

**NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF ENGINEERING DESIGN AND CONSTRUCTION
CROTON FACILITY MONITORING COMMITTEE MEETING MINUTES**

MONDAY, DECEMBER 17, 2007 – 7:00PM

A special meeting of the Croton Facility Monitoring Committee was held on December 17, 2007 at the Mosholu Montefiore Community Center, 3450 DeKalb Avenue, Bronx, NY 10467. Attendees, including CFMC representatives, elected officials and their representatives, the Commissioner and staff from DEP, its construction manager, design engineer, and members of the public, are listed on the attached sheet. (*Attachment 1*) Some who attended did not sign in.

Welcome

Greg Faulkner, Chair of Community Board #7 and of the CFMC, called the meeting to order at approximately 7:20 PM; an agenda (*Attachment 2*) was available.

Public Session

Anthony Riveccio, North Bronx Think Tank, said he continues to have questions about costs and whether there are adequate controls to stop price escalation.

Lynn Schwarz, Fort Independence Park Neighborhood Association, presented a written statement (*Attachment 3*), repeating her earlier call for a higher community benefit package, commensurate with the higher costs of the project.

Fay Muir, Clean Water for the Bronx, called for the city to better protect Croton water at its source. Her statement is *Attachment 4*. Saul Scheinbach, Community Board #8, said he is concerned about protection of the Croton watershed and isn't satisfied with the answers provided at previous meetings. Anthony Perez Cassino, Community Board #8 Chair, said the Board will hold a future meeting, inviting all parties to attend and comment.

Anne Marie Garti, Jerome Park Conservancy, said that there hasn't been sufficient dialogue among parties regarding public access and schedule for improvements at the Jerome Park Reservoir, and that Parks Department work at Harris Park Annex awaits NYCDEP work completion at Jerome Park. A letter from her is *Attachment 5*.

Lyn Pyle, Knox Gates Neighborhood Association, supported Father Richard Gorman's resolution and called for an investigation by other entities about costs of the Croton Filter Plant. She asked for further information about equipment used for the grouting program associated with the Croton Filter Plant.

Kevin Johns, Amalgamated Houses, said that the prognostications about dire consequences of construction of the Croton Filter Plant proved unfounded. He criticized non-union labor working for the Parks Dept. at Jerome Avenue/Gun Hill Road.

Ezra Glazer, Amalgamated Houses, supported Ms. Garti's statements about Jerome Park and refuted DEP's position regarding public access at Jerome Park Reservoir related to security.

Ursula Morgan, community activist, said she believed that a memorandum of understanding had been signed regarding jobs but jobs for local residents have not been adequate.

Jane Sokolow, OASIS, spoke about the architectural concepts for above ground buildings that were presented in November. She said that making above ground changes in the park beyond the footprint of the Croton Filter Plant's boundaries should require a supplemental EIS. Her statement is *Attachment 6*.

Assembly Member Jeffrey Dinowitz asked to speak following the presentation by Commissioner Emily Lloyd. Chairman Faulkner and the CFMC agreed.

Mr. Faulkner then closed the public portion of the meeting. He asked for any comments on the meeting minutes of November 29th. None was provided. Upon a motion by Council Member G. Oliver Koppell, seconded by Parks and Recreation Borough Commissioner Hector Aponte the November 29th CFMC meeting minutes were adopted by consensus.

Council Member Koppell commented on hearings at the City Council earlier in the day regarding the sale of property liens of water and sewer customers whose payments are seriously in arrears. He praised Commissioner Emily Lloyd and her staff for working with the City Council to craft legislation that will allow more aggressive collections. Commissioner Lloyd then briefly described an owner's rights under the lien legislation. Commissioner Aponte responded to statements by Ms. Garti regarding the adequacy of the parks capital program. He said that the Master Plan is not fully financed, and that Community Board #8 will hear a presentation about it to which all are welcome.

Commissioner Lloyd provided information about the costs of the Croton Filter Plant, using a Power Point presentation. Her presentation covered Croton costs, nation-wide construction costs and trends and the progress being made to hire local residents to work at Croton, provide training to applicants who need it, and explore additional ways DEP can keep the CFMC informed. Her presentation is *Attachment 7*.

Following the presentation, Mr. Cassino said he agreed that costs of the Croton Filter Plant have increased, and said he understands that most construction projects in the region are costing more than original estimates for various reasons. However, Mr. Cassino said that he believes building the project underground at Croton versus building the project at Eastview significantly contributed to higher Croton costs. He said that many of the cost factors are both hard to understand and hard to put together. He said that the CFMC believes the costs will continue to escalate, and its members are concerned, which is the reason that Community Boards #8 and 12 previously adopted

resolutions calling for review of the Croton project. He said this is the reason that Father Richard Gorman is presenting a resolution to the CFMC. Commissioner Lloyd said that, as noted in her presentation, there will be additional costs due to change orders on the project. She said that at the next CFMC meeting NYCDEP could provide a report on change orders.

Assembly Member Dinowitz said that at the November CFMC meeting NYCDEP was asked to provide presentation material on costs to the CFMC in advance. That hasn't happened before the meeting and the Commissioner provided no copies. He said that tonight's presentation was difficult to understand. Mr. Dinowitz mentioned the Mayor's recent Town Hall meeting where the Commissioner told the audience that an expert panel looked at Croton's costs and reported that nothing could have been done to reduce them. Deputy Commissioner Anne Canty said that the Commissioner was speaking about capital construction costs in general, not Croton costs specifically.

Assembly Member Dinowitz asked for information about the expert panel. He said that a 115% increase in three years at Croton was prohibitive. He said that seven Assembly Members from the Bronx signed a letter asking the City Council to hold hearings on costs. He said that six legislative colleagues signed a letter asking the Attorney General and NYS Comptroller to investigate the Croton costs. Mr. Dinowitz said these investigations would bear out whether the high costs are due to misrepresentation and/or if DEP's management of the costs has been appropriate. Mr. Dinowitz urged the CFMC to both adopt the Gorman resolution and accept the follow up meetings that Commissioner Lloyd offered as a substitute to the resolution.

Commissioner Lloyd said she has information about commodities that she will email to Assemblyman Dinowitz and the CFMC following the meeting. (*Attachment 8*)

Father Gorman said he never supported the Croton Filter Plant. He said he respects Chairman Faulkner's focus on jobs and economic benefits for the community but that it was his understanding that jobs were not to be the focus of the Commissioner's presentation. Father Gorman said that it was important for Commissioner Lloyd to account for the massive cost overruns of the plant, and that those costs would be the focus of the CFMC's attention at the meeting. However, Fr. Gorman said that jobs were promised to the Bronx, and DEP should keep its promise to the community. He said that the Commissioner's presentation was a good one but should have come to the CFMC in advance. He said that in the mid-1990s the EIS costs were much lower. He said he respects Commissioner Lloyd and First Deputy Commissioner Steve Lawitts; however, the process of building Croton appears to be on a runaway course. If no laws have been broken, Fr. Gorman said, Attorney General's review would be inappropriate. Instead, Fr. Gorman recommended that the process be examined and recommendations made by technical overseers so that a similar cost increase won't happen on other projects. He said that the CFMC doesn't have the technical expertise to look at Croton in the way that the Independent Budget Office and NYC Comptroller can do. He said he appreciated the Commissioner's offer to regularly update the CFMC but the fact that these offers weren't

previously made is another reason for an independent look. He asked the CFMC to adopt his resolution (*Attachment 9*).

Council Member Koppell asked for a reading of the resolution. Father Gorman read it.

Council Member Koppell said Commissioner Lloyd serves the city well. He said that the principal, but not the only rationale for siting the plant was cost. He said the city needs to understand whether either the bids or the agency's estimates were wrong and to perform this work accountants and engineers are needed.

Commissioner Aponte said that many levels of financial oversight are provided on the Croton project. The DEP Commissioner and the Office of Management and Budget are the first level. Value engineering occurred in 2003/21004. All bids get registered through OMB, the Law Department and the Comptroller. With this project, the Department of Investigation has been involved along with its Integrity Monitor. Having all of these oversight bodies review the Croton project, it should be clear that independent reviews have been done. Commissioner Aponte said the City Council could hold hearings without adoption of the resolution. He added that the resolution appears to duplicate the many activities and agencies already reviewing the project. There was a discussion on this between Mr. Aponte and Mr. Koppell.

Commissioner Lloyd added that the NYC Water Finance Authority and the bond rating agencies also review the agency's capital projects and costs. Fr. Gorman mentioned Snapple and Ferry Point Park as examples of projects that were in need of control. He added that while costs for Croton have risen, many CB #12 residents need sidewalks.

Mr. Cassino said that CB #8 passed its resolution in July and now is time to get the issue behind the CFMC. Commissioner Lloyd said that her update offers would be difficult to provide if the resolution is adopted because of the amount of work it will place on DEP. Fr. Gorman refuted this. Mr. Cassino said that the resolution refers to the past and the Commissioner's offer relates to the future.

The CFMC then called for a vote. The following representatives voted for the resolution: Borough President, Council Member, Community Boards #7, #8, #12. The following representatives voted against the resolution: Department of Environmental Protection, Department of Parks and Recreation.

Subsequent to the meeting, a letter and the resolution were sent to the IBO and city and state Comptrollers (*Attachment 10*). Council Member Koppell wrote a letter (*Attachment 11*). The IBO sent a reply (*Attachment 12*).

Before adjourning, the CFMC decided to meet next on February 21st to hear about the capital program's effect on water rates. The CFMC agreed to schedule the report on air quality and BAT at the March meeting to accommodate Mr. Scheinbach's schedule.

The meeting ended at 9 PM.

<u>Name</u>	<u>Organization / Company</u>	<u>Address</u>	<u>Phone</u>	<u>Fax</u>	<u>E-Mail</u>
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Abby Bellows	NWBCCC	286 Reservoir Place Bronx NY 10467	(646) 642-6313	(718) 324-3034	abby@northwestbronx.org
Ursula P. Morgan	Community Leader	3155 Rochambeau Bronx NY 10467	(718) 653-6992	(718) 324-3034	umrq@aol.com
Lynn Schwarz	FIPNA	3332 Giles Place Bronx NY	(718) 543-2457	(718) 798-3879	
Emily Lloyd	Commissioner, DEP	59-17 Junction Boulevard Corona NY 11368	(718) 595-6565		elloyd@dep.nyc.gov
Steven Lawitts	First Deputy Commissioner, DEP	59-17 Junction Boulevard Corona NY 11368	(718) 595-6576	(718) 430-1818	margot.perron@parks.nyc.gov
Hector Aponte	Bronx Parks Commissioner	1 Bronx River Parkway Bronx NY	(718) 430-1801		hector.aponte@parks.nyc.gov
Fr. Richard Gorman	Chairman, Community Board #12	4101 White Plains Road Bronx NY 10466	(718) 881-4455	(718) 231-0635	cb12@optonline.net ; rgorman@cb.nyc.gov
Leon Fendley	NYC Dept of Parks & Recreation	1 Bronx River Parkway Bronx NY	(718) 231-8470	(718) 231-8857	leon.fendley@parks.nyc.gov
Martha Holstein	Strategic Urban Solutions, Inc.	335 Adams Street Brooklyn, NY 11201	(718) 625-1005 x. 223	(718) 625-1032	mholstein@urbansol.com
Bernard Daly	DEP BEDC Project Manager	3701 Jerome Avenue Bronx, NY 10467	(718) 696-2000	(718) 324-3034	Bdaly@dep.nyc.gov
Manny Grossman	Riverdale Press		(718) 543-6065		mgrossman@riverdalepress.com
Robert Barnes	DEP Community Outreach Office - Croton	3666 Jerome Avenue Bronx, NY 10467	(718) 231-8470	(718) 231-8857	robertbar@dep.nyc.gov
Laura Stockstill	Office of Bronx Borough President Carrion	198 East 161st Street Bronx, NY 10451	(718) 590-3881		lstockstill@bronxbp.nyc.gov
David Greene	NY Post - Bronx News		(917) 528-7370		
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Kevin Johns	IUOE Local 15	3967 Sedgwick Avenue Bronx NY 10463	(917) 202-0212		kevin19572@verizon.net
Anne Marie Garti	Jerome Park Conservancy	3967 Sedgwick Avenue Bronx NY	(718) 601-1322; (718) 884-7864		annemarie@att.net

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Ezra Glaser	Friends of Jerome Park	3985 Gouverneur Avenue Bronx NY 10463	(718) 601-7349	(718) 601-7278	ezrabg@aol.com
Greg Faulkner	Chair, Community Board #7	2559 Sedgwick Avenue Bronx NY 10468	(718) 482-5193	(718) 609-2096	gfaulkner@lagcc.cuny.edu
Anne Canty	Dep Comm,Commun. &Intergov.Affairs DEP	59-17 Junction Blvd. Corona NY 11368	(718) 595-3402	(718) 595-3477	acanty@dep.nyc.gov
Alex Kimball	Hazen & Sawyer Metcalf + Eddy JV	498 Seventh Avenue New York, NY	(212) 539-7122	(212) 614-9049	akimball@hazanandsawyer.com
Anthony Perez Cassino	Chairman, Community Board #8	5676 Riverdale Avenue Bronx NY 10471	(718) 884-4740	(718) 796-2763	brxcb8@optonline.net ; acassino@milbank.com
Lloyd Douglas	LDCC Business Consultant	165 West 127th Street New York NY 10027	(718) 292 - 3113	(718) 292-3115	
Hon. G.Oliver Koppell	City Council Member	3636 Waldo Avenue Bronx NY 10463	(718) 549-7300	(718) 549-9945	koppellgo@council.nyc.ny.us
Stefan Mayer	Cannon Heights	3400 Ft Independence St Bronx NY	(718) 549-3035		stefanmayer2@yahoo.com
Karen Argenti	Fort Independence Park Neighborhood Assn	PO Box 346 Bronx NY 10471	(646) 529 1990		KarenArgenti@aol.com
Lyn Pyle	Knox Gates Neighborhood Assn	25 W. Newkirk Bronx NY	(718) 933-5650	(718) 933-1829	bavialyn@earthlink.com
Evan Camp	Bronx Council on Environmental Quality	3311 Percy Bronx NY	(718) 882-4699		evan_camp@yahoo.com
Steve Kardual	Dept of Investigations		(718) 580-5022		
Ed Neisch	URS/MP Construction Manager	3701 Jerome Avenue Bronx NY 10467	(718) 696-2000	(718) 324-3034	eneisch@Pirnie.com
Jane Sokolow	OASIS	2 Spaulding Lane Bronx NY 10471	(718) 548-8090		isbx101@gmail.com
Hon. Jeffrey Dinowitz	NYS Assembly Member	3107 Kingsbridge Avenue Bronx Ny	(718) 796-5345		dinowitzj@assembly.nys.us.gov

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Thomas McNeil	Assistant to Assembly Member Dinowitz	3107 Kingsbridge Avenue Bronx NY 10463	(718) 796-5345	(718) 796-0694	thomas0330@hotmail.com
Charles McShane	Assistant to Assembly Member Dinowitz	3107 Kingsbridge Avenue Bronx NY 10463	(718) 796-5345		
Fay Muir	Clean Water for the Bronx	286 Reservoir Place Bronx NY	(718) 944-4668		
Arne Fareth	DEP BEDC	46-05 Horace Harding Exp. Corona NY	(718) 595-6189		arnef@dep.nyc.gov
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Saul Scheinbach	Community Board #8	5676 Riverdale Avenue Bronx NY 10471	(718) 884-4740	(718) 796-2763	judisaul@aol.com

AGENDA

Croton Facility Monitoring Committee Meeting

Monday, December 17, 2007 – 7:00 PM

Mosholu Montefiore Community Center – Senior Lounge

3450 DeKalb Avenue, Bronx NY 10467 (718) 882-4000

- | | |
|--|--------------------------------|
| I. Welcome | Greg Faulkner |
| II. Comments from the Public – Sign up to Speak | 3 Minute Maximum - 30 Minutes. |
| III. Consider, Adopt Minutes of November CFMC Meeting | CFMC Principals |
| IV. Presentation of Proposed Resolution | Father Richard Gorman |
| V. Comments by NYCDEP on Resolution | Commissioner Emily Lloyd |
| VI. CFMC Discussion | Greg Faulkner, CFMC Principals |
| VII. Set Next CFMC Meeting | |
| VIII. Adjourn | |

Fort Independence Park Neighborhood Association
Philip McDonnell, President / Karen Argenti and Lynn Schwarz, Vice Presidents / Arax Hogroian, Secretary
3340 Giles Place, Bronx, NY 10463, 718-543-5047 Voice / 718-543-2457 Message / fipna@fipna.org

FIPNA Comments to the Facilities Monitoring Committee on December 17, 2007

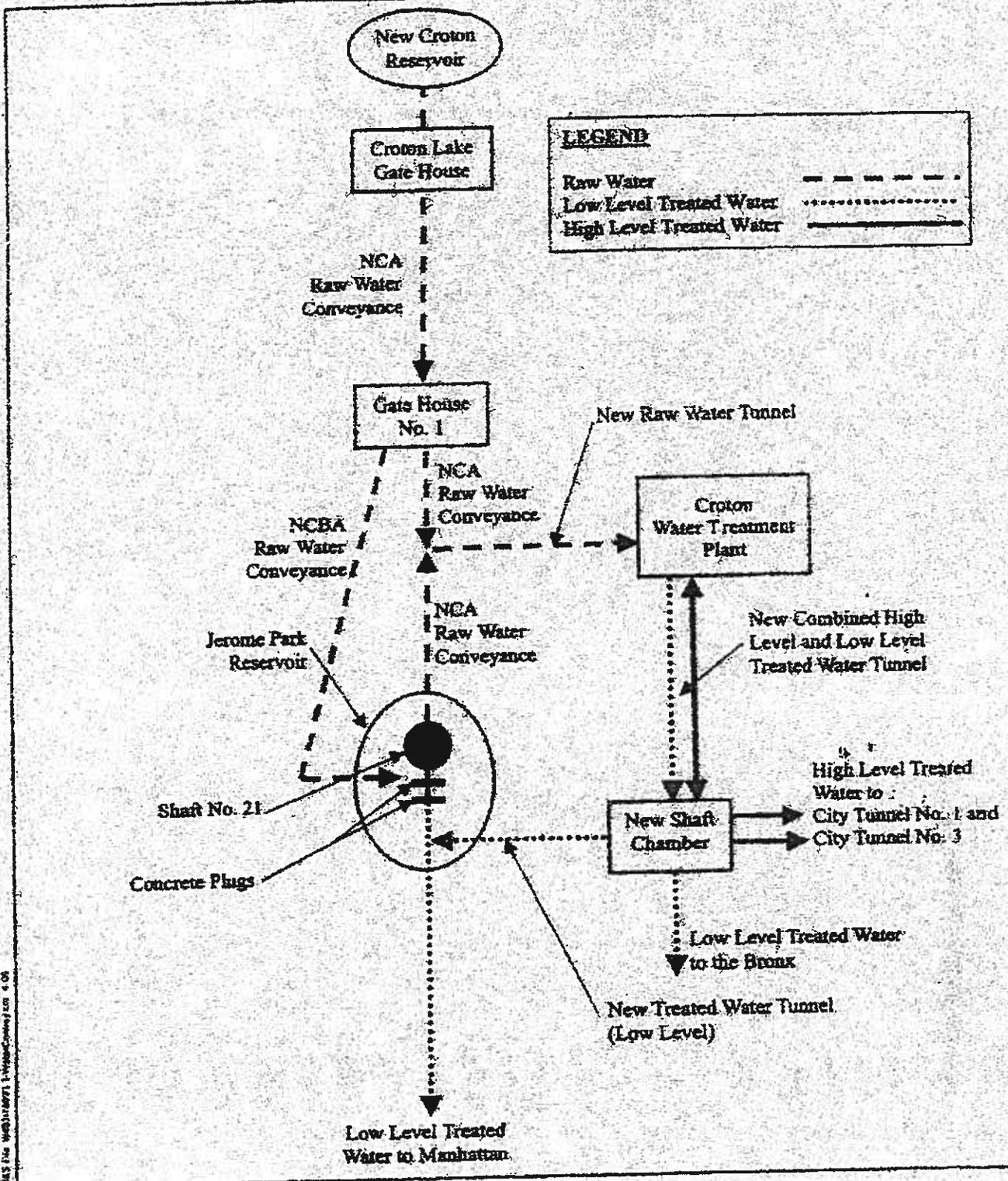
LYNN SCHWARZ: comment on the DEP's presentation concerning the more than 100% increase in projected costs for the Croton Filter Plant.

1. The DEP explanation raised more questions than it answered. It was merely a math problem – how to add, and did not compare the original EIS projected expenditures and contracts to the total cost of \$1.3 billion. Moreover, the DEP discussed increases in the cost of union wages, inflation, the US Dollar, minerals (such as copper) and materials; but as my union brothers and sisters will note and agree, wages have not doubled from 2003 to 2009. They never explained how much copper is used on the site. The FMC should not be happy with the explanation and should demand the DEP answer the questions and provide the original data used for the projections.

2. Now that we finally have a real cost, and it is clear that it has more than doubled, it is time to request the community benefit package be increased as well. It seems fair to request this increase, given the DEP's explanation for apparently internationally impacted high costs. The local community was not given adequate funding for our local parks, and we think the mitigation should be raised another \$200 million. Of course, Jerome Park Reservoir is in need of extra funding.

3. While we are talking about Jerome Park Reservoir, we have two other concerns. We have been informed that you expect 600 truck visits at Jerome Park for the demolition of the Demonstration Building. Why? We also understand that there is a raw water tunnel going from the New Croton Aqueduct to the Filter Plant. It seems that the second one you are building from Jerome Park Reservoir to the Filter Plant is unnecessary, costly, and keeps the reservoir from becoming the park is so desperately wants to be. Why?

Thank you for your time and consideration. Please respond with your comments.



Raw and Treated Water Conveyances

Figure 4-1

**Fay Muir
Clean Water For The Bronx
286 Reservoir Place
718-944-4668**

The request for information about watershed protection for the Croton System has never been fulfilled. The information offered so far, covered the Cat/Del System, not the Croton. The public was promised filtration as well as watershed protection for the Croton source waters. All that is being done by DEP is the building of the plant which has devastated our community with a huge spike in asthma and flooding problems. We would like to get more information on the water being pumped from the detention basins. Where is the water being drawn down and is the water tested. If it is potable water, we would like to see it used in a productive manner, e.g., at the Van Cortlandt Park plant nursery or stables.

In addition, you could fulfill the requirements of US EPA by building a membrane filtration plant. If you start right away it could be built within the allotted time frame and save enough to cover watershed protection and the proposed 18% water rate increase.

The emphasis on building huge engineering projects could be satisfied by working on the ancient, rusty pipes that keep breaking, creating chaos and financial burden on the city for damage caused to business owners and property owners. In addition there is the extra cost for rerouting traffic and road repairs as well as the taxes lost when the disruption closes commercial operations.

Do the right thing and switch to membrane filtration so we can stop paying huge cost overruns with huge increases in water rates.

JEROME PARK CONSERVANCY
3965 Sedgwick Ave., Suite 1C
Bronx, New York 10463
718 884-7864

December 17, 2007

Honorable Hector Aponte
Bronx Parks Commissioner
Renaqua
1 Bronx River Parkway
Bronx, NY 10462

Dear Commissioner Aponte:

I recently saw a copy of a plan entitled "Construction of a Jogging Trail Around the Jerome Park Reservoir; Site Analysis / Constraints / Opportunities." It was prepared on June 21, 2007 by MKW and Associates for the NYC Department of Parks.

This professional site analysis reinforces the position of the Jerome Park Conservancy - it is impossible to construct a jogging trail around the Jerome Park Reservoir outside of the DEP's security fence. Following are direct quotes from this plan:

- "Existing Parking Facility limits pedestrian circulation to sidewalk."
- "Existing security fence limits pedestrian circulation to sidewalk."
- "Purely residential and small-scale character inhibits the development of Recreational Path along this length of Sedgwick Avenue."

Instead of a recreational path, MKW and Associates proposes to "develop cohesive streetscape treatment." In some places they suggest new pavements, lighting, and seating oriented to views of the reservoir. These ideas support the Jerome Park Conservancy's plan for a park at the Jerome Park Reservoir, but don't appear to fulfill the terms of the legislation for alienation of parkland that was required for siting the Croton Water Treatment Plant.

It is impossible to respond to this site analysis without holding a meeting with the designers. However, I will mention a few constraints and/or opportunities that were overlooked:

1. The DEP's Demonstration Water Treatment Plant is included as an existing facility. This is not a constraint, but an opportunity. The building will be demolished in 2008, and the one-acre site can be restored as parkland, or enhanced with an ecology lab or history-based gathering area.
2. The Old Croton Aqueduct runs along the eastern edge of the Jerome Park Reservoir. The historic significance of this area should be emphasized.
3. The entire reservoir, and land around it, is listed on the State and National Registers of Historic Places. The western edge is a charming, historic district, adjoining a low-density residential community. An "exercise trail with equipment" is not appropriate.
4. The dog run in Fort Independence Park should be moved so that this area, which includes views of the water, can be used by people.

In 1983, the DEP obtained a temporary construction permit for Harris Park (Annex), which is located west of Goulden Avenue. The agency was supposed to rehabilitate the area when the construction was completed, but it has not done so in the intervening twenty-five years.

At the November 29, 2007 Croton Facility Monitoring Committee meeting you mentioned to me that the DEP's future construction activities preclude park improvements in Harris Park (Annex). It is my understanding that the DEP will be tearing up the area directly north and east of Gatehouse 5, near the intersection of Goulden Avenue and 205th Street. There is no reason why park improvements across from the DeWitt Clinton High School athletic fields cannot proceed. Even if the DEP requires the use of more land during construction, the money for this portion of the Jerome Park improvements can be put in escrow until the DEP completes these components of the filtration plant.

You also mentioned that the land along the western edge of the reservoir presents a problem because it "belongs" to the DEP, not to Parks. This fact was known when the legislation was developed and signed into law, and cannot be used as a reason for not proceeding with the plan in this area. If the Parks Department would like to obtain jurisdiction of this land, I'm sure the Jerome Park Conservancy would support your efforts.

The Parks Department should schedule another public meeting on the proposed improvements around the Jerome Park Reservoir. The site analysis is six months old and no public input has been obtained since March 2007.

Sincerely,



Anne Marie Garti
President

Enclosures

C: Jerome Park Conservancy
Croton Facility Monitoring Committee
Hon. Adolfo Carrion
Hon. Jeffrey Dinowitz
Hon. Efrain Gonzalez
Hon. Jeffrey Klein
Hon. Oliver Koppell
Hon. Emily Lloyd
Hon. Jose Rivera
Hon. Naomi Rivera

Statement of Jane Sokolow to the Croton Filtration Monitoring Committee Meeting

Monday, December 17, 2007 – 7:00 p.m. Mosholu Montifiore Community Center

My name is Jane Sokolow and I have been actively involved with the filtration plant issues for well over a decade. Today I would like to comment on the preliminary design of the tee boxes at the new Mosholu driving range and the parking plan for the new Mosholu Golf House.

In the architects' presentation at the November 29, 2007 Croton Filtration Monitoring Committee Meeting, the preliminary design plans show (1) a two story, 60 tee box facility on the Jerome Avenue side of the new driving range and (2) a separate parking lot at the southeast end, but outside of the 43 acre alienated footprint of the project.

With respect to the two story tee facility, I have a couple of comments.

- (1) Are 60 tee boxes necessary? If so, did the information for the necessity for this many tee boxes come from the Bronx Parks Department or from the concessionaire? If the request for 60 tee boxes came from the latter, is this an economic issue for the concessionaire or a real need? I would like to ask this committee to request where this information came from and the documentation for the need.
- (2) A two story structure such as described would be an eye sore to look at from Jerome Avenue. People want to look at parkland not a two story structure of 60 tee boxes. I suggest the committee ask for alternate designs.

With respect to the parking lot for the new Golf House this is located in parkland outside of the alienation footprint. The Environmental Impact Statement states¹ both that the new golf course clubhouse, maintenance facility, and new golf course parking lot would be constructed on the existing Mosholu Golf Course property, and that the new parking lot replacing the existing one would be shared by Parks and DEP.

Contrary to the DEP's contention that the location of the parking area for the Club House described at the last meeting is a Parks Department issue, I believe the case can be made that this is a major change in the general design from that described in EIS and therefore triggers the necessity of a Supplemental EIS. I don't really think any of us want to go back to court over this, so I urge this committee to ask that all of the parking be kept together as stated in the EIS.

¹ See attached sheet for citations.

Addendum
Jane Sokolow
December 17, 2007

<http://www.nyc.gov/html/dep/pdf/croton/execsumm.pdf>

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"A new golf course clubhouse, maintenance facility, and new golf course parking lot would be constructed on the existing Mosholu Golf Course property."

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"The entrance road to the Mosholu Golf Course would be improved but would remain in the existing location. The new road would fork approximately 350 feet west of Jerome Avenue. The left fork to the south would convey traffic to the new golf club house and parking area near the driving range. The fork to the west would pass through a security check point to a secure area of about two acres that would enclose the chemical fill stations, arriving/receiving building and NYCDEP parking. This area would be screened from casual public view by a low stone wall of natural topography that would serve to block vehicles, plantings and a fence.

"The current NYCDPR maintenance facility for the golf concessionaire consists of a pair of sheds west of the parking area. These sheds are in poor repair. They would be replaced by a new facility just north of their current location and adjacent to the NYCDEP secure area. Access to the driving range for NYCDPR maintenance of the driving range would be provided."

<http://www.nyc.gov/html/dep/pdf/crfindings.pdf>

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"However, when consideration is given to a number of other, equally important factors, the Mosholu Golf Course site is clearly the site that offers the greatest benefits to the City. Among other things, the Mosholu Golf Course Site is the most secure; it maintains the redundancy already built into the City water supply by keeping the Croton and the Cat/Del systems separate; it is the least costly site; it does not require further land use approvals; it involves the least risk in terms of tunneling; it would keep construction jobs within the city; and it would result in a \$200 million investment in Bronx parks and recreational facilities, as well as certain capital improvements within Van Cortlandt Park that were already required by the ULUPR approval granted in 1999. Although approximately 43 acres of parkland would be alienated in order to allow for construction, operation and maintenance of the Croton WTP and related facilities, the Mosholu Golf Course would remain open during construction and virtually all of the alienated land, except for approximately two acres adjacent to the WTP, would be available for some form of open space or recreational use after the WTP is completed and is operational."



Understanding Cost Escalations at Croton

A Report to the CFMC
by
Emily Lloyd
Commissioner, NYCDEP

CFP: Concerns about Costs

- Did cost increases for the Croton Filtration Plant (CFP) mean that Eastview would have been a less costly alternative?
- Were costs hidden to make CFP seem less costly?
- Questions about sources of cost information

CFP: Overview

- CFP construction package composed of 3 separate projects requiring 7 different contracts
- There is a 2nd category called “mitigation and amenities” – ULURP commitments to protect and restore Van Cortlandt Park and upgrade additional parks
- There is a 3rd category called “other costs” – the design and construction management contracts, as well as utility work critical to plant construction
- Though almost 90% of work has been bid, approximately 10% has not, and there may be change orders

CFP Costs: Context

- Heavy Construction Costs: Escalation
- Heavy Construction Costs: National Trends
- Heavy Construction Costs: Hot Spots
- Heavy Construction Costs: NYC
- Croton Filtration Plant Costs

Heavy Construction Costs: Escalation

- Heavy construction
 - Projects that require excavation, tunneling, earth movement, or marine work,
 - Infrastructure for water and sewer, energy and all types of transportation
- Best sources of information on heavy construction cost increases are industry price index numbers and bid index numbers
 - Concrete pipe and construction equipment vs. groceries and heating oil

Heavy Construction Costs: National Trends

- Heavy construction costs began to rise rapidly in 2004
 - Examples of inputs:
 - Concrete products rose 25.8% – 8% a year – from 2003 to 2006¹
 - Steel mill products rose 71.7% – 20% a year – from 2003 to 2006²
 - Handy-Whitman Index (water utility construction index) rose almost 9% a year between 2002 and 2005³
 - Examples of bids:
 - Federal Highway Administration's Highway PPI rose 35.3% - 11% a year - from 2003 to 2006⁴
 - The Highway Bid Price Index rose 47.7% - 14% a year - from 2003 to 2006⁵
 - Duke Energy Coal-Fire Plant increased 80% from 2005 estimate to 2007 bid, an increase of 25% per year⁶
 - Atlanta International Air Terminal estimates went from \$791M to \$1B in May 2006 to \$1.5B in September 2007 (50% increase in 15 months)⁷

¹ To come.

² To come.

³ *Handy-Whitman Index of Public Utility Construction Costs*, Bulletin 165, 2007

⁴ Federal Highway Administration, *Growth in Highway Construction and Maintenance Costs* (September 26, 2007)

⁵ Ibid.

⁶ Matthew Wald, "Costs surge for building power plant," *New York Times*, July 10, 2007

⁷ Jim Tharpe, "Now departing: good estimates," <http://www.airportbusiness.com>

Heavy Construction Costs: Hot Spots

- There are “hot spots” with large volumes of construction across the nation, where these trends are particularly acute
 - Examples of hot spot cost increases, 2002-2007
 - Washington State Highway costs rose ~75% or ~12% a year¹
 - Colorado Highway costs rose ~ 100% or ~15% a year²
 - California Highway costs rose ~150% or ~20% a year³
 - Florida selected inputs:
 - Earthwork rose 85.3% or 13% a year⁴
 - Structural concrete rose 80.6% or 13% a year⁵
 - Reinforcing steel rose 106% or 16% a year⁶

¹Highway Construction Cost Index, 1997-2007

²Ibid.

³Ibid.

⁴Price increases for Major Inputs Reported by Florida DOT, 2002-2007

⁵Ibid.

⁶Ibid.

⁷Ananth Prasad, Chief Engineer, “Rising Construction Costs: The Florida Story” Florida DOT, February 2007

Heavy Construction Costs: NYC

- Even compared to the national hotspots, the NYC region stands out, primarily due to amount of construction in progress
 - Infrastructure construction almost doubled between 1995 and 2005 and will stay high over several years
 - Large number of \$1B+ projects
 - Consolidation of large construction companies active in NYC
 - Less competition
 - Drop in number of bidders per projects
 - Single bidder premium estimated at 25%
 - Inverted market
 - Project owners competing for contractors
 - Extraordinary labor costs
 - Premium costs for trades
 - Imported managers
 - Perceived risks to cost estimated by large contractors
 - Local demand **and** high worldwide demand creating shortage of supplies
 - Commodity suppliers and fabricators shorten price lock-in
 - “Significant disruption in bidding environment”³

¹ “Measuring and Managing Cost Escalation.” Peter Morris and William F. Wilson in 2006 Association for the Advancement of Cost-Engineering Transactions.

Heavy Construction Costs: NYC

- Examples of NYC bid price increases
 - MTA
 - 2007 East Side Access bid exceeded estimate by ~45%¹
 - No. 7 Line costs increase ~25% between 2006 and 2007²
 - DOT
 - 2007 Willis Avenue Bridge bid exceeded estimate by 47%³
 - Alex Hamilton Bridge had no bidders when bid in 2007⁴
 - DEP
 - UV Plant exceeded pre-bid estimate by 34%⁵

¹MTA Capital Construction

²Ibid.

³New York City Department of Transportation

⁴Ibid.

⁵New York City Department of Environmental Protection

CFP Costs: Special Factors

- Mandated
- Size and Duration
- City Procurement

CFP Costs vs. Heavy Construction Escalation Rates

	Escalation Rate	
	Total	Yearly Average
Heavy Construction National Trends		
Handy-Whitman Equipment Index	30%	9%
Concrete	33%	10%
Ductile Iron Pipe	34%	10%
FHWA PPI	35%	11%
Stainless Steel	37%	11%
Carbon Steel Rebar	48%	14%
Copper	133%	33%
Croton Filtration Plant - 1st Bidder	91%	11%
Washington State Highways	75%	12%
Croton Filtration Plant - 2nd Bidder	112%	13%
Highway Bid Price Index	48%	14%
Colorado Highways	100%	15%
California Highways	150%	20%

FHWA PPI = Federal Highway Administration Producer Price Index

Croton Filtration Plant: Future Briefings

- Some costs not yet bid
- Change orders
- Propose regular briefings on cost
 - Annually in January and July
 - Updated cost briefing January 2008
 - CFMC received summary in October 2007 and December 2007

Commodity	Percent Increase in Producer Prices From November 2003 to November 2006
Concrete	33%
Carbon Steel, Rebar	48%
Stainless Steel	37%
Copper	133%
Ductile Iron Pipe	34%

WHEREAS, the projected costs of the construction of the Croton Water Filtration Plant have more than doubled since the Department of Environmental Protection (D.E.P.) of the City of New York originally estimated them; and

WHEREAS, these swelling costs must be borne by the taxpayers of the City of New York in the form of higher water rates and/or other municipal taxes, levies, or fees; and

WHEREAS, the principal rationale for siting the Croton Water Filtration Plant in Van Cortlandt Park within the Borough of The Bronx rather than in Westchester County was the significantly lower building costs allegedly associated with the Bronx location; and

WHEREAS, questions and concerns increasingly abound as to the public financing of this project, most especially its expanding costs; and

WHEREAS, no comprehensive study and investigation relative to the history of this public financing and its steadily increasing costs has yet to be undertaken and conducted by appropriate officers and agencies of municipal and state government;

NOW, THEREFORE, BE IT RESOLVED, that the members of the Croton Filtration Monitoring Committee call upon the Independent Budget Office (I.B.O.) of the City of New York to initiate without delay a thorough and accurate investigation in order to discern and to detail satisfactorily the circumstances surrounding the public financing, most especially the massive cost overruns, for the construction of the Croton Water Filtration Plant; and

BE IT FURTHER RESOLVED, that the members of the Croton Filtration Monitoring Committee call upon the Comptroller of the City of New York and the Comptroller of the State of New York to do likewise; and

BE IT IN CONCLUSION RESOLVED, that the results of all investigations and public hearings on the part of all executive officers and agencies of government be fully disseminated and made available to any and all members of the public as well as to the members of this Monitoring Committee.

CROTON FACILITY MONITORING COMMITTEE
c/o Chairman, Bronx Community Board # 7
229A East 204th Street, The Bronx, NY 10458
(718) 933-5650 Fax (718) 933-1829

December 21, 2007

Ms. Ronnie Lowenstein
NYC Independent Budget Office
110 William Street, 14th Floor
New York NY 10038

Hon. William C. Thompson, Jr.
NYC Comptroller
1 Centre Street, Room 530
New York NY 10007

Hon. Thomas P. DiNapoli
NYS Comptroller – NYC Office
633 Third Avenue, 31st Floor
New York NY 10017

Dear Ms. Lowenstein and Messrs. Thompson and DiNapoli:

The Croton Facility Monitoring Committee adopted the attached resolution at its meeting on December 17, 2007 by a vote of 5 – 2. It calls upon your offices to review the costs of the construction of the Croton Filter Plant in Van Cortlandt Park, The Bronx.

I am transmitting the resolution for your consideration and request that you let us know how you will follow up.

Sincerely,


Gregory Faulkner, Chairman
Croton Facilities Monitoring Committee

Attachment

Copy to: Bronx Borough President Adolfo Carrion; City Council Member G. Oliver Koppell; Chairman, Bronx Community Boards 7, 8, 12; Dept. of Parks and Recreation Commissioner Adrian Benepe; Dept. of Environmental Protection Commissioner Emily Lloyd



DISTRICT OFFICE
3636 WALDO AVENUE
BRONX, NY 10463
(718) 549-7300
FAX (718) 549-9945

THE COUNCIL
OF
THE CITY OF NEW YORK
G. OLIVER KOPPELL
COUNCIL MEMBER, 11TH DISTRICT
BRONX

CITY HALL OFFICE
250 BROADWAY, ROOM 1877
NEW YORK, NY 10007
(212) 788-7080

lkoppell@council.nyc.ny.us

January 8, 2008

Ms. Ronnie Lowenstein
NYC Independent Budget Office
110 Williams, 14th Floor
New York, New York 10038

Dear Ms. Lowenstein:

As a member of the Croton Filtration Monitoring Committee, I am writing in support of the resolution passed by this Committee calling on the Independent Budget Office and the New York State and City Comptrollers to pursue a thorough investigation into the public financing and massive cost overruns of the filtration plant.

The projected costs of the construction of the Filtration Plant have doubled, from 1.3 billion dollars to 2.8 billion dollars, since the New York City Department of Environmental Protection (DEP) first estimated them. According to the DEP, this 100% increase in the cost of construction is the result of increases in the cost of union wages, inflation, the U.S. dollar and materials. However, only a few of these items have doubled in cost. Therefore, we would like to ascertain why costs continue to rise and whether there are systemic issues that need to be investigated.

As a result of higher than expected expenses, water customers will have to finance the additional costs associated with this project in the form of higher water rates. It is unfair for the citizens of New York City to assume additional costs when there is no clear explanation of why there has been such an increase.

As part of the investigation, I am requesting that all documents related to the public financing of the project be made available for public review. It is imperative that the public be provided with the utmost level of transparency so that we can work together to ensure that this project is done without overburdening New Yorkers.

If you have any questions, please do not hesitate to call me at (718) 549-7300.

Very truly yours,

Handwritten signature of G. Oliver Koppell in black ink.
G. Oliver Koppell
Council Member



Ronnie Lowenstein
DIRECTOR

**THE CITY OF NEW YORK
INDEPENDENT BUDGET OFFICE**
110 WILLIAM STREET, 14th FLOOR
NEW YORK, NEW YORK 10038
(212) 442-8615 Fax (212) 442-0350
Email: ronnicl@ibo.nyc.ny.us

January 14, 2008

Mr. Gregory Faulkner
Chairman, Croton Facility Monitoring Committee
C/o Bronx Community Board 7
229A East 204th Street
The Bronx, NY 10458

Dear Mr. Faulkner:

I have received your letter of December 21 transmitting the resolution adopted by the Croton Facility Monitoring Committee at its meeting of December 17, calling upon the Independent Budget Office and the City and State Comptrollers to investigate the costs of the Croton Water Filtration Plant.

In response to your request, IBO will compare the DEP's original published cost estimates with actual and currently projected costs, including:

- a comparison of the scope of work contained in the original estimate published in the Final Supplemental Environmental Impact Statement to the project costs as now identified by both DEP and IBO;
- an analysis of the assumptions in the original cost estimate concerning the scope, project timeline, input costs, construction cost inflation, and other factors; and
- an analysis of relevant construction cost trends since the time of the original cost estimate.

This approach should help to explain the increase in costs projected for the filtration plant and identify any cost increases that appear unexpectedly steep.

Should you have any questions or comments regarding the scope of our review, please contact Preston Niblack, deputy director, who will oversee our analysis.

Sincerely,

A handwritten signature in black ink that reads "Ronnie Lowenstein".

Ronnie Lowenstein

Cc: Hon. Adolfo Carrion; Hon. G. Oliver Koppell; Commissioner Emily Lloyd;
Commissioner Adrian Benepe; Mr. Anthony Perez-Cassino; Fr. Richard Gorman;
Hon. William C. Thompson, Jr.; Hon. Thomas P. DiNapoli