) costs to purchase additional vehicles.
- **Dewatering and Thickening Centrifuge Maintenance.** The Fiscal 2017 Preliminary Plan includes approximately \$4.3 million in Fiscal 2017 and \$5.2 million in the outyears to maintain dewatering centrifuges located at various wastewater treatment plants to ensure solid waste is properly dried and ready for transport to a landfill.
- **Citywide Interceptor Cleaning.** The Fiscal 2017 Preliminary Plan includes \$1.5 million in Fiscal 2017 and in the outyears for increased inspection and maintenance of interceptor sewers. A 2012 Order on Consent requires the DEP to inspect and clean interceptor sewers every two years.

- **Municipal Separated Storm Sewer System Assessment of Facilities (MS4).** The Fiscal 2017 Preliminary Plan includes \$1.4 million for a citywide assessment of all municipal operations and facilities and the impact of stormwater management at these sites. This is a requirement for the issuance of a MS4 permit that the City receives from the New York State Department of Environmental Conservation (DEC).
- **Water Fountain Installations.** A total of \$500,000 is included in the Fiscal 2017 Preliminary Plan for Fiscal 2017 and in the outyears to install water fountains and bottle fillers in parks and schools across the City.
- **Energy Study.** The Fiscal 2017 Preliminary Plan includes \$200,000 to conduct a study in Fiscal 2017 and \$600,000 in the outyears to evaluate strategies to align the City's greenhouse gas reduction goals.

Financial Summary

DEP Financial Summary						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Budget by Program Area						
Agency Administration & Support	\$91,042	\$92,843	\$105,104	\$106,094	\$101,716	(\$3,388)
Customer Services & Water Board Support	49,299	45,209	51,296	51,534	53,419	2,123
Engineering Design and Construction	34,507	34,692	38,064	38,104	39,072	1,008
Environmental Management	23,874	24,115	26,153	36,063	24,587	(1,566)
Miscellaneous	45,103	103,929	52,076	285,786	41,921	(10,155)
Upstate Water Supply	326,121	327,763	352,458	358,778	329,022	(23,436)
Wastewater Treatment Operations	443,467	411,584	418,096	449,600	424,281	6,185
Water & Sewer Maintenance & Operations	179,168	175,919	210,314	216,915	216,712	6,398
TOTAL	\$1,192,581	\$1,216,054	\$1,253,561	\$1,542,873	\$1,230,729	(\$22,831)
Funding						
City Funds			\$1,146,212	\$1,187,070	\$1,125,620	(\$20,592)
Other Categorical			0	6,238	0	0
Capital- IFA			64,113	64,277	65,971	1,858
State			0	220	0	0
Federal - Community Development			41,948	260,833	37,831	(4,117)
Federal - Other			123	18,343	123	0
Intra City			1,164	5,891	1,184	20
TOTAL	\$1,192,581	\$1,216,054	\$1,253,561	\$1,542,873	\$1,230,729	(\$22,831)
Budgeted Headcount						
Full-Time Positions - Uniform	5,547	5,558	6,173	6,201	6,229	56
TOTAL	5,547	5,558	6,173	6,201	6,229	56

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

In general, agency program budgets provide insight into which programs are priorities and how the budget impacts programs' outcomes. DEP's functions can be broken down into eight program areas as illustrated in the chart above. These program areas are funded with a combination of water and sewer user payments, City tax-levy funds and other resources. Of the Department's program areas, funding for Wastewater Treatment Operations makes up nearly 35.5 percent of total funding in Fiscal 2017, while funding for Upstate State Water Supply makes up 26.7 percent. The year-over-year reduction reflects a \$9.8 million reduction in funding for Filtration Avoidance Determination programs, a \$2 million decrease for Warwarsing community investment, and \$1.7 million funding loss for Water for the Future that does not exist in Fiscal 2017.

Contract Budget

The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant or personal service provided to the City by means of a contract. The Contract Budget is actually a subset of the OTPS portion of the City's Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. In January, it is prepared with the Departmental Estimates, and in late April it is submitted to the Council with the Executive Budget.

The following table provides DEP's Preliminary Contract Budget for Fiscal 2017.

DEP Fiscal 2017 Preliminary Contract Budget				
<i>Dollars in Thousands</i>				
Category	Fiscal 2016 Adopted	Number of Contracts	Fiscal 2017 Preliminary	Number of Contracts
Cleaning Services	\$131	18	\$233	18
Community Consultants	43	2	13	2
Contractual Services - General	81,419	32	75,219	32
Data Processing Equipment Maintenance	9,605	14	7,939	14
Economic Development	1	1	1	1
Maintenance and Operation of Infrastructure	1,924	39	1,924	39
Maintenance and Repairs - General	31,419	139	38,703	139
Maintenance and Repairs - Motor Vehicle Equip	376	25	376	25
Office Equipment Maintenance	478	13	458	13
Printing Services	540	9	518	9
Prof. Services - Computer Services	973	5	975	5
Prof. Services - Engineering and Architectural Services	2	1	2	1
Prof. Services - Other	14,717	16	13,607	16
Security Services	11,485	3	11,485	3
Telecommunications Maintenance	2,150	8	1,747	8
Temporary Services	19	6	19	6
Training Program for City Employees	1,337	41	1,370	41
TOTAL	\$156,618	372	\$154,588	372

The City's Contract Budget, as proposed, totals \$13.16 billion in Fiscal 2017, a decrease of \$76 million or less than one percent when compared to the Fiscal 2016 Adopted Budget of \$13.24 billion. For DEP, the contract budget for Fiscal 2017 is approximately \$154.6 million or \$2 million less than Fiscal 2017. Many of the contracts in the Department are for items related to the daily maintenance and operation of DEP facilities. The largest category for DEP, Contractual Services – General, includes 32 contracts for \$75.2 million.

Revenue

DEP plans to collect approximately \$24.3 million from miscellaneous revenue sources in Fiscal 2017. DEP issues asbestos and air quality permits, collects Superfund Amendments and Reauthorization Act of 1986 (SARA) fees, and generates revenue from upstate resources such as hydroelectric energy plants and easements. The Environmental Designation Fee revenue in Fiscal 2017 increases by \$91,000 or 15.2 percent when compared to the Fiscal 2016 Adopted Budget as the Office of Environmental Remediation anticipates increased revenues resulting from the reviews and approvals of technical documents for the development of contaminated Brownfield properties.

DEP Miscellaneous Revenue Budget Overview						
<i>Dollars in Thousands</i>						
Revenue Sources	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Asbestos Program	\$6,300	\$7,424	\$6,300	\$6,300	\$6,300	\$0
Air Quality Permits	5,459	5,100	5,900	5,900	5,900	0
SARA Fees	4,200	3,300	3,300	3,300	3,300	0
Brownfield Enrollment Fee	51	60	0	0	0	0
WS - Hydroelectric Program	8,500	5,942	5,942	5,942	5,942	0
Environmental Designation Fees	401	825	598	644	689	91
Bids and Specifications	150	150	150	150	150	0
Upstate Rentals	1,565	1,565	1,565	1,565	1,565	0
Misc. and Sundries	500	500	500	500	500	0
TOTAL	\$27,126	\$24,866	\$24,255	\$24,301	\$24,346	\$91

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

Financing the Water and Sewer System

The Department shares certain aspects of its financial management duties of the system with the NYC Water Board (Water Board) and the NYC Municipal Water Finance Authority (the Authority). This relationship is a result of the NYC Municipal Finance Authority Act of 1984, which made the water and sewer system financially self-sustaining.

The system is funded by revenue collected through water and sewer rates. The Water Board sets rates annually and is responsible for ensuring that the operating and capital needs of the system can be met. The Authority provides funding through the issuance of bonds and other debt instruments to finance the capital projects required to keep the system running. Its borrowing is backed by water and sewer charges. DEP bills and collects on the approximately 835,000 water accounts, on behalf of the Water Board. As stated previously, DEP operates and maintains the system.

Most City agency infrastructure is financed by general obligation (GO) bonds, and operating expenses are paid for by the City's general fund with tax revenues. DEP is different because expenses for the water and sewer system, including the debt service owed on the bonds issued by the Authority, are paid for by user fees according to the rates set by the Water Board. The Water Board leases the water and sewer system infrastructure from the City, which financed building of the initial infrastructure with GO bonds.

Mayorality Miscellaneous Revenue – Water and Sewer Charges						
Dollars in Thousands						
Revenue Sources	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Water Board Payment O&M	\$1,276,550	\$1,282,352	\$1,354,149	\$1,393,892	\$1,342,754	(\$11,395)
Water Board Rental O&M	214,000	215,000	162,318	137,400	129,400	(32,918)
TOTAL	\$1,490,550	\$1,497,352	\$1,516,467	\$1,531,292	\$1,472,154	(\$44,313)

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.

Operations and Maintenance (O&M) Payment

The chart above reflects the Office of Management and Budget's (OMB) reconciled and planned payments from the Water Board to the City's general fund. The Operations and Maintenance Payment reflects the cost of DEP operating and maintaining the water and sewer system. The Fiscal 2017 Preliminary Plan includes a proposed \$1.34 billion payment to the City in Fiscal 2017.

Costs associated with DEP work that are not related to the water and sewer system such as air and noise monitoring, and hazardous material emergency response are not funded by Water Board O&M payments to the general fund, but are paid with City tax-levy funding.

Rental Payment

The Fiscal 2017 Preliminary Plan proposes a payment of \$129.4 million, as seen in the chart above, that reflects the Water Board rental payments to the City's general fund. In Fiscal 2016, the Mayor's Office announced that the rental payment will be phased out by Fiscal 2023, reducing by an additional ten percent per fiscal year.

Performance Measures

In the first four months of Fiscal 2016, the total revenue collected was \$1.69 billion which was equivalent to the same period in Fiscal 2015. According to the MMR Indicator Definitions, the total revenue is the "total amount of money collected by DEP for water and sewer charges." This number refers to the Water Board's total operating revenues, including water and sewer user payments, upstate revenues, and miscellaneous revenue. Total revenue as a percent of the target is strong at 102 percent in the first quarter of Fiscal 2016.

Accounts receivable's increased by \$26 million, or about 2.9 percent, in the first quarter of Fiscal 2016 when compared to the same period in Fiscal 2015. About 60.8 percent of bills were collected in 30 days or less in Fiscal 2016. This is a 1.7 percent reduction when compared to Fiscal 2015.

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY15	FY16
Estimated bills (%)	4.9%	3.7%	3.2%	5.0%	5.0%	3.3%	3.2%
Total revenue collected (\$000,000)	3,374.6	3,612.3	3,808.9	3,687.0	3,752.4	1,682.7	1,690.9
Total revenue as percent of target (%)	104.4%	105.2%	105.3%	100.0%	100.0%	102.8%	102.0%
Accounts receivable - Total balance (\$000,000)	\$1,561	\$1,750	\$1,640	*	*	\$912	\$938
Billed amount collected in 30 days (%)	55.4%	56.7%	61.8%	*	*	61.7%	60.8%

Program Areas

Agency Administration & Support

The Bureau of Agency Administration and Support manages and directs the entire department; sets policies and develops short and long range plans and strategies for the department. The administrative bureau provides support services to the entire department. These functions include personnel, budgeting, payroll, legal, purchasing, auditing, vehicle and building maintenance, computer services and community and intergovernmental relations.

Agency Administration & Support						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$32,602	\$31,786	\$34,646	\$36,307	\$37,221	\$2,575
Other Salaried and Unsalariad	1,027	830	1,246	1,254	1,271	25
Additional Gross Pay	1,227	1,167	468	468	469	1
Overtime - Civilian	923	866	236	236	236	0
P.S. Other	0	(90)	0	0	0	0
Subtotal	\$35,780	\$34,558	\$36,596	\$38,266	\$39,197	\$2,601
Other Than Personal Services						
Supplies and Materials	\$3,735	\$2,829	\$3,528	\$3,415	\$3,528	\$0
Fixed and Misc Charges	3,237	2,443	27	145	27	0
Property and Equipment	4,839	7,291	6,878	7,034	3,775	(3,103)
Other Services and Charges	33,293	33,174	46,714	42,923	44,557	(2,157)
Contractual Services	10,158	12,547	11,362	14,311	10,633	(729)
Subtotal	\$55,262	\$58,285	\$68,508	\$67,828	\$62,520	(\$5,989)
TOTAL	\$91,042	\$92,843	\$105,104	\$106,094	\$101,716	(\$3,388)
Funding						
City Funds			\$97,197	\$97,888	\$93,334	(\$3,863)
Capital- IFA			7,059	7,358	7,534	475
Intra City			849	849	849	0
TOTAL	\$91,042	\$92,843	\$105,104	\$106,094	\$101,716	(\$3,388)
Budgeted Headcount						
Full-Time Positions - Civilian	400	417	467	486	486	19

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The Department's Fiscal 2017 Preliminary Budget includes \$101.7 million for the Agency Administration and Support. The Preliminary Budget for Fiscal 2017 is \$3.4 million less, or a three percent change, than the Fiscal 2016 Adopted Budget of \$105.1 million. This change reflects \$2.8 million that was allocated towards vehicle replacement in Fiscal 2016 that is not included in Fiscal 2017, combined with a \$2.4 million reduction for the Hansen work order system that interfaces 311 complaints, and a reduction in consultant contracts. These decreases are partially offset by an increase of \$2.6 million for 19 positions reallocated from Wastewater Treatment Operations, and collective bargaining increases.

Customer Services & Water Board Support

The Bureau of Customer Services is responsible for all functions related to water and sewer billing for residents of NYC and certain upstate communities.

Customer Services & Water Board Support						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$31,223	\$27,230	\$29,133	\$29,376	\$30,180	\$1,047
Other Salaried and Unsalariated	2,367	2,446	2,467	2,467	2,544	77
Additional Gross Pay	1,223	1,826	843	843	843	0
Overtime - Civilian	2,201	2,636	1,703	1,703	1,703	0
Subtotal	\$37,014	\$34,138	\$34,146	\$34,389	\$35,270	\$1,123
Other Than Personal Services						
Supplies and Materials	\$1,959	\$2,100	\$3,304	\$3,276	\$3,304	\$0
Property and Equipment	676	272	1,239	819	1,239	0
Other Services and Charges	2,728	3,209	7,207	4,750	8,207	1,000
Contractual Services	6,922	5,490	5,399	8,300	5,399	0
Subtotal	\$12,285	\$11,071	\$17,150	\$17,145	\$18,149	\$1,000
TOTAL	\$49,299	\$45,209	\$51,296	\$51,534	\$53,419	\$2,123
Funding						
City Funds			\$51,126	\$51,364	\$53,244	\$2,118
Capital- IFA			169	169	175	6
TOTAL	\$49,299	\$45,209	\$51,296	\$51,534	\$53,419	\$2,123
Budgeted Headcount						
Full-Time Positions - Civilian	473	460	501	501	501	0

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.

The Department's Fiscal 2017 Preliminary Budget includes \$53.4 million for the Customer Services and Water Board Support, which is \$2.1 million or four percent, more than the Fiscal 2016 Adopted Budget of \$51.3 million. This change reflects a \$1.1 million increase for collective bargaining costs, and \$1 million to evaluate new technologies to replace the existing water and sewer billing system.

Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY15	FY16
E-mails responded to in 14 days (%)	94%	88%	86%	95%	95%	86%	81%
Letters responded to in 14 days (%)	97%	97%	99%	95%	95%	98%	99%
Calls answered in 30 seconds (%)	69%	79%	68%	76%	76%	83%	70%
Average customer in-person wait time (minutes)	7	7	6	5	5	NA	NA
Completed customer requests for interpretation	11,023	13,870	12,976	*	*	NA	NA
Visitors rating customer service at borough centers as good or better (%)	90.8%	93.0%	93.0%	90.0%	90.0%	NA	NA
CORE customer experience rating (0-100)	91	95	95	90	90	NA	NA

In the first four months of Fiscal 2016, the percentage of emails responded to within 14 days decreased by five percent to 81 percent as compared to the same period in Fiscal 2015. However, the number of letters responded to in 14 days increased by one percentage point to 99 percent in Fiscal 2016 as compared to the same period in Fiscal 2015. Calls

answered within 30 seconds decreased significantly by 13 percent to 70 percent in Fiscal 2016 as compared to the same period in Fiscal 2015.

Engineering Design and Construction

The primary responsibility of the Bureau of Engineering Design and Construction is the planning, design and construction of major water quality related capital projects. These projects focus on two important issues for the City – the continued delivery of high quality drinking water to the City and the continued improvement of water quality within the New York Harbor and estuaries.

Engineering Design and Construction						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$31,188	\$32,073	\$35,237	\$35,294	\$36,237	\$1,000
Other Salaried and Unsalariated	134	119	18	23	27	8
Additional Gross Pay	1,761	1,546	1,424	1,424	1,424	0
Overtime - Civilian	881	421	639	639	639	0
Subtotal	\$33,963	\$34,159	\$37,318	\$37,380	\$38,327	\$1,008
Other Than Personal Services						
Supplies and Materials	\$174	\$181	\$100	\$100	\$100	\$0
Property and Equipment	54	26	59	70	59	0
Other Services and Charges	120	102	162	126	162	0
Contractual Services	196	224	424	429	424	0
Subtotal	\$544	\$533	\$745	\$725	\$745	\$0
TOTAL	\$34,507	\$34,692	\$38,064	\$38,104	\$39,072	\$1,008
Funding						
City Funds			\$745	\$724	\$745	\$0
Capital- IFA			37,318	37,380	38,327	1,008
TOTAL	\$34,507	\$34,692	\$38,064	\$38,104	\$39,072	\$1,008
Budgeted Headcount						
Full-Time Positions - Civilian	396	386	426	426	426	0

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The Department's Fiscal 2017 Preliminary Budget includes \$39 million for Engineering Design and Construction, which is \$1 million, or nearly three percent, more than the Fiscal 2016 Adopted Budget of \$38 million. This increase is attributed to collective bargaining costs.

Environmental Management

The Bureau of Environmental Compliance is responsible for responding to 1,360 hazardous material emergency incidents annually; maintaining a comprehensive database of 3,700 facilities containing hazardous and toxic materials, managing environmental investigations and assessments of contaminated sites, overseeing the remediation of four active hazardous waste municipal landfills, conducting 24,000 field inspections in response to 15,000 air and noise code complaints in a year, helping implement the requirements of the Clean Air Act Amendments of 1990, meeting with community and various public interest associations regularly to provide general information and promote compliance, and operating a New York State approved environmental laboratory to perform analysis of asbestos, air pollutant and hazardous materials samples.

Environmental Management						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$15,072	\$17,551	\$20,212	\$30,121	\$20,008	(\$204)
Other Salaried and Unsalariated	84	79	163	163	165	2
Additional Gross Pay	747	1,142	408	408	408	0
Overtime - Civilian	2,444	2,752	1,334	1,334	1,454	120
Subtotal	\$18,347	\$21,524	\$22,117	\$32,026	\$22,035	(\$82)
Other Than Personal Services						
Supplies and Materials	\$263	\$270	\$509	\$389	\$509	\$0
Property and Equipment	185	448	462	398	252	(210)
Other Services and Charges	210	109	550	177	214	(336)
Contractual Services	4,869	1,763	2,515	3,072	1,576	(939)
Subtotal	\$5,527	\$2,590	\$4,036	\$4,036	\$2,551	(\$1,485)
TOTAL	\$23,874	\$24,115	\$26,153	\$36,063	\$24,587	(\$1,567)
Funding						
City Funds			\$18,818	\$18,871	\$18,232	(\$586)
Capital- IFA			72	72	74	2
Federal - Community Development			6,948	16,791	5,946	(1,002)
Intra City			316	329	335	19
TOTAL	\$23,874	\$24,115	\$26,153	\$36,063	\$24,587	(\$1,567)
Budgeted Headcount						
Full-Time Positions - Civilian	268	292	345	345	310	(35)

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The Department's Fiscal 2017 Preliminary Budget includes \$24.6 million for the Bureau of Environmental Compliance, which is \$1.6 million or six percent, less than the Fiscal 2016 Adopted Budget of \$26.2 million. This variance reflects the following changes:

- \$1 million allocated towards 35 federally funded Housing Recovery Operations (HRO) Build It back positions in the Fiscal 2016 Preliminary Budget that are not included in Fiscal 2017;
- \$1.9 million in one-time costs to purchase a mobile inspection unit, and software development of the Asbestos Reporting & Tracking System (A.R.T.S), Clean Air Tracking System (C.A.T.S) & Tier II systems; and

- An \$800,000 increase for collective bargaining and \$120,000 for air and noise inspector overtime.

Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY15	FY16
Air complaints received	7,628	7,896	8,776	*	*	3,048	3,427
Air complaints responded to within seven days (%)	93%	98%	95%	85%	85%	96%	96%
Average days to close air quality complaints	4.5	3.8	4.3	10	10	4.4	4.1
Noise complaints received	36,130	45,584	53,862	*	*	18,658	19,857
Average days to close noise complaints	7.1	5.2	5.9	10	10	5.9	7.1
Noise complaints not requiring access to premises responded to within seven days (%)	91%	99%	97%	85%	85%	98%	97%
Asbestos complaints received	1,486	1,414	1,674	*	*	654	693
Average days to close asbestos complaints	0.29	0.26	0.37	1	1	0.28	0.26
Asbestos complaints responded to within three hours (%)	100%	100%	100%	90%	90%	100%	100%

The average number of days to close air quality and noise complaints is down slightly from the same time period last year, and lower than the three-year average in this category. For the first quarter of Fiscal 2016, 96 percent of air complaints were responded to within seven days, as were 97 percent of noise complaints that do not require access to private premises. However, it is important to note that an open case may be closed if an inspector is sent out and the person who made the complaint is not at home, or the noise is not observed. Noise and air violations can be difficult to enforce as the inspector must be able to observe the activity whether it be loud music from a bar or a truck idling for too long.

Asbestos is a serious health hazard and DEP has an excellent response time for responding to complaints. All asbestos complaints made in the first quarter of Fiscal 2016 were responded to within three hours.

Miscellaneous

Funding in this program area provides for any personal services or OTPS expenses that receive one-time funding. It also includes Homeland Security and brownfield grants.

Miscellaneous						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$3,000	\$3,103	\$2,179	\$4,493	\$2,310	\$131
Other Salaried and Unsalariated	0	21	16	16	16	0
Additional Gross Pay	88	171	0	0	0	0
Overtime - Civilian	345	360	0	51	0	0
Fringe Benefits	1	1	0	1,033	0	0
Subtotal	\$3,434	\$3,656	\$2,195	\$5,593	\$2,326	\$131
Other Than Personal Services						
Supplies and Materials	\$201	\$202	\$20	\$691	\$20	\$0
Fixed and Misc Charges	7,038	69,618	1,394	95,394	1,436	42
Property and Equipment	1,422	985	0	214	0	0
Other Services and Charges	2,096	2,644	30,458	23,895	34,045	3,587
Contractual Services	30,912	26,824	18,009	159,999	4,094	(13,915)
Subtotal	\$41,668	\$100,273	\$49,881	\$280,193	\$39,595	(\$10,286)
TOTAL	\$45,102	\$103,929	\$52,076	\$285,786	\$41,921	(\$10,155)
Funding						
City Funds			\$16,952	\$17,499	\$9,913	(\$7,039)
State			0	220	0	0
Federal - Community Development			35,000	244,042	31,885	(3,115)
Federal - Other			123	17,343	123	0
Intra City			0	4,682	0	0
TOTAL	\$45,102	\$103,929	\$52,076	\$283,786	\$41,921	(\$10,155)
Budgeted Headcount						
Full-Time Positions - Civilian	36	34	28	56	30	2

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The Department's Fiscal 2017 Preliminary Budget includes approximately \$41.9 million for miscellaneous expenses, which is \$10.1 million, or nearly 20 percent less than the Fiscal 2016 Adopted Budget of \$52.1 million. This change is mainly due to a decrease of \$10.3 million in one-time funding for the Fiscal 2016 Retrofit Accelerator Program from the Mayor's Office of Long-Term Planning and Sustainability, as well as a reduction in the number of hydroelectric operation and maintenance contracts. These reductions are offset by modest increases that reflects additional funding for the PlaNYC program, as well as an increase of two of positions for the Office of Environmental Remediation.

Upstate Water Supply

The Bureau of Water Supply manages, operates and protects New York City's upstate water supply system to ensure the delivery of a sufficient quantity of high quality drinking water. The Bureau is also responsible for the overall management and implementation of the provisions of the City's \$1.5 billion Watershed Protection Program resulting from the Watershed Memorandum of Agreement (MOA) and for ensuring the City's compliance with the provisions of the Filtration Avoidance Determination.

Upstate Water Supply						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Other Salaried and Unsalariated	\$77,327	\$69,516	\$70,549	\$72,570	\$74,278	\$3,729
Additional Gross Pay	276	295	181	235	242	61
Overtime - Civilian	3,175	3,946	2,183	2,183	2,184	1
Fringe Benefits	0	47	0	0	0	0
Amounts to be Scheduled	2,317	2,482	2,071	2,071	2,071	0
Fringe Benefits	337	184	188	188	188	0
Subtotal	\$83,432	\$76,471	\$75,172	\$77,247	\$78,963	\$3,791
Other Than Personal Services						
Supplies and Materials	\$12,972	\$11,693	\$11,302	\$11,563	\$10,702	(\$600)
Fixed and Misc Charges	161,922	157,036	166,374	166,402	166,374	0
Property and Equipment	5,132	3,746	3,721	3,158	3,720	(1)
Other Services and Charges	45,512	58,398	72,553	71,772	56,696	(15,857)
Contractual Services	17,150	20,419	23,337	28,635	12,568	(10,769)
Subtotal	\$242,689	\$251,293	\$277,287	\$281,530	\$250,060	(\$27,227)
TOTAL	\$326,121	\$327,763	\$352,459	\$358,778	\$329,022	(\$23,436)
Funding						
City Funds			\$348,845	\$355,123	\$325,318	(\$23,527)
Capital- IFA			3,614	3,624	3,704	90
Intra City			0	31	0	0
TOTAL	\$326,121	\$327,763	\$352,459	\$358,778	\$329,022	(\$23,436)
Budgeted Headcount						
Full-Time Positions - Civilian	1,070	1,048	1,110	1,127	1,127	17

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The Department's Fiscal 2017 Preliminary Budget includes approximately \$329 million for the Update Water Supply, which is \$23.4 million, or approximately seven percent less than the Fiscal 2016 Adopted Budget of \$352.4 million. This overall decrease mainly reflects a \$20.2 million decrease for Filtration Avoidance Determination (FAD) programs that were formerly funded in the capital budget but were reallocated to the expense budget, combined with a \$2 million decrease for the Warwarsing community investment, and \$1.7 million for the Water for the Future program. This variance is partially offset by \$3.8 million, which includes \$2.6 for collective bargaining increases and \$1.2 million for positions for the Water Supply and Environmental Police.

The Department anticipates funding to be reallocated for the mandated FAD program in the Fiscal 2017 Executive Budget as the DEP is currently reevaluating the program.

Performance Measures

The in-city samples of water meeting standards for coliform bacteria remained at 100 percent in the first four months of Fiscal 2016 when compared to the first four months of Fiscal 2015. The 91,350 facility security checks by DEP police in the first fourth months of Fiscal 2016 is ahead of schedule to meet the goal of 263,000 by the end of the fiscal year. Acres of land solicited in the watershed area increased by 5,508 acres or 55.5 percent as compared to the first four months of Fiscal 2015. Overall enforcement activity for the first four months of Fiscal 2016 reached 484 summonses, arrests, Notices of Violation and Notices of Warning issued. This is a decrease of 238 or 51.9 percent when compared to the first four months of Fiscal 2015.

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY15	FY16
Samples testing positive for coliform bacteria (%)	0.3%	0.3%	0.3%	*	*	0.5%	1.3%
In-City samples meeting water quality standards for coliform bacteria (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Acres of land solicited in watershed area	62,481	44,316	32,865	*	*	6,872	12,380
Water supply - Critical equipment out of service (%)	1.2%	1.4%	1.3%	*	*	1.3%	1.2%
Facility security checks	275,098	289,759	278,439	263,000	263,000	94,079	91,350
Overall enforcement activity	983	1,207	1,206	*	*	696	458

Wastewater Treatment Operations

The Bureau of Wastewater Treatment maintains the chemical and physical integrity of New York Harbor and other local water bodies and sustains the continued use and viability of the New York water environment through: the removal of organic and toxic pollutants from the City's wastewater; control of discharges from Combined Sewer Overflows and dry weather bypassing; optimum operation of treatment plant collections system; integration of watershed management concepts into facilities' planning and design; and enforcement of a city-wide industrial pre-treatment and pollution prevention program.

Wastewater Treatment Operations						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$149,047	\$131,696	\$145,973	\$144,998	\$146,196	\$223
Other Salaried and Unsalariated	77	45	95	99	99	4
Additional Gross Pay	13,905	12,959	7,560	7,560	7,560	0
Overtime - Civilian	19,791	23,149	11,097	11,097	11,097	0
Fringe Benefits	2,825	2,858	3,225	3,225	3,084	(141)
Subtotal	\$185,645	\$170,707	\$167,950	\$166,978	\$168,036	\$86
Other Than Personal Services						
Supplies and Materials	\$43,750	\$43,220	\$51,060	\$55,382	\$51,086	\$26
Fixed and Misc Charges	57	737	597	597	597	0
Property and Equipment	853	3,861	1,747	1,810	1,747	0
Other Services and Charges	130,820	119,478	122,341	143,316	120,069	(2,272)
Contractual Services	82,341	73,580	74,400	81,517	82,746	8,346
Subtotal	\$257,822	\$240,877	\$250,145	\$282,622	\$256,245	\$6,100
TOTAL	\$443,467	\$411,584	\$418,096	\$449,600	\$424,281	\$6,185
Funding						
City Funds			\$410,034	\$436,513	\$416,172	\$6,138
Other Categorical			0	4,238	0	0
Capital- IFA			8,061	7,850	8,109	48
Federal - Other			0	1,000	0	0
TOTAL	\$443,467	\$411,584	\$418,096	\$449,600	\$424,281	\$6,185
Budgeted Headcount						
Full-Time Positions - Civilian	1,720	1,716	1,877	1,858	1,858	(19)

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The Department's Fiscal 2017 Preliminary Budget includes approximately \$424.3 million for Wastewater Treatment Operations, which is \$6.2 million, or nearly two percent less than the Fiscal 2016 Adopted Budget of \$418.1 million. This change reflects an \$8.3 million increase for Biosolids and for interceptor cleaning, combined with an increase of \$4.6 million for a Total Residual Chlorine Study and Jamaica Bay Ecological Water Quality Study. These positive variances are offset by a decrease of \$5.5 million for the Flushing Bay Dredging. The DEP will request a restoration of funding in the Fiscal 2017 Executive Budget for the Flushing Bay Dredging.

Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY15	FY16
Wastewater treatment plant (WWTP) effluent meeting federal standards (%)	99.5%	99.6%	99.5%	100.0%	100.0%	99.7%	99.8%
Harbor survey stations meeting the fishable standard of 5mg/L for dissolved oxygen (%)	85%	91%	94.0%	89.0%	89.0%	84.0%	73.0%
WWTPs - Critical equipment out-of-service (% below minimum)	3.1%	1.9%	2.50%	5.0%	5.0%	1.2%	1.7%

In the first four months of Fiscal 2016 the percentage of harbor survey stations meeting the fishable standard for dissolved oxygen decreased to 73 percent, when compared to the first four months of Fiscal 2015, where the percentage of stations meeting fishable safety standards was 84 percent.

The percentage of wastewater treatment plant effluent meeting federal standards increased slightly by one-tenth of a percentage point in the first four months of Fiscal 2016 to 99.7 percent when compared to the first four months of Fiscal 2015 where 99.7 percent of treated wastewater achieved federal standards.

Water & Sewer Maintenance & Operations

The primary responsibilities of the Bureau of Water and Sewer Operations are: the operation, maintenance and protection of the City's drinking water and wastewater collection (sewer) systems; the protection of adjacent waterways; and the development and protection of the Department's Capital Water and Sewer Design Program.

Water & Sewer Maintenance & Operations						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried – Uniformed and Civilian	\$88,891	\$84,462	\$97,035	\$96,118	\$101,726	\$4,691
Other Salaried and Unsalaries	239	228	813	813	1,289	476
Additional Gross Pay	6,739	7,089	5,957	5,957	5,957	0
Overtime - Civilian	8,347	10,223	5,475	5,475	5,631	156
Fringe Benefits	0	0	24	24	24	0
Subtotal	\$104,217	\$102,003	\$109,303	\$108,386	\$114,627	\$5,323
Other Than Personal Services						
Supplies and Materials	\$17,012	\$18,961	\$31,872	\$34,175	\$29,427	(\$2,445)
Fixed and Misc Charges	21,438	14,314	780	0	780	0
Property and Equipment	1,789	2,313	1,870	2,182	1,995	125
Other Services and Charges	24,663	22,852	46,427	44,786	50,459	4,032
Contractual Services	10,049	15,477	20,063	27,386	19,425	(638)
Subtotal	\$74,951	\$73,916	\$101,011	\$108,529	\$102,085	\$1,074
TOTAL	\$179,168	\$175,919	\$210,314	\$216,915	\$216,712	\$6,397
Funding						
City Funds			\$202,495	\$209,089	\$208,663	\$6,168
Capital- IFA			7,819	7,825	8,049	230
TOTAL	\$179,168	\$175,919	\$210,314	\$216,915	\$216,712	\$6,397
Budgeted Headcount						
Full-Time Positions - Civilian	1,184	1,205	1,419	1,402	1,491	72

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The Department's Fiscal 2017 Preliminary Budget includes approximately \$216.7 million for Water and Sewer Maintenance Operations, which is \$6.4 million or three percent more than the Fiscal 2016 Adopted Budget of \$210.3 million. This change reflects a \$9.2 million increase, including \$2 million for 62 positions for Bioswale maintenance, 27 positions for catch basin inspection, \$1.9 million for collective bargaining increases, combined with \$5.5 million for arterial catch basin cleaning.

These increases are partially offset by the reallocation of \$3.6 million in funding for the Croton Filtration plant contractual services, combined with an additional headcount reallocation of 17 positions to Water Supply operations, and \$500,000 for Bioswale maintenance.

Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY15	FY16
Sewer backup complaints received	14,911	11,637	11,435	*	*	3,438	3,192
Sewer backup complaints resolved - Confirmed (on City infrastructure)	4,221	3,224	2,846	*	*	716	720
Unconfirmed (not on City Infrastructure or unfounded)	10,685	8,417	8,589	*	*	2,720	2,464
Sewer backup resolution time (hours)	4.4	3.9	3.9	7	7	3.5	3.5
Street segments with confirmed sewer backup in the last 12 months (% of total segments)	1.7%	1.4%	1.2%	*	*	1.4%	1.2%
Street segments with recurring confirmed sewer backups in the last 12 months (% of total segments)	0.5%	0.4%	0.3%	1.0%	1.0%	0.4%	0.3%
Street cave-in complaints received	2,926	3,737	4,073	*	*	1,755	1,815
Average time to respond to street cave-in complaints and make safe (days)	2.5	2.5	2.5	*	*	2.9	4.2
Water main breaks	406	513	563	*	*	78	88
Water main breaks per 100 miles of main in the last 12 months	5.8	7.3	8	*	*	7.1	8.2
Average time to restore water to customers after confirming breaks (hours)	4.4	4.4	5.1	6	6	5.4	5.3
Broken and inoperative hydrants (%)	0.3%	0.4%	0.5%	1.0%	1.0%	0.5%	0.6%
Average time to repair or replace high-priority broken or inoperative hydrants (days)	2.7	3.1	2.5	7	7	2.4	3.1
Catch basin complaints received	10548	8576	8851	*	*	2987	3042
Catch basin backup resolution time (days)	3.1	3.9	3.1	9	9	4.6	3.5
Catch basins surveyed/inspected (%) (cumulative)	30.0%	31.0%	31.4%	33.3%	100.0%	11.2%	6.2%
Catch basins cleaned	31097	29730	31086	*	*	12489	8914
Backlog of catch basin repairs (% of system)	0.5%	0.3%	0.4%	1.0%	1.0%	0.4%	0.6%
Leak complaints received	4077	3718	2640	*	*	734	568
Leak resolution time (days) (City infrastructure only)	10	9.8	9.3	12	12	8.8	9.3

New York City neighborhoods will experience issues related to flooding more often as extreme weather increases in frequency due to climate change.

The number of sewer backup complaints decreased by 246 complaints in the first quarter of Fiscal 2016 when compared to the same period in Fiscal 2015, or a 7.2 percent reduction. Of the 3,192 sewer backup complaints received in this period in Fiscal 2016, only 720 were confirmed as sewer conditions emanating from City infrastructure, while the rest were related to private property or unfounded. While the number of complaints decreased from Fiscal 2015, the number of confirmed City sewer conditions increased by four confirmed cases during this period.

Street cave-in complaints increased from 1,755 to 1,815 in the first four months of Fiscal 2016 when compared to the same period in Fiscal 2015, an increase of 60 complaints, or 3.4 percent. The average time it took DEP to respond to the complaints increased slightly from 2.9 days to 4.2 days.

Water main breaks can be particularly damaging to City and private infrastructure and can cause entire residential block-fronts to lose water. In the first four months of Fiscal 2016

there were 88 water main breaks and it took DEP an average of 5.3 hours to restore water to customers after confirming breaks. The Fiscal 2016 numbers reflect an increase of 10 water main breaks, or 12.8 percent, but the average response time is on par with last year's response time of 5.4 hours.

Capital Program

Capital Budget Summary

The Fiscal 2017 Preliminary Capital Commitment Plan includes \$10 billion in Fiscal 2016-2019 for the Department of Environmental Protection (including City and Non-City funds). This represents approximately 17.5 percent of the City's total \$57.2 billion January Plan for Fiscal 2016-2019. The agency's Preliminary Commitment Plan for Fiscal 2016-2019 is 21 percent more than the \$8.3 billion scheduled in the September Commitment Plan, an increase of \$1.7 billion.

The majority of the capital projects span multiple fiscal years and it is therefore common practice for an agency to roll unspent capital funds into future fiscal years. In Fiscal 2015, the Department of Environmental Protection committed \$2.1 billion or 80 percent of its annual capital plan. Therefore, it is assumed that a significant portion of the agency's Fiscal 2016 Capital Plan will be rolled into Fiscal 2017, thus increasing the size of the Fiscal 2016-2019 Capital Plan. Since adoption last June, the citywide total Capital Commitment Plan for Fiscal 2016 has increased from \$19.3 billion in the September Capital Commitment Plan to \$19.7 billion in the Preliminary Capital Commitment Plan, an increase of \$415 million or 2.2 percent.

DEP 2016-2019 Capital Commitment Plan: Adopted and Preliminary Budget					
<i>Dollars in Thousands</i>					
	FY16	FY17	FY18	FY19	Total
Adopted					
Total Capital Plan	\$1,950,980	\$2,129,703	\$2,361,646	\$1,829,242	\$8,271,571
Preliminary Plan					
Total Capital Plan	\$2,327,040	\$3,219,623	\$2,369,017	\$2,066,843	\$9,982,523
Change					
Level	\$376,060	\$1,089,920	\$7,371	\$237,601	\$1,710,952
Percentage Change	19%	51%	0.3%	13%	21%

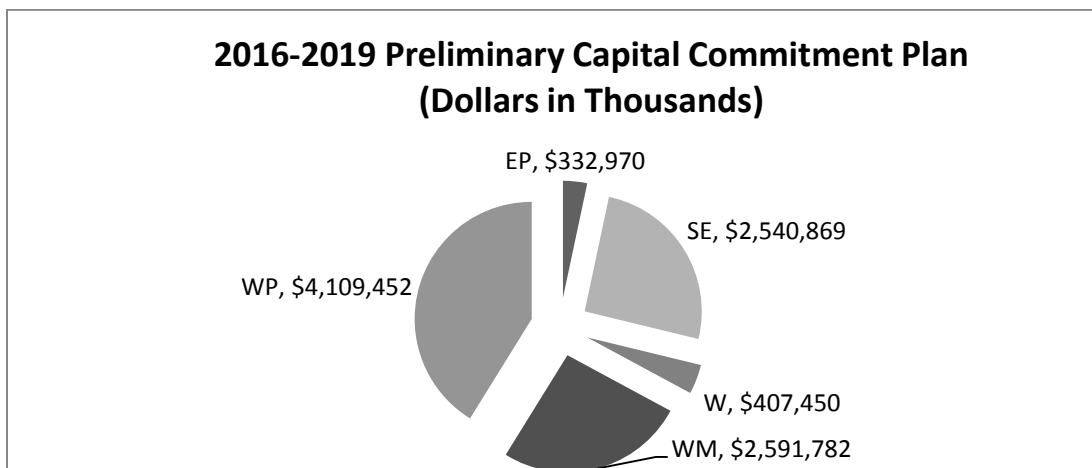
Preliminary Capital Plan Highlights

The Preliminary Capital Plan for the Department of Environmental Protection for Fiscal 2016-2019 has increased by more than \$1.7 billion to a total of \$10 billion, an increase of 21 percent when compared to the Department's Fiscal 2016 September Plan. The increase is primarily due to the addition of \$1.7 billion for projects related to construction and the reconstruction of water and sewer infrastructure.

The Department's Capital Commitment Plan can be divided into five program areas as follows:

- **Equipment (EP)** – The Preliminary Plan includes \$333 million for Equipment. Activities in this category primarily focus on water meter installation and automated meter reading systems; facility purchases and reconstruction; payments for gas utility line relocation; and equipment purchase such as laboratory instruments, vehicles and computers.

- **Sewers (SE)** – The Preliminary Plan includes \$2.5 billion for Sewers. Projects in this category include replacing existing sewers in areas requiring increased capacity, extending sewers to unserved or underserved areas, and replacing failing or collapsed sewer mains.
- **Water Mains, Sources and Treatment (WM)** - The Preliminary Plan includes \$2.6 billion for Water mains, Sources and Treatment. This category involves the protection and upkeep of the City’s source water supply and water distribution system.
- **Water Pollution Control (WP)** - The Preliminary Plan includes \$4.1 billion directed at improving the quality of the City’s waterways and to ensure compliance with mandates imposed by the Clean Water Act.
- **Water Supply (W)** – The Preliminary Plan includes \$407.5 million for Water Supply. This category includes the development of alternate water sources associated with the Water for the Future Program, the modification of chambers at the Hillview Reservoir, and the City Water Tunnel No. 3.



Capital Program Goals

Major changes in the Preliminary Capital Plan for Fiscal 2016-2019 that resulted in the 21 percent increase include:

Gowanus Combined Sewer Overflow (CSO) Retention Tanks. To significantly reduce the Combined Sewer Overflow discharges into the Gowanus Canal, \$510 million was added in Fiscal 2016-2019 Preliminary Capital Commitment Plan to secure land, design two CSO tanks and construct one of two planned CSO tanks adjacent to Gowanus Canal.

Hunts Point Wastewater Treatment Plant (WWTP) Digesters. An additional \$155 million, which includes \$55 million in new funding and the acceleration of \$100 million into Fiscal 2020, was added to replace the Hunts Point WWTP digesters. This includes \$21 million for design, \$20 million for construction management, and \$200 million for construction, fully funding this project at \$241 million in the Fiscal 2016-2019 Preliminary Capital Commitment Plan.

Kensico-Eastview Connection Tunnel. As a result of the startup of the Catskill-Delaware Ultraviolet Treatment Facility, the portion of the Catskill Aqueduct between the Kensico Reservoir and Eastview was taken out of service. To replace the Catskill Aqueduct and ensure future City demands can be met, the DEP will build a new deep rock tunnel between the two sites. An additional \$87 million was added in Fiscal 2016-2019 Preliminary Capital Commitment Plan for environmental permitting, an Environmental Impact Statement (EIS), and land acquisition.

Ashokan Reservoir/ Olive Bridge Dam/Dividing Weir Bridge. An additional \$97.7 million was added in Fiscal 2016-2019 Capital Commitment Plan to address structural issues within the dam and dikes at the Ashokan Reservoir, Olive Bridge Dam, and Dividing Weir Bridge. This construction will ensure compliance with NYS dam safety regulations, and that selective withdrawals of water from the Ashokan Reservoir to the Catskill Aqueduct (40 percent of daily supply) continue uninterrupted to New York City residents.

City Tunnel #3. This critical project has been under construction since 1970. Once the tunnel is completed it will allow Water Tunnels No. 1 and 2 to be inspected and repaired for the first time since they entered operation in 1917 and 1936, respectively. An additional \$52 million was allocated in the Fiscal 2016-2019 Preliminary Capital Commitment Plan for site acquisition and for engineering support to complete the Queens-Brooklyn portion of City Tunnel # 3 Stage 2.

Appendix A: Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
DEP Budget as of the Adopted 2016 Budget	\$1,147,568	\$304,705	\$1,452,273	\$1,100,403	\$105,090	\$1,205,493
New Needs						
Arterial Highway Catch Basin Cleaning & Repair	\$2,748	\$0	\$2,748	\$5,497	\$0	\$5,497
Capitally Ineligible Items	4,700	0	4,700	0	0	0
Catch Basin Inspections	0	0	0	3,941	0	3,941
Citywide Interceptor Cleaning	878	0	878	1,456	0	1,456
Clean Energy Financing Products	500	0	500	0	0	0
Dewatering and Thickening Centrifuge	4,099	0	4,099	4,277	0	4,277
Energy Study	0	0	0	200	0	200
Environmental Impact Statement	0	0	0	1,000	0	1,000
MS4 Contracts	(2,409)	0	(2,409)	1,378	0	1,378
Office of Environmental Remediation Waste Fee	46	0	46	91	0	91
Transportation/Disposal of NYC Biosolids	5,046	0	5,046	6,125	0	6,125
System Operation/Maintenance/Support Needs	23,131	0	23,131	0	0	0
Water Fountain Installations	0	0	0	500	0	500
Subtotal, New Needs	\$38,739	\$0	\$38,739	\$24,465	\$0	\$24,465
Other Adjustments						
CBU 150 Collective Bargaining	\$5	\$0	\$5	\$5	\$0	\$5
City Service Corps (DEP)	10	0	10	(1)	0	(1)
DEP-HRO Breezy Pt. Relocation	0	750	750	0	0	0
Energy Efficiency Projects	0	4,500	4,500	0	0	0
Environmental Police Officer Collective Bargaining	750	0	750	750	0	750
HRO/BIB Realignment	0	161	161	0	0	0
HRO-Contracts from EDC to DEP	0	23,868	23,868	0	0	0
HRO- Realign Fund to Cover CTES	0	20,805	20,805	0	0	0
IC W/DEP- Collective Bargaining	0	13	13	0	19	19
Jamaica Bay Oyster Grant	0	1,000	1,000	0	0	0
NYSERDA	0	220	220	0	0	0
NYSERDA Grant 26204	0	(222)	(222)	0	0	0
Subtotal, Other Adjustments	\$765	\$51,095	\$51,860	\$754	\$19	\$773
TOTAL, All Changes	\$39,504	\$51,095	\$90,599	\$25,219	\$19	\$25,238
DEP Budget as of the Preliminary 2017 Budget	\$1,187,070	\$355,800	\$1,542,873	\$1,125,620	\$105,109	\$1,230,729

Appendix B: DEP Reconciliation of Program Areas to Units of Appropriation

<i>Dollars in Thousands</i>	Personal Services				Other Than Personal Services				Grand Total
	1	2	3	4	5	6	7	8	
Agency Administration & Support	\$33,735	\$0	\$0	\$750	\$546	\$61,224	\$5,462	\$0	\$101,716
Customer Services & Water Board Support	0	0	0	18,149	0	0	35,269	0	53,419
Engineering Design and Construction	0	0	200	745	0	0	38,127	0	39,072
Environmental Management	1,046	19,991	0	597	1,954	0	698	0	24,287
Miscellaneous	0	2,626	0	(4,542)	44,137	0	0	0	42,221
Upstate Water Supply	0	0	78,663	250,060	0	0	300	0	329,022
Wastewater Treatment Operations	0	0	0	252,809	3,436	0	0	168,036	424,281
Water & Sewer Maintenance & Operations	0	116	114,511	95,936	6,149	0	0	0	216,712
Grand Total	\$34,781	\$22,733	\$193,373	\$614,504	\$56,222	\$61,224	\$79,856	\$168,036	\$1,230,729