

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. Donovan Richards Jr.
Chair, Committee on Environmental Protection



Hearing on the Fiscal 2015 Preliminary Budget & the Fiscal 2014 Preliminary Mayor's Management Report

Department of Environmental Protection

March 14, 2014

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Department of Environmental Protection Overview

The Department of Environmental Protection (DEP or the Department) protects the environmental health, welfare, and natural resources of the City and its residents. The Department manages the City's water and wastewater system, including nineteen reservoirs and three controlled lakes, which provides more than one billion gallons of quality drinking water daily to more than eight million New York City residents and one million people in nearby counties. The wastewater system includes fourteen in-City wastewater treatment plants and treats 1.3 billion gallons of wastewater daily. 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 Department's Preliminary Budget for Fiscal 2015. In the first section the highlights of the Fiscal 2015 expense budget are presented including actions from the November and February Financial Plans. The report then presents analysis of some of the Department's program area budgets and reviews relevant sections of the Preliminary Mayor's Management Report for Fiscal 2014. Finally, a review of the proposed capital budget for the Department is presented with status updates on major projects and a discussion of significant proposed changes.

Fiscal 2015 Preliminary / November Plan Highlights

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	*Difference 2014 - 2015
Personal Services	\$485,871	\$465,889	\$453,057	\$464,230	\$454,621	\$1,564
Other Than Personal Services	573,176	1,261,369	666,810	1,070,432	650,890	(15,920)
Agency Total	\$1,059,047	\$1,727,259	\$1,119,867	\$1,534,662	\$1,105,511	(\$14,356)

**The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.*

The Department's Fiscal 2015 Preliminary Budget of \$1.11 billion is \$14.4 million less than its Fiscal 2014 Adopted Budget of \$1.12 billion. This represents a 1.3-percent change. Additionally there is only a \$1.2 million difference from what was budgeted for Fiscal 2015 in the Fiscal 2014 Adopted Budget, which is less than a one-percent change. Agencies were not required to make budget cuts in either the Fiscal 2014 November Budget or the Fiscal 2015 Preliminary Budget.

Some Fiscal 2014 November Plan and Fiscal 2015 February Plan highlights include:

- **Community Development Block Grant Disaster Relief (CDBG-DR) Assistance.** Since Fiscal 2014 Adoption DEP received \$366.7 million in Fiscal 2014 in CDBG-DR funding. DEP is acting as a fiscal conduit for the Mayor's Office of Housing Recovery.
- **Environmental Compliance Overtime New Need.** To bring funding levels even with actual overtime costs \$1.2 million has been added to civilian overtime costs for environmental compliance programs in Fiscal 2014 and 2015.

- **Delaware Aqueduct.** The Preliminary Capital Commitment Plan includes \$570.5 million in Fiscal 2014 – 2017 for building a three mile bypass tunnel so a leaking portion of the Delaware Aqueduct may be fixed.
- **Green Infrastructure Plan.** In Fiscal 2014 - 2017, \$488.4 million is allocated in the Preliminary Capital Commitment Plan for various green infrastructure projects on public property.
- **New Headcount.** The Fiscal 2015 Preliminary Budget includes ten new full-time positions for the Office of Green Infrastructure for operations and maintenance.

DEP Financial Summary

<i>Dollars in Thousands</i>	2012	2013	2014	2014	2015	*Difference
	Actual	Actual	Adopted	Prelim. Plan	Prelim. Plan	2014 - 2015
Budget by Program Area						
Agency Administration & Support	\$85,420	\$83,131	\$86,505	\$88,977	\$84,680	(\$1,825)
Customer Services & Water Board Support	40,104	42,546	50,173	50,173	45,089	(5,084)
Engineering Design and Construction	33,823	33,464	36,123	36,123	36,123	0
Environmental Management	15,902	16,422	15,531	27,608	16,731	1,200
Miscellaneous	21,468	657,016	6,344	379,018	6,321	(23)
Upstate Water Supply	283,282	284,702	336,773	334,308	326,860	(9,913)
Wastewater Treatment Operations	380,928	444,407	409,241	439,431	407,369	(1,872)
Water & Sewer Maintenance & Operations	198,120	165,568	179,179	179,024	182,339	3,160
TOTAL	\$1,059,048	\$1,727,256	\$1,119,868	\$1,534,661	\$1,105,512	(\$14,356)
Funding						
City Funds	\$942,523	\$977,379	\$1,056,631	\$1,057,831	\$1,042,274	(\$14,357)
Other Categorical	24,657	10,122	0	665	0	0
Capital- IFA	69,979	68,347	61,918	61,918	61,918	0
State	161	1,955	0	364	0	0
Federal - Community Dev.	0	102,160	0	0	0	0
Federal - Other	20,118	566,091	123	411,170	123	0
Intra City	1,610	1,204	1,196	2,714	1,196	0
TOTAL	\$1,059,048	\$1,727,256	\$1,119,868	\$1,534,661	\$1,105,512	(\$14,357)
Positions						
Full-Time Positions - Civilian	5,564	6,004	5,940	6,056	5,950	10
TOTAL	5,564	6,004	5,940	6,056	5,950	10

*The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan Funding.

Program Areas

Wastewater Treatment Operations

The Bureau of Wastewater Treatment maintains the chemical and physical integrity of the New York Harbor and other local water bodies. It sustains the continued use and viability of the water environment through the removal of organic and toxic pollutants from the City's wastewater, control of discharges from Combined Sewer Overflows (CSOs) and dry weather bypassing, optimum operation of the treatment plant collections system, integration of watershed management concepts into the planning and design of facilities, and enforcement of a citywide industrial pre-treatment and pollution prevention program. The Bureau operates fourteen water pollution control plants, ninety-six wastewater pump stations and 6,000 miles of intercepting sewers.

	2012	2013	2014	2014	2015	*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	Prelim. Plan	Prelim. Plan	2014 - 2015
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$149,798	\$145,059	\$145,207	\$144,849	\$145,207	\$0
Other Salaried and Unsalaries	69	111	95	95	95	0
Additional Gross Pay	13,436	32,921	7,560	7,560	7,560	0
Overtime - Civilian	17,962	0	11,097	11,097	11,097	0
Fringe Benefits	2,752	2,751	3,225	3,225	3,225	0
Subtotal	\$184,016	\$180,842	\$167,183	\$166,826	\$167,183	\$0
Other Than Personal Services						
Supplies & Materials	\$54,861	\$51,349	\$58,605	\$59,095	\$57,961	(\$644)
Fixed & Misc. Charges	973	573	597	597	597	0
Property & Equipment	1,379	747	1,930	1,000	1,930	0
Other Services & Charges	64,815	105,344	111,710	131,340	110,523	(1,188)
Contractual Services	74,884	105,552	69,215	80,574	69,175	(40)
Subtotal	\$196,912	\$263,565	\$242,058	\$272,605	\$240,186	(\$1,872)
TOTAL	\$380,928	\$444,407	\$409,241	\$439,431	\$407,369	(\$1,872)
Funding						
City Funds			\$400,386	\$400,545	\$398,515	(\$1,871)
Capital- IFA			8,855	8,855	8,855	(0)
Federal - Other			0	30,000	0	0
Intra City			0	32	0	0
TOTAL	\$380,928	\$444,407	\$409,241	\$439,431	\$407,369	(\$1,872)
Positions						
Full-Time Positions - Civilian	1,816	1,952	1,897	1,897	1,897	0
TOTAL	1,816	1,952	1,897	1,897	1,897	0

*The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan Funding.

Changes in the Fiscal 2014 Preliminary Plan reflect a \$1.9 million decrease in the Bureau of Wastewater Treatment’s budget which is less than a one-percent difference. This represents \$1.2 million in studies completed in Fiscal 2014 including the Jamaica Bay Feasibility Study and one by the City College of New York on the use of bacteria during waste treatment. It also reflects a reforecast of the chemicals budget for Fiscal 2015.

Performance Measures

To ensure that New York City’s bodies of water meet a swimmable standard for water cleanliness DEP collects and tests water samples at seventy harbor survey stations. Water quality can be affected during heavy rains due to CSOs. In the first quarter of Fiscal 2014 New York City waters met the swimmable standard in 75-percent of the samples surveys, as compared to 56-percent during the same period the previous year.

Performance Statistics	Actual			Target		4-Month Actual	
	FY11	FY12	FY13	FY14	FY15	FY13	FY14
Wastewater treatment plant (WWTP) effluent meeting federal standards (%)	100.0%	99.9%	99.5%	100.0%	100.0%	99.9%	99.9%
Harbor survey stations meeting the swimmable standard of 5mg/L for dissolved oxygen (%)	87%	87%	85%	89%	89%	56%	75%
WWTPs - Critical equipment out-of-service (% below minimum)	4.2%	3.0%	3.1%	5.0%	5.0%	3.7%	1.8%

Source: Preliminary Mayor’s Management Report

Upstate Water Supply

The Bureau of Water Supply manages, operates, and protects New York City's upstate water supply to ensure the delivery of a sufficient quantity of high quality drinking water. Additionally, it is responsible for the overall management and implementation of the provisions of the City's Watershed Protection Program, and for ensuring the City's compliance with the provisions of the Filtration Avoidance Determination (FAD).

	2012	2013	2014	2014	2015	*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	Prelim. Plan	Prelim. Plan	2014 - 2015
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$79,171	\$64,263	\$65,586	\$65,586	\$65,586	\$0
Other Salaried and Unsalared	373	337	166	166	166	
Additional Gross Pay	3,030	6,443	2,063	2,063	2,063	0
Overtime - Civilian	2,643	0	1,985	1,985	1,985	0
Fringe Benefits	51	48	28	28	28	0
Subtotal	\$85,268	\$71,091	\$69,828	\$69,828	\$69,828	\$0
Other Than Personal Services						
Supplies & Materials	\$12,872	\$9,766	\$11,515	\$13,189	\$11,615	\$100
Fixed & Misc. Charges	143,380	149,920	160,114	160,185	159,114	(1,000)
Property & Equipment	1,427	5,993	3,652	6,602	3,204	(449)
Other Services & Charges	30,916	36,170	69,574	62,409	61,051	(8,523)
Contractual Services	9,418	11,763	22,090	22,095	22,048	(42)
Subtotal	\$198,014	\$213,612	\$266,945	\$264,480	\$257,032	(\$9,913)
TOTAL	\$283,282	\$284,702	\$336,773	\$334,308	\$326,860	(\$9,913)
Funding						
City Funds			\$333,328	\$330,853	\$323,415	(\$9,913)
Capital- IFA			3,445	3,445	3,445	(0)
Intra City			0	10	0	0
TOTAL	\$283,282	\$284,702	\$336,773	\$334,308	\$326,860	(\$9,913)
Positions						
Full-Time Positions - Civilian	1,031	1,106	1,110	1,110	1,110	0
TOTAL	1,031	1,106	1,110	1,110	1,110	0

*The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan Funding.

The Fiscal 2015 Preliminary Budget for Upstate Water Supply is \$9.9 million less than the Fiscal 2014 Adopted Budget, a change of 2.9-percent. This reflects a series of costs in Fiscal 2014 that are not reflected in the Fiscal 2015 budget including \$5 million in capital-related costs that were moved to the expense budget as a result of the NYC Comptroller's Directive Ten, \$1.1 million paid to the NYC Department of Investigations for oversight of DEP's large construction contracts, \$1.2 million for hydroelectric studies, and \$1 million in costs for the hydroelectric program that is now

paid for by City Tax Levy since the revenues from the electricity generated goes to the City’s general fund.

Performance Measures

New York City water must comply with all federal and state drinking water quality standards. The Department monitors drinking water at over 1,200 sampling stations in the five boroughs as well as performing 200,000 tests in the upstate watershed annually. Land acquisition upstate helps maintain water quality.

Security of the City’s water supply is an ongoing concern for the Department. In the first four months of Fiscal 2014 DEP Police made 95,211 security checks at various facilities. This is an increase of 2,248 or 2.4 percent, from the first quarter of the previous fiscal year. During these checks DEP Police issued 495 summonses, arrests, violations or warnings, 25 more than the same period in Fiscal 2013.

Performance Statistics	Actual			Target		4-Month Actual	
	FY11	FY12	FY13	FY14	FY15	FY13	FY14
Samples testing positive for coliform bacteria (%)	0.4%	0.4%	0.3%	*	*	0.6%	0.4%
In-City samples meeting water quality standards for coliform bacteria (%)	100%	100%	100%	100%	100%	100%	100%
Acres of land solicited in watershed area	77,524	69,789	63,910	*	*	36,981	10,168
Water supply - Critical equipment out of service (%)	2.0%	1.5%	1.2%	*	*	1.3%	1.6%
Facility security checks	225,180	263,436	275,098	263,000	263,000	92,963	95,211
Overall enforcement activity	936	1,777	983	*	*	470	495

Source: Preliminary Mayor’s Management Report

Water & Sewer Maintenance & Operations

The Bureau of Water and Sewer Operations operates, maintains, and protects the City's drinking water and wastewater collection systems, protects adjacent waterways, and develops the Department's Capital Water and Sewer Design Program. This program includes approval and inspection of water and sewer connections performed by licensed plumbers and/or authorized contractors. Additionally, the Bureau is responsible for the approval and inspection of all public and private construction projects.

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	*Difference 2014 - 2015
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$79,070	\$81,945	\$89,177	\$89,177	\$89,614	\$436
Other Salaried and Unsalariated	189	172	50	50	50	0
Additional Gross Pay	8,416	16,116	5,957	5,957	5,957	0
Overtime - Civilian	9,569	0	5,184	5,184	5,184	0
Fringe Benefits	0	1	24	24	24	0
Subtotal	\$97,243	\$98,234	\$100,392	\$100,392	\$100,829	\$436
Other Than Personal Services						
Supplies & Materials	\$18,614	\$17,974	\$25,704	\$22,270	\$27,800	\$2,096
Fixed & Misc. Charges	26,276	11,636	1,837	1,837	1,414	(423)
Property & Equipment	957	2,482	1,686	1,375	1,286	(400)
Other Services & Charges	48,599	24,205	37,374	36,811	37,820	446
Contractual Services	6,431	11,036	12,186	16,339	13,190	1,004
Subtotal	\$100,877	\$67,333	\$78,786	\$78,631	\$81,510	\$2,724
TOTAL	\$198,120	\$165,568	\$179,179	\$179,024	\$182,339	\$3,160
Funding						
City Funds			\$171,836	\$171,681	\$174,996	\$3,160
Capital- IFA			7,343	7,343	7,343	(0)
TOTAL	\$198,120	\$165,568	\$179,179	\$179,024	\$182,339	\$3,160
Positions						
Full-Time Positions - Civilian	1,139	1,307	1,336	1,336	1,346	10
TOTAL	1,139	1,307	1,336	1,336	1,346	10

*The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan Funding.

The \$182.3 million Water and Sewer Maintenance and Operations budget is \$3.1 million more than the Fiscal 2014 Adopted budget. The changes reflected in the chart above include a \$2.1 million reforecast of the supplies and chemicals budget for the Croton Filtration Plant in Fiscal 2014 due to delays opening, and an additional \$1 million for maintenance contracts for the Croton Filtration Plant and for the City Water Tunnel No. 3. The \$436,000 increase in full-time civilian positions includes a phase in of ten new positions for operations and maintenance in the Office of Green Infrastructure.

Performance Measures

Performance Statistics	Actual			Target		4-Month Actual	
	FY11	FY12	FY13	FY14	FY15	FY13	FY14
Sewer backup complaints received	14,460	13,933	14,911	*	*	4,943	2,757
Sewer backup complaints resolved - Confirmed	5,337	4,567	4,221	*	*	1,400	718
- Unconfirmed	9,086	8,982	10,685	*	*	3,499	2,041
Sewer backup resolution time (hours)	5.5	5.6	4.4	7.0	7.0	4.6	3.2
Street segments with confirmed sewer backup in the last 12 months (% of total segments)	2.2%	2.0%	1.7%	*	*	1.7%	1.6%
Street segments with recurring confirmed sewer backups in the last 12 months (% of total segments)	0.8%	0.7%	0.5%	1.0%	1.0%	0.6%	0.5%
Street cave-in complaints received	4,656	3,467	2,926	*	*	1,391	1,366
Average time to respond to street cave-in complaints and make safe (days)	2.4	3.2	2.5	*	*	2.7	2.8
Water main breaks	481	370	406	*	*	64	96
Water main breaks per 100 miles of main in the last 12 months	6.5	6.2	5.8	*	*	4.9	6.2
Average time to restore water to customers after confirming breaks (hours)	5.4	4.8	4.4	6.0	6.0	4.5	4.3
Broken and inoperative hydrants (%)	0.55%	0.36%	0.31%	1.00%	1.00%	0.26%	0.42%
Average time to repair or replace high- priority broken or inoperative hydrants (days)	5.9	4.4	2.7	7.0	7.0	2.4	3.0
Catch basin complaints received	10,539	12,357	10,548	*	*	4,568	2,508
Catch basin backup resolution time (days)	5.1	5.1	3.1	9.0	9.0	3.0	4.7
Catch basins surveyed/inspected (%)	29.3%	33.1%	30.0%	33.3%	33.3%	7.4%	10.0%
Catch basins cleaned - Total	20,417	24,224	31,097	*	*	9,477	10,540
Backlog of catch basin repairs (% of system)	N/A	1.1%	0.5%	1.0%	1.0%	0.6%	0.3%
Leak complaints received	4,198	3,751	4,077	*	*	974	1,050
Leak resolution time (days) (City infrastructure only)	15.5	10.7	10	12.0	12.0	7.8	8.9

Source: Preliminary Mayor's Management Report

As extreme weather increases in frequency due to climate change New York City neighborhoods will experience flooding issues more often. Indicators suggest that the Department is making progress in maintaining the sewer system and responding more quickly to complaints.

The number of sewer backup complaints decreased in the first quarter of Fiscal 2014 compared to the same period in Fiscal 2013 by 2,186 or 44.2-percent. Of the 2,757 sewer backup complaints received in this period in Fiscal 2014 only 718 turned out to emanate from City infrastructure leaks and the rest were from private property.

Street cave-in complaints decreased from 1,391 to 1,366 in the same period, and the average time it took DEP to respond to the complaints increased slightly from 2.7 days to 2.8 days.

Water main breaks can be particularly damaging to City and private infrastructure under streets and can cause entire residential block-fronts to lose water. In the first four months of Fiscal 2014

there were 96 water main breaks and it took DEP an average of 4.3 hours to restore water to customers after confirming breaks. The Fiscal 2014 numbers reflect an increase of 32 water main breaks, or fifty-percent, but the average response time was cut down slightly by 12 minutes.

Catch basin complaints decreased by 2,060 to 2,508 complaints in the first quarter of Fiscal 2014 compared to the same period in Fiscal 2013, an improvement of 45-percent. It may be correlated to the number of catch basins cleaned increasing in the same period by 1,063 to 10,540 catch basins. Catch basins are inspected regularly every three years and as-needed based on 3-1-1 complaints. Catch basins in some high-risk areas are also pre-inspected before major weather events.

Miscellaneous

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

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	*Difference 2014 - 2015
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$3,492	\$3,240	\$1,243	\$3,895	\$1,171	(\$72)
Additional Gross Pay	136	608	0	0	0	0
Overtime - Civilian	603	0	0	0	0	0
Fringe Benefits	1	1	0	1,404	0	0
Subtotal	\$4,232	\$3,849	\$1,243	\$5,300	\$1,171	(\$72)
Other Than Personal Services						
Supplies & Materials	\$2,445	\$374	\$20	\$499	\$20	\$0
Fixed & Misc. Charges	0	1,236	1,236	1,236	1,236	0
Property & Equipment	2,119	824	0	2,472	0	0
Other Services & Charges	1,805	1,969	0	181,930	0	0
Contractual Services	10,866	648,764	3,846	187,581	3,895	49
Subtotal	\$17,236	\$653,167	\$5,101	\$373,718	\$5,150	\$49
TOTAL	\$21,468	\$657,016	\$6,344	\$379,018	\$6,321	(\$23)
Funding						
City Funds			\$6,221	\$6,221	\$6,198	(\$23)
Other Categorical			0	665	0	0
Capital- IFA			0	0	0	0
State			0	364	0	0
Federal - Other			123	370,293	123	0
Intra City			0	1,475	0	0
TOTAL	\$21,468	\$657,016	\$6,344	\$379,018	\$6,321	(\$23)
Positions						
Full-Time Positions - Civilian	47	54	13	43	13	0
TOTAL	47	54	13	43	13	0

**The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan Funding.*

Immediately after Superstorm Sandy the Department played a major role in emergency response by helping coordinate the Rapid Repairs program to make emergency repairs to allow residents to stay in their homes. DEP managed contracts for boilers and other quick repairs to homes while the New York City Department of Housing Preservation and Development (HPD) managed contracts for demolitions.

DEP has since taken a role in the recovery process as a fiscal conduit for the Housing Recovery Office for the Build It Back program. Since Fiscal 2014 Adoption the Department has received

\$360.4 million in CDBG-DR assistance from the U.S. Department of Housing and Urban Development for Fiscal 2014 that is reflected in this program area.

Because State and Federal grants are allocated one year at a time and cannot accurately be predicted the Fiscal 2015 Preliminary budget is a placeholder. The budget will be updated accordingly as grant money is made available.

Agency Administration & Support

Funding in this program area supports administrative staff that manages and directs the Department, sets policies, and creates agency strategic plans. The administrative bureau provides support services for the entire Department. The functions include personnel, budgeting, payroll, purchasing, auditing, building and vehicle maintenance, computer services, and community and intergovernmental relations.

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	*Difference 2014 - 2015
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$33,309	\$30,702	\$31,277	\$31,277	\$31,277	\$0
Other Salaried and Unsalaries	899	797	1,183	1,183	1,183	0
Additional Gross Pay	1,446	2,473	466	466	466	0
Overtime - Civilian	1,549	0	236	236	236	0
P.S. Other	(96)	0	0	0	0	0
Subtotal	\$37,107	\$33,972	\$33,163	\$33,163	\$33,163	\$0
Other Than Personal Services						
Supplies & Materials	\$6,264	\$5,006	\$4,341	\$4,313	\$4,341	\$0
Fixed & Misc. Charges	1,773	1,858	27	107	27	0
Property & Equipment	1,250	672	2,548	4,903	2,568	20
Other Services & Charges	29,259	30,805	36,011	36,051	34,444	(1,567)
Contractual Services	9,767	10,818	10,416	10,439	10,138	(278)
Subtotal	\$48,313	\$49,159	\$53,342	\$55,814	\$51,517	(\$1,825)
TOTAL	\$85,420	\$83,131	\$86,505	\$88,977	\$84,680	(\$1,825)
Funding						
City Funds			\$78,893	\$81,364	\$77,068	(\$1,825)
Capital- IFA			6,732	6,732	6,732	(0)
Intra City			880	880	880	0
TOTAL	\$85,420	\$83,131	\$86,505	\$88,977	\$84,680	(\$1,825)
Positions						
Full-Time Positions - Civilian	453	431	436	436	436	0
TOTAL	453	431	436	436	436	0

*The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan Funding.

The 2.1-percent decrease in the Fiscal 2014 budget for Agency Administration and Support of \$1.8 million to \$84.7 million in the Fiscal 2015 Preliminary Plan reflects a one-time energy neutrality study and staff training in Fiscal 2014.

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. By design, DEP staff support the operations of the Water Board under the leadership of the Water Board's Executive Director.

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	*Difference 2014 - 2015
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$25,626	\$25,847	\$27,728	\$27,728	\$27,728	\$0
Other Salaried and Unsalariated	2,638	2,171	2,301	2,301	2,301	0
Additional Gross Pay	1,150	3,137	843	843	843	0
Overtime - Civilian	1,443	0	1,703	1,703	1,703	0
Subtotal	\$30,858	\$31,155	\$32,575	\$32,575	\$32,575	\$0
Other Than Personal Services						
Supplies & Materials	\$2,068	\$1,949	\$3,304	\$3,544	\$3,304	\$0
Property & Equipment	249	202	2,117	1,887	1,333	(783)
Other Services & Charges	2,156	2,619	6,841	2,109	2,521	(4,320)
Contractual Services	4,773	6,622	5,336	10,057	5,355	19
Subtotal	\$9,246	\$11,392	\$17,598	\$17,598	\$12,514	(\$5,084)
TOTAL	\$40,104	\$42,546	\$50,173	\$50,173	\$45,089	(\$5,084)
Funding						
City Funds			\$50,016	\$50,016	\$44,933	(\$5,083)
Capital- IFA			156	156	156	0
TOTAL	\$40,104	\$42,546	\$50,173	\$50,173	\$45,089	(\$5,083)
Positions						
Full-Time Positions - Civilian	478	502	502	502	502	0
TOTAL	478	502	502	502	502	0

*The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan Funding.

The decrease of \$5.1 million for Customer Services and Water Board Support is a ten-percent change and largely represents Fiscal 2014 contracts with IBM which support the Department's billing system. The contracts will continue into Fiscal 2015 but is not yet included in the budget. It also reflects one-time purchase in Fiscal 2014 of tablets for field inspectors to utilize the Field Information Tracking System.

Performance Measures

Each spring the Water Board sets water and sewer rates for the following fiscal year that will meet the operating and capital needs of the system. The year's projections are certified by the Authority, the NYC Office of Management and Budget (OMB), and a consultant engineer. The rate proposal is shared publicly and presentations are made in every borough before being voted on.

A number of factors have helped bring the rate down over time. Automated meter reading technology has allowed for more accurate and up-to-date billing, compared to the old estimated billing system, which has led to increased payments of customer water and sewer bills. In 2007 the City Council approved including stand-alone water liens in the City’s annual lien sale. This gave DEP an enforcement mechanism to more effectively collect on payments owed. More revenue in the system keeps rate increases down.

The 4-Month Actuals for total revenue collected as a percent of targeted revenues collected are extremely positive since they are at 105.1%. Already \$1.6 billion has been collected from water and sewer users out of anticipated revenues of \$3.7 billion in Fiscal 2014.

Performance Statistics	Actual			Target		4-Month Actual	
	FY11	FY12	FY13	FY14	FY15	FY13	FY14
Estimated bills (%)	12.2%	6.8%	4.9%	6.0%	6.0%	4.5%	3.9%
Total revenue collected (\$000,000)	2,918.8	3,139.8	3,374.6	3,447.0	3,657.2	1,486.0	1,603.8
Total revenue as percent of target (%)	102.9%	101.1%	104.4%	100.0%	100.0%	100.7%	105.1%
Accounts receivable - Total balance (\$000,000)	1,385	1,487	1,561	*	*	839	877
Billed amount collected in 30 days (%)	53.8%	54.6%	55.4%	*	*	57.3%	60.4%

Source: Preliminary Mayor's Management Report

Environmental Management

The Bureau of Environmental Compliance regulates air, noise, and hazardous materials. Its staff performs inspections, issues licenses and permits, and reviews technical plans related to asbestos control, air quality, and noise abatement laws.

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	*Difference 2014 - 2015
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$11,125	\$11,026	\$12,076	\$18,349	\$12,076	\$0
Other Salaried and Unsalared	172	142	158	158	158	0
Additional Gross Pay	770	2,941	408	408	408	0
Overtime - Civilian	2,106	0	710	1,910	1,910	1,200
Subtotal	\$14,173	\$14,109	\$13,352	\$20,825	\$14,552	\$1,200
Other Than Personal Services						
Supplies & Materials	\$247	\$318	\$449	\$332	\$449	\$0
Property & Equipment	251	130	298	275	298	0
Other Services & Charges	175	572	205	198	205	0
Contractual Services	1,055	1,293	1,227	5,978	1,227	0
Subtotal	\$1,729	\$2,313	\$2,179	\$6,783	\$2,179	\$0
TOTAL	\$15,902	\$16,422	\$15,531	\$27,608	\$16,731	\$1,200
Funding						
City Funds			\$15,149	\$16,349	\$16,349	\$1,200
Capital- IFA			66	66	66	0
Federal - Other			0	10,877	0	0
Intra City			316	316	316	(0)
TOTAL	\$15,902	\$16,422	\$15,531	\$27,608	\$16,731	\$1,200
Positions						
Full-Time Positions - Civilian	199	219	220	306	220	0
TOTAL	199	219	220	306	220	0

*The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan Funding.

The Bureau of Environmental Compliance has an additional \$1.2 million in its Fiscal 2015 Preliminary Budget, a change of 7.7-percent compared to its Fiscal 2014 Adopted Budget. This change can be attributed to \$1.2 million that was added to the overtime budget to reflect actual spending patterns from past years. The Department has been doing more inspections outside of traditional work hours because many noise and air complaints happen early in the morning and at night. Additionally, after-hours inspections allow for inspectors to arrive at the home of the person who filed the complaint at a time more convenient for those who work during traditional hours. Inspections are done both by the agency alone and in conjunction with other agencies through the Multi-Agency Response to Community Hotspots (MARCH) program.

Performance Measures

The performance measures for the Bureau of Environmental Compliance are exceptional for the first quarter of Fiscal 2014. The average number of days to close air quality and noise complaints is down from the same time period last year, and the three-year trend in Actuals is down for both categories as well. For the first quarter of Fiscal 2014 99-percent of these complaints were responded to within seven days. However, it is important to bear in mind 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 no issue is 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 2014 have been responded to within three hours.

Performance Statistics	Actual			Target		4-Month Actual	
	FY11	FY12	FY13	FY14	FY15	FY13	FY14
Air complaints received	8,623	7,931	7,628	*	*	2,782	2,945
Average days to close air quality complaints	7.7	7.0	4.5	10.0	10.0	5.3	3.8
Air complaints responded to within seven days (%)	73%	82%	93%	85%	85%	89%	99%
Noise complaints received	31,400	35,363	36,130	*	*	11,634	14,209
Average days to close noise complaints	9.9	9.1	7.1	10.0	10.0	8.5	5.3
Noise complaints not requiring access to premises responded to within seven days (%)	89%	88%	91%	85%	85%	86%	99%
Asbestos complaints received	1,320	1,461	1,486	*	*	548	494
Average days to close asbestos complaints	0.24	0.20	0.29	1.00	1.00	0.20	0.21
Asbestos complaints responded to within three hours (%)	100%	100%	100%	90%	90%	100%	100%

Source: Preliminary Mayor's Management Report

Engineering Design and Construction

The Bureau of Environmental Design and Construction handles the planning, design, and construction of major water quality related capital projects.

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	*Difference 2014 - 2015
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$30,880	\$30,815	\$33,247	\$33,247	\$33,247	\$0
Other Salaried and Unsalari ed	108	55	11	11	11	
Additional Gross Pay	1,512	1,766	1,424	1,424	1,424	0
Overtime - Civilian	473	0	639	639	639	0
Subtotal	\$32,974	\$32,636	\$35,321	\$35,321	\$35,321	\$0
Other Than Personal Services						
Supplies & Materials	\$135	\$159	\$100	\$155	\$100	\$0
Fixed & Misc. Charges	1	2	0	0	0	0
Property & Equipment	65	94	116	71	116	0
Other Services & Charges	120	128	162	163	162	0
Contractual Services	528	444	424	414	424	0
Subtotal	\$849	\$827	\$802	\$802	\$802	\$0
TOTAL	\$33,823	\$33,464	\$36,123	\$36,123	\$36,123	\$0
Funding						
City Funds			\$802	\$802	\$802	\$0
Capital- IFA			35,321	35,321	35,321	0
TOTAL	\$33,823	\$33,464	\$36,123	\$36,123	\$36,123	\$0
Positions						
Full-Time Positions - Civilian	401	426	426	426	426	0
TOTAL	401	426	426	426	426	0

*The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan Funding.

There are no changes in the Fiscal 2015 Preliminary Budget for Engineering Design and Construction compared to the Fiscal 2014 Adopted Budget.

Capital Program

The total City Capital Commitment Plan for Fiscal 2014 has increased from \$21.2 billion in the November Capital Commitment Plan to \$21.3 billion in the Preliminary Capital Commitment Plan, an increase of \$163 million, or less than 1-percent. For DEP, the Preliminary Capital Commitment Plan has remained the same since the November Plan at \$2.3 billion.

The majority of 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 Year 2013 DEP committed \$1.5 billion or about 75-percent of its annual capital plan. Therefore, it is assumed that a significant portion of the agency’s Fiscal 2014 Capital Plan will be rolled into Fiscal 2015, thus increasing the size of the Fiscal 2015-2018 Capital Plan.

2014-2017 Commitment Plan: November and Preliminary Budget

Dollars in Thousands

	FY14	FY15	FY16	FY17	Total
November					
Total Capital Plan	\$2,321,644	\$2,698,202	\$1,358,062	\$1,132,036	\$7,509,944
Preliminary					
Total Capital Plan	\$2,321,644	\$2,698,202	\$1,358,062	\$1,132,036	\$7,509,944
Change					
Level	\$0	\$0	\$0	\$0	\$0
Percentage	0.00%	0.00%	0.00%	0.00%	0.00%

Capital Program Goals

- ✓ To maintain the quality of water in the City’s watersheds and, where necessary, treat the supply to ensure that it continues to be of high quality.
- ✓ To maintain and improve the transmission and distribution capacity of the City’s water supply system.
- ✓ To improve the quality of the surrounding waters by upgrading the City’s sewage treatment facilities and by reducing pollution caused by CSOs.
- ✓ To contain sanitary sewage and prevent flooding by replacing failing sewers and extending service to underserved areas of the City.

2014-2017 Commitment Plan: Preliminary Budget by Capital Program Area*Dollars in thousands*

	FY14	FY15	FY16	FY17	Total FY12 – FY16
Equipment (EP)	\$177,600	\$39,967	\$135,333	\$44,461	\$397,361
Sewers (SE)	493,011	371,156	327,431	237,899	\$1,429,497
Water Mains, Sources and Treatment (WM)	737,843	582,556	447,652	190,021	\$1,958,072
Water Pollution Control (WP)	876,914	952,064	352,296	585,488	\$2,766,762
Water Supply (W)	36,276	752,459	95,350	74,167	\$958,252
TOTAL	\$2,321,644	\$2,698,202	\$1,358,062	\$1,132,036	\$7,509,944

Major Capital Projects & Preliminary Budget Highlights

Delaware Aqueduct. Due to a leaking portion of the Delaware Aqueduct, also known as Rondout-West Branch Tunnel (RWBT), a new 3-mile tunnel will be built to bypass the leak. During construction, when the bypass is being connected, the Delaware Aqueduct will need to be shut down from the City's water supply in phases. Currently the aqueduct carries approximately half of NYC's drinking water to more than eight million people daily—approximately 500 million gallons per day. It is capable of transferring 900 million gallons of water a day.

DEP received approvals from local towns, and shafts are currently being drilled and blasted. Once the shafts are completed the tunnel-boring machine can be lowered to begin the tunnel work. The February Capital Commitment Plan includes \$570.5 million planned in Fiscal 2014 – 2017 for the construction of a bypass tunnel and related projects to repair the Rondout-West Branch Tunnel. Related projects include replacing water meters in large buildings and installing water meters in city-owned buildings with the aim of improving water conservation. Such projects will help cope with the aqueduct being offline at a later stage of the project, referred to as Water for the Future program.

Adaptive Management Strategy for Green Infrastructure. The Department continues to prioritize its Green Infrastructure Plan which incorporates different techniques to handle CSOs without building massive tanks and tunnels (grey infrastructure) that the City had previously relied on. In March 2012 DEP came to agreement with the NYS Department of Environmental Conservation on a modified consent order regarding CSO remediation to allow green infrastructure investments to be counted towards that effort.

In Fiscal 2014 - 2017, \$488.4 million is planned for various green infrastructure projects on public property. Some examples of recent projects include right-of-way bioswales, porous pavement and rooftop project such as green and blue roofs. DEP, NYC Department of Design and Construction, NYC Economic Development Corporation, and NYC Department of Parks and Recreation have worked simultaneously to implement such project in the key watershed areas of Newtown Creek, Gowanus Canal, Bronx River, Jamaica Bay, Hutchinson River, Westchester Creek, and Flushing Bay. It is anticipated that these design and construction projects will be completed and available for

review at various times after construction work is complete. The first construction contracts will begin in the spring or summer of 2014. Construction of green infrastructure will be ongoing until 2030 or when DEP meets the final target, which is to manage one inch of storm water on ten-percent of impervious surfaces within combined sewer watersheds.

The Green Infrastructure Plan reflects the City's goal to improve water quality outlined in PlaNYC 2030 by reducing CSOs into waterways by 40 percent by 2030 with both green and cost-effective grey solutions. These goals are in accordance with Local Law 71 of 2005 (as amended in 2006). Additionally, Local Law 5 of 2008 required the Administration to develop and implement a sustainable storm water management plan with the goal of reducing the approximately 27 billion gallons of untreated sewage and storm water that is discharged into the City's waters in a typical year.

Croton Water Filtration Plant. Construction is progressing on this roughly \$3.2 billion, multi-phase project located in Van Cortlandt Park with plans to connect to the drinking water system in Fiscal 2014. There is \$142.8 million planned in Fiscal 2014 – 2017 for this project including related projects, such as Parks Department projects in the Bronx.

City Water Tunnel No. 3. This critical \$6 billion project has been under construction since 1970. Phase two, or the Manhattan section, partially came online in 2013. 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. There is \$48.6 million allocated in Fiscal 2014 – 2017 for stages one and two of this project. The Brooklyn and Queens portion of the tunnel will be phase three of the project.

Ultraviolet (UV) Disinfection Facility. This approximately \$1.6 billion facility began operation in 2013, and is capable of treating 2.4 billion gallons of water a day from the Catskill and Delaware water supplies. The project helps support the FAD agreement with US EPA and helped the City avoid having to build a \$10 billion filtration plant. In Fiscal 2014 - 2017, approximately \$27.4 million is allocated towards this critical project.

Appendix A

Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	FY 2014			FY 2015		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of Fiscal 2014 Adopted Plan	\$1,056,630	\$63,237	\$1,119,867	\$1,041,074	\$63,237	\$1,104,311
New Needs						
Environmental Compliance Overtime	\$1,200	\$0	\$1,200	\$1,200	\$0	\$1,200
TOTAL, New Needs	\$1,200	\$0	\$1,200	\$1,200	\$0	\$1,200
Other Adjustments						
Biowatch Grant - Monitoring Air Stations	\$0	\$4,260	4,260	\$0	\$0	\$0
Brownsfield Opportunity Areas Program	0	402	402	0	0	0
Breezy Point Asbestos Clean-up	0	4,604	4,604	0	0	0
Buffer Zone Protection Program - Water Security	0	330	330	0	0	0
CDBG Funding - Build it Back	0	396,723	396,723	0	0	0
DEP Quick Connect for Portable Generator	0	10	10	0	0	0
NYSERDA Grant - Reducing Greenhouse Gases	0	364	364	0	0	0
Port Security Program	0	1,425	1,425	0	0	0
Urban Areas Security Initiative Grant - Air Safety	0	2,012	2,012	0	0	0
EDC - Energy Project Grant	0	665	665	0	0	0
Water Testing at Beaches - IC with DOHMH	0	32	32	0	0	0
PlaNYC ExCEL Program	0	125	125	0	0	0
Rapid Repairs - Engineering Audit Fund	0	1,293	1,293	0	0	0
SBS/DEP MOU for Clean Heat Program	0	1,350	1,350	0	0	0
TOTAL, Other Adjustments	\$0	\$413,595	\$413,595	\$0	\$0	\$0
TOTAL, All Changes	\$1,200	\$413,595	\$414,795	\$1,200	\$0	\$1,200
Agency Budget as of Fiscal 2015 Preliminary Plan	\$1,057,830	\$476,832	\$1,534,662	\$1,042,274	\$63,237	\$1,105,511

Appendix B Contract Budget

Category	Number	Budgeted	Pct. of DEP Total	Pct. of City Total
Contractual Services General	32	\$67,979,784	54.2%	12.4%
Telecommunications Maintenance	8	2,150,403	1.7%	4.3%
Maintenance & Repair of Motor Vehicle Equipment	25	375,684	0.3%	2.8%
Maintenance & Repair, General	139	25,590,953	20.4%	19.3%
Office Equipment Maintenance	13	478,358	0.4%	3.4%
Data Processing Equipment	14	7,804,405	6.2%	3.6%
Printing Contracts	9	539,102	0.4%	1.7%
Community Consultant Contracts	2	42,760	0.0%	0.3%
Security Services	3	10,116,306	8.1%	10.2%
Temporary services	6	19,264	0.0%	0.0%
Cleaning Services	18	130,740	0.1%	0.6%
Economic Development	1	500	0.0%	0.0%
Training Programs for City Employees	41	1,126,227	0.9%	7.0%
Maint. & Oper. of Infrastructure	39	1,873,715	1.5%	0.9%
Professional Services: Engineer & Architect	1	2,000	0.0%	0.0%
Professional Services: Computer Services	5	830,055	0.7%	0.8%
Professional Services: Other	16	6,391,846	5.1%	3.0%
Preliminary Budget	372	\$125,452,102	100.0%	7.1%

Appendix C

Reconciliation of Program Areas to Units of Appropriation

<i>Dollars in Thousands</i>	Personal Services					Other Than Personal Services			Grand Total
	001	002	003	007	008	004	005	006	
Agency Administration & Support	\$28,674			\$4,489				\$51,517	\$84,680
Customer Services & Water Board Support				32,575		12,514			\$45,089
Engineering Design and Construction			200	35,121		802			\$36,123
Environmental Management	948	12,883		721		627	1,552		\$16,731
Miscellaneous		1,171					5,150		\$6,321
Upstate Water Supply			69,564	265		257,032			\$326,860
Wastewater Treatment Operations					167,183	238,437	1,749		\$407,369
Water & Sewer Maint. & Operations			100,829		0	81,510			\$182,339
Grand Total	\$29,622	\$14,053	\$170,592	\$73,171	\$167,183	\$590,922	\$8,451	\$51,517	\$1,105,512