

THE COUNCIL OF THE CITY OF NEW YORK

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Speaker of the Council

Hon. Costa Constantinides
Chair, Committee on Department of Environmental Protection



Report of the Finance Division on the
Fiscal 2018 Preliminary Budget and the
Fiscal 2017 Preliminary Mayor's Management Report for the
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. The 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.

Report Overview

This report provides a review of the DEP's Preliminary Budget for Fiscal 2018. In the first section, the highlights of the \$1.22 billion Fiscal 2018 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 2017. This is followed by a review of the proposed capital budget for the Department with a discussion of significant changes proposed to the \$11.6 billion Capital Plan for Fiscal 2017-2020. Finally, the appendices are included to highlight the Budget Actions in the November and Preliminary Plans and the reconciliation of program areas to units of appropriation.

Fiscal 2018 Preliminary Budget Highlights

The City's Fiscal 2018 Preliminary Budget is \$84.67 billion, \$2.6 billion more than the Fiscal 2017 Adopted Budget of \$82.1 billion.

DEP Expense Budget						
	2015	2016	2017	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2017	2018	2017 - 2018
Personal Services	\$477,216	\$492,278	\$519,713	\$520,288	\$516,230	(3,483)
Other Than Personal Services	738,837	774,880	930,387	1,063,592	701,406	(228,981)
TOTAL	\$1,216,054	\$1,267,157	\$1,450,101	\$1,583,880	\$1,217,636	(\$232,466)

**The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Preliminary Budget.*

The Department of Environmental Protection's Fiscal 2018 Preliminary Budget totals \$1.22 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 2018 Preliminary Budget is \$232.4 million less than the Fiscal 2017 Adopted Budget of \$1.45 billion.

The key actions impacting the preliminary plan include the following:

New Needs

- **Site Acquisition Related to Gowanus Canal Combined Sewer Overflow Tanks.** To comply with a strict timeline mandated by the United States Environmental Protection Agency (USEPA) in the cleanup of the Gowanus Canal, the DEP must acquire a site for the RH-34 combined sewer overflow tank, no later than April 2020 because the site will be located currently on private-owned land. The secondary tank, 0H-007, is planned to be located on existing City land. The Fiscal 2018 Preliminary Plan includes \$10 million in Fiscal 2017 that will allow the DEP to work with the Economic Development Corporation (EDC) to secure an interest in two properties for prompt acquisition to occur after the Uniform Land Use Review Procedure is completed.
- **Owls Head Emergency Sludge Dewatering and Disposal Services.** As of December 2016, the Owls Head Wastewater Treatment Plant docks that are used for transporting sludge are in need of immediate repair. The DEP submitted a Declaration of Emergency to commence reconstruction as soon as possible. In the interim, \$5.4 million is included in the Fiscal 2018 Preliminary Plan in Fiscal 2017 for a temporary dewatering operation while the dock is being repaired.
- **Additional Staff for OER Clean Soil Bank.** The November Plan included \$41,918 in Fiscal 2017 and \$68,000 in the outyears to hire one additional full-time staff position to manage the NYC Clean Soil Bank program – a no-cost soil exchange that allows clean native soil excavated from sites to be directly transferred to nearby construction sites.

Citywide Savings Program

- **Contractual Service Delays.** Due to delays in contract negotiation, permitting and plan revisions, surrounding various projects, including water quality studies, interceptor sewer cleaning, forest management, and drainage plans, the DEP will realize a one-time savings of \$5.7 million in Fiscal 2017. Funding is reallocated in Fiscal 2018 at \$5.3 million and \$375,000 in Fiscal 2020.

- **Wastewater Treatment Chemical Savings.** The DEP will achieve a savings of \$5 million in Fiscal 2017 and \$3.5 million in Fiscal 2018 as the Department is able to purchase less expensive lower-concentrate Glycerol, while still maintaining water quality standards.
- **Lower Green Infrastructure Maintenance Costs.** The DEP will achieve a savings of \$4.4 million in Fiscal 2017 as the agency has been diversifying the green infrastructure program to focus on retrofits to publicly-owned property. Original program funding was primarily for the maintenance of rain gardens. Due to siting issues the number of rain gardens constructed has been less than originally projected and therefore funding is being reduced. DEP will continue to construct rain gardens, porous pavements, green rooms, storm water reuse systems and other green projects in parks, schools and public housing developments when possible.
- **Delays in Contract Procurement for Catch Basin Cleaning on Arterial Highways.** Given the stringent requirements for working on State-owned arterial highways, the DEP will procure a standalone contract to clean highway catch basins, rather than use existing contracts that are designed for sewer cleaning on City streets. Due to delays in contract registration, a one-time savings of \$2.4 million will be realized in Fiscal 2017.
- **Savings from New Contract for Wastewater Effluent Treatment.** The DEP was able to divide contracts for chlorine into three regions, which allowed for better pricing and increased competition, resulting in a savings of \$1.1 million in Fiscal 2017 and \$2.8 million in Fiscal 2018.
- **Projected Personal Services Surplus.** Due to a personal services surplus as a result of unfilled vacancies in Fiscal 2017, the Department will achieve a one-time savings of \$1.3 million.
- **Croton Water Filtration Plant Sulfuric Acid Reduction.** The DEP will realize a savings of \$901,000 in Fiscal 2017 and in the outyears as it was determined that the use of sulfuric acid is not required to achieve mandated compliance limits.
- **Catch Basin Inspection Savings.** Initially, the inspection of citywide catch basins was projected to be performed by the DEP's construction laborers. After re-assessing the work to inspect the catch basins, it was determined that work would be better performed by the engineering intern title at a reduced cost. As a result, the DEP will achieve a personal services savings of \$764,000 in Fiscal 2017 and in the outyears.
- **Reduction of Other Than Personal Services Surplus.** The Department included a savings of \$750,000 in Fiscal 2017 and in the outyears as less funding is needed for the proper disposal of refuse at the Bureau of Water and Sewer Operations.
- **Improved Competition for IT/Telecom Contracts.** By leveraging open bidding to procure voice over internet protocol and paging systems (VOIP), the Department will achieve a one-time savings of \$599,000 in Fiscal 2017 as a result.
- **Elimination of Inefficient Pilot Program.** Several years ago the DEP initiated a pilot program to reduce the utilization of backhoe contracts by renting mini excavators, resulting in an OTPS savings; this pilot program was deemed inefficient. By eliminating this pilot, the DEP will realize a savings of \$555,000 in Fiscal 2017 and in the outyears.

- **Timber Harvest Contract Delay.** Due to delays in registering timber harvest contracts, a program designed to enhance existing forest management services in the watershed, the DEP will achieve a one-time savings of \$500,000 in Fiscal 2017.
- **Croton Water Filtration Plant Polyaluminum Chloride Reduction.** The DEP will realize a savings of \$285,000 in Fiscal 2017 and in the outyears as it was determined that the use of polyaluminum chloride is not required to achieve mandated drinking water compliance levels.
- **Savings on Security Contract Costs.** Based on cost re-estimates for fire watch and security services, the DEP will achieve a savings of \$248,000 in Fiscal 2017 and \$526,000 in Fiscal 2018.
- **Energy Savings through Aeration Improvements at Hunts Point Wastewater Treatment Plant.** As a result of several operational and equipment efficiencies implemented at the Hunts Point Wastewater Treatment Plant to reduce energy, the Department will achieve a savings of \$145,000 in Fiscal 2017 and in the outyears.
- **Lower Upstate Taxes.** As a result of a 2014 litigation settlement surrounding the Neversink Reservoir property, the DEP will receive a yearly reduction of \$212,000 on the assessed property value in Fiscal 2017 and in the outyears.
- **Water Reuse Grant Program Re-estimate.** The on-site Water Reuse Grant program is designed to target water efficiency in the commercial, mixed use and multifamily residential sector. Due to delays in finalizing the legal language of the grants, the DEP anticipates receiving fewer applications and therefore, will achieve a savings of \$500,000 in Fiscal 2017 and Fiscal 2018.

Financial Plan Summary

DEP Financial Summary						
<i>Dollars in Thousands</i>						
	2015	2016	2017	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2017	2018	2017 - 2018
Spending						
Personal Services	\$477,216	\$492,278	\$519,713	\$520,288	\$516,230	(3,483)
Other Than Personal Services	738,837	774,880	930,387	1,063,592	701,406	(228,981)
TOTAL	\$1,216,054	\$1,267,157	\$1,450,101	\$1,583,880	\$1,217,636	(\$232,466)
Program Areas						
Agency Administration & Support	\$92,843	\$99,414	\$104,966	\$104,272	\$98,376	(\$6,591)
Customer Services & Water Board Support	45,209	46,566	53,361	53,365	50,716	(2,645)
Engineering Design and Construction	34,692	34,400	39,072	38,247	39,346	274
Environmental Management	24,115	28,179	28,516	30,460	21,356	(7,160)
Miscellaneous	103,929	153,304	160,876	292,682	(3,843)	(164,719)
Upstate Water Supply	344,119	352,782	402,064	403,107	390,456	(11,608)
Wastewater Treatment Operations	411,584	398,813	483,680	494,672	455,979	(27,701)
Water & Sewer Maintenance & Operations	159,563	153,700	177,566	167,075	165,249	(12,317)
TOTAL	\$1,216,054	\$1,267,157	\$1,450,101	\$1,583,880	\$1,217,636	(\$232,466)
Funding						
City Funds			\$1,207,283	\$1,199,949	\$1,146,974	(\$60,309)
Other Categorical			0	9,055	0	0
Capital- IFA			65,971	64,846	66,484	513
State			0	151	0	0
Federal - Community Development			175,368	299,933	2,698	(172,670)
Federal - Other			123	7,368	123	0
Intra City			1,355	2,578	1,356	1
TOTAL	\$1,216,054	\$1,267,157	\$1,450,101	\$1,583,880	\$1,217,636	(\$232,466)
Budgeted Headcount						
Full-Time Positions - Civilian	5,558	5,720	6,257	6,224	6,175	(82)

**The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Preliminary Budget.*

Expense Budget

In general, agency program budgets provide insight into which programs are priorities and how the budget impacts program outcomes. The 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 comprises nearly 37.4 percent of total funding in Fiscal 2018, while funding for Upstate Water Supply comprises 32.1 percent. The year-over-year comparison reflects decreased Fiscal 2018 funding primarily due to \$172.1 million in Community Block Development Grant – Disaster Recovery funding for Build It Back (BIB) that is not funded in the Fiscal 2018 Preliminary Budget; funding for BIB is typically re-estimated and restored in the DEP's Executive Budget. Similarly, funding for the Flushing Bay Dredging decreased from \$23.1 million in Fiscal 2017 to \$5.6 million Fiscal 2018 as most of the work for this project will be completed during 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 2018.

DEP Fiscal 2018 Preliminary Contract Budget				
<i>Dollars in Thousands</i>				
Category	Fiscal 2017 Adopted	Number of Contracts	Fiscal 2018 Preliminary	Number of Contracts
Cleaning Services	\$233	18	\$267	18
Community Consultants	14	2	14	2
Contractual Services - General	176,984	49	86,926	44
Data Processing Equipment Maintenance	8,672	16	7,940	14
Economic Development	1	1	1	1
Maintenance and Operation of Infrastructure	1,924	39	2,097	39
Maintenance and Repairs - General	38,703	139	46,562	139
Maintenance and Repairs - Motor Vehicle Equip	376	25	563	25
Office Equipment Maintenance	458	13	461	13
Printing Services	520	9	504	9
Prof. Services - Computer Services	975	5	951	5
Prof. Services - Engineering and Architectural Services	2	1	2	1
Prof. Services - Other	10,873	17	2,866	17
Security Services	11,485	3	10,707	3
Telecommunications Maintenance	1,747	8	1,747	8
Temporary Services	19	6	19	6
Training Program for City Employees	1,370	41	1,437	41
TOTAL	\$254,355	392	\$163,063	385

The City's Contract Budget, as proposed, totals \$14.4 billion in Fiscal 2019, a decrease of \$604.9 million, or four percent, when compared to the Fiscal 2017 Adopted Budget of \$14.9 billion. The DEP, the contract budget for Fiscal 2018 is approximately \$163.1 million or \$91.3 million less than Fiscal 2017, which is primarily driven by a reduction in chemical costs. 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 44 contracts for a total of \$86.9 million.

Revenue Budget

The DEP plans to collect approximately \$24.8 million from miscellaneous revenue sources in Fiscal 2018. 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. Revenue projections in the Fiscal 2018 Preliminary Plan remain unchanged when compared to the Fiscal 2017 Adopted Budget.

DEP Miscellaneous Revenue Budget Overview						
<i>Dollars in Thousands</i>						
Revenue Sources	2015	2016	2017	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2017	2018	2017 - 2018
Asbestos Program	\$7,424	\$7,680	\$6,300	\$6,300	\$6,300	\$0
Air Quality Permits	5,100	5,900	5,900	5,900	5,900	0
SARA Fees	3,300	3,800	3,800	3,800	3,800	0
Brownfield Enrollment Fee	0	0	0	0	0	0
WS - Hydroelectric Program	5,942	3,000	5,942	5,942	5,942	0
Environmental Designation Fees	825	1,200	689	689	689	0
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	\$24,806	\$23,795	\$24,846	\$24,846	\$24,846	\$0

**The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 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 the 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. The DEP bills and collects on the approximately 835,000 water accounts, on behalf of the Water Board. As stated previously, the DEP operates and maintains the system.

Most of the City's agency infrastructure is financed by general obligation (GO) bonds, and operating expenses are paid for by the City's general fund with tax revenues. The 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.

Mayorality Miscellaneous Revenue – Water and Sewer Charges						
<i>Dollars in Thousands</i>						
Revenue Sources	2015	2016	2017	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2017	2018	2017 - 2018
Water Board Payment O&M	\$1,276,550	\$1,318,103	\$1,426,380	\$1,407,296	\$1,361,322	\$65,058
Water Board Rental O&M	204,631	162,318	0	0	0	0
TOTAL	\$1,481,181	\$1,480,421	\$1,426,380	\$1,407,296	\$1,361,322	\$65,058

Operations and Maintenance (O&M) Payment

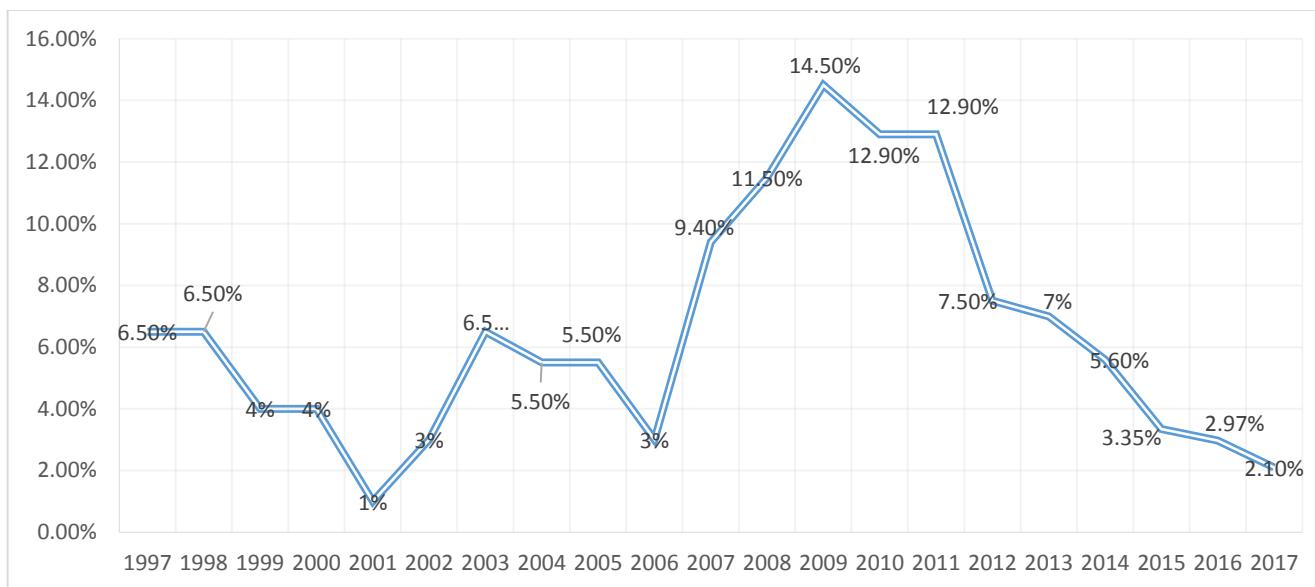
The chart above reflects the Office of Management and Budget’s (OMB) reconciled and planned payments from the Water Board to the City’s general fund. The Operations and Maintenance Payment reflects the cost of the DEP operating and maintaining the water and sewer system. The Fiscal 2018 Preliminary Plan includes a proposed \$1.36 billion payment to the City in Fiscal 2018.

Costs associated with DEP’s work that is 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, but are paid with City tax-levy funding.

Rental Payment

The Rental Payment was phased out as of the Fiscal 2017 Adopted Budget.

Water and Sewer Rate History (Percent Change)



Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY14	FY15	FY16	FY17	FY18	FY16	FY17
Estimated bills (%)	3.70%	3.20%	3.00%	5.00%	5.00%	3.20%	3.00%
Total revenue collected (\$000,000)	\$3,612	\$3,809	\$3,853	\$3,623	\$3,783	\$1,691	\$1,721
Total revenue as percent of target (%)	105.20%	105.30%	104.50%	100.00%	100.00%	102.00%	101.90%
Accounts receivable - Total balance (\$000,000)	\$1,750	\$1,640	\$1,666	NA	NA	\$938	\$928
Billed amount collected in 30 days (%)	56.70%	61.80%	63.10%	NA	NA	60.80%	62.10%

In the first four months of Fiscal 2017, the total revenue collected was \$1.7 billion which was \$30 million more than the same period in Fiscal 2016. 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 2017.

Accounts receivable decreased by \$10 million, or about one percent, in the first quarter of Fiscal 2017 when compared to the same period in Fiscal 2016. About 62.1 percent of bills were collected in 30 days or less in Fiscal 2017. This is an increase of 2.1 percent when compared to Fiscal 2016.

Program Areas

Agency Administration & Support

This program area includes funding for 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>						
	2015	2016	2017	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2017	2018	2017 - 2018
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$31,786	\$34,269	\$37,648	\$37,652	\$37,647	(\$1)
Other Salaried and Unsalaries	830	918	1,271	1,271	1,276	5
Additional Gross Pay	1,167	968	466	466	466	0
Overtime - Civilian	866	1,001	236	236	236	0
P.S. Other	(91)	(73)	0	0	0	0
Amounts to be Scheduled	0	0	3	3	3	0
Subtotal	\$34,558	\$37,083	\$39,624	\$39,628	\$39,629	\$5
Other Than Personal Services						
Supplies and Materials	\$2,829	\$2,269	\$2,749	\$2,634	\$2,749	\$0
Fixed and Misc Charges	2,443	5,931	27	21	27	0
Property and Equipment	7,291	6,810	5,121	5,253	4,829	(291)
Other Services and Charges	33,174	34,143	44,505	39,901	40,477	(4,027)
Contractual Services	12,547	13,179	12,942	16,835	10,665	(2,277)
Subtotal	\$58,285	\$62,332	\$65,342	\$64,644	\$58,747	(\$6,595)
TOTAL	\$92,843	\$99,414	\$104,966	\$104,272	\$98,376	(\$6,591)
Funding						
City Funds			\$96,413	\$95,718	\$89,728	(\$6,685)
Capital- IFA			7,534	7,534	7,628	94
Intra City			1,020	1,020	1,020	0
TOTAL	\$92,843	\$99,414	\$104,966	\$104,272	\$98,376	(\$6,591)
Budgeted Headcount						
Full-Time Positions - Civilian	417	451	491	489	484	(7)

**The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Preliminary Budget.*

The Department's Fiscal 2018 Preliminary Budget includes \$98.4 million for the Agency Administration and Support. The Preliminary Budget for Fiscal 2018 is \$6.6 million less, or a 6.3 percent decrease, from the Fiscal 2017 Adopted Budget of \$105 million. This change reflects \$6.6 million in funding that was allocated in Fiscal 2017 for phone system maintenance, software and consulting services and an on-call contract that did not carry into Fiscal 2018. The DEP is requesting the OMB baseline the above items in the Fiscal 2018 Executive Budget. The headcount reduction in Fiscal 2018 is due to a technical adjustment and the reallocation of three staff from the energy office to wastewater treatment operations.

Customer Services & Water Board Support

This program area includes funding for the Bureau of Customer Services which 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>						
	2015	2016	2017	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2017	2018	2017 - 2018
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$27,230	\$27,430	\$29,968	\$29,972	\$30,656	\$689
Other Salaried and Unsalariated	2,446	2,936	2,544	2,544	2,558	14
Additional Gross Pay	1,826	1,417	843	843	843	0
Overtime - Civilian	2,636	3,188	1,703	1,703	1,703	0
Subtotal	\$34,138	\$34,971	\$35,057	\$35,062	\$35,760	\$703
Other Than Personal Services						
Supplies and Materials	\$2,100	\$2,635	\$3,304	\$3,404	\$3,304	\$0
Property and Equipment	272	283	1,239	1,159	1,239	0
Other Services and Charges	3,209	2,966	8,757	3,268	5,409	(3,348)
Contractual Services	5,490	5,711	5,004	10,472	5,004	0
Subtotal	\$11,070	\$11,595	\$18,304	\$18,303	\$14,956	(\$3,348)
TOTAL	\$45,209	\$46,566	\$53,361	\$53,365	\$50,716	(\$2,645)
Funding						
City Funds			\$53,187	\$53,190	\$50,541	(\$2,646)
Capital- IFA			175	175	175	0
TOTAL	\$45,209	\$46,566	\$53,361	\$53,365	\$50,716	(\$2,645)
Budgeted Headcount						
Full-Time Positions - Civilian	460	451	499	499	501	2

**The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Preliminary Budget.*

The Department's Fiscal 2018 Preliminary Budget includes \$50.7 million for the Customer Services and Water Board Support, which is \$2.6 million, or five percent less than the Fiscal 2017 Adopted Budget of \$53.4 million. This change reflects a \$3.1 million reduction due to the expiration of a customer information billing system maintenance contract in Fiscal 2017. The DEP has requested that OMB restore this funding in the Fiscal 2018 Executive Budget. This decrease is slightly offset by a \$689,000 increase in collective bargaining costs, as well as a technical adjustment.

Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY14	FY15	FY16	FY17	FY18	FY16	FY17
.	88.00%	86.00%	93.00%	95.00%	95.00%	81.00%	100.00%
Letters responded to in 14 days (%)	97.00%	99.00%	99.00%	95.00%	95.00%	99.00%	99.00%
Calls answered in 30 seconds (%)	79.00%	68.00%	73.00%	76.00%	76.00%	70.00%	75.00%
Average customer in-person wait time (minutes)	7	6	5	5	5	NA	NA
Completed customer requests for interpretation	13,870	12,976	13,685	NA	NA	NA	NA
Visitors rating customer service at borough centers as good or better (%)	93.00%	93.00%	95.00%	90.00%	90.00%	NA	NA
CORE customer experience rating (0-100)	95	95	100	90	90	NA	NA

In the first four months of Fiscal 2017, the percentage of emails responded to within 14 days increased by 19 percent to 100 percent as compared to the same period in Fiscal 2016. The number of letters responded to in 14 days remained at 99 percent in Fiscal 2016 when compared to the same period in Fiscal 2016. Calls answered within 30 seconds increase by five percent to 75 percent in Fiscal 2017 as compared to the same period in Fiscal 2016.

Engineering Design and Construction

This program area includes funding for 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>						
	2015	2016	2017	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2017	2018	2017 - 2018
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$32,073	\$32,074	\$36,237	\$35,112	\$36,509	\$272
Other Salaried and Unsalariated	119	181	27	27	29	2
Additional Gross Pay	1,546	1,090	1,424	1,424	1,424	0
Overtime - Civilian	421	571	639	639	639	0
Subtotal	\$34,159	\$33,916	\$38,327	\$37,202	\$38,601	\$274
Other Than Personal Services						
Supplies and Materials	\$181	\$69	\$100	\$98	\$100	\$0
Property and Equipment	26	46	59	234	59	0
Other Services and Charges	102	69	162	231	162	0
Contractual Services	224	300	424	482	424	0
Subtotal	\$534	\$484	\$745	\$1,045	\$745	\$0
TOTAL	\$34,692	\$34,400	\$39,072	\$38,247	\$39,346	\$274
Funding						
City Funds			\$745	\$1,045	\$745	\$0
Capital- IFA			38,327	37,202	38,601	274
TOTAL	\$34,692	\$34,400	\$39,072	\$38,247	\$39,346	\$274
Budgeted Headcount						
Full-Time Positions - Civilian	386	370	426	426	426	0

**The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Preliminary Budget.*

The Department's Fiscal 2018 Preliminary Budget includes \$39.3 million for Engineering Design and Construction, which is \$274,000, or less than one percent more than the Fiscal 2017 Adopted Budget of \$39 million. This increase is attributed to collective bargaining costs.

Environmental Management

This program area includes funding for the Bureau of Environmental Compliance that 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>						
	2015	2016	2017	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2017	2018	2017 - 2018
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$17,551	\$19,947	\$23,937	\$25,921	\$16,803	(\$7,135)
Other Salaried and Unsalaries	79	75	165	165	\$166	0
Additional Gross Pay	1,142	870	408	408	\$408	0
Overtime - Civilian	2,752	3,094	1,454	1,454	\$1,454	0
Subtotal	\$21,524	\$23,986	\$25,965	\$27,948	\$18,831	(\$7,134)
Other Than Personal Services						
Supplies and Materials	\$270	\$279	\$509	\$356	\$427	(\$82)
Property and Equipment	448	283	252	317	219	(33)
Other Services and Charges	109	134	214	185	269	55
Contractual Services	1,763	3,497	1,576	1,654	1,610	34
Subtotal	\$2,591	\$4,193	\$2,551	\$2,512	\$2,525	(\$26)
TOTAL	\$24,115	\$28,179	\$28,516	\$30,460	\$21,356	(\$7,160)
Funding						
City Funds			\$18,206	\$18,166	\$18,246	\$40
Capital- IFA			74	74	75	1
Federal - Community Development			9,901	11,884	2,698	(7,203)
Federal - Other			0	0	0	0
TOTAL	\$24,115	\$28,179	\$28,516	\$30,460	\$21,356	(\$7,160)
Budgeted Headcount						
Full-Time Positions - Civilian	292	334	310	387	298	(12)

*The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Preliminary Budget.

The Department's Fiscal 2018 Preliminary Budget includes \$21.4 million for the Bureau of Environmental Compliance, which is \$7.2 million or 25.1 percent less than the Fiscal 2017 Adopted Budget of \$28.5 million. This change is mainly due to a decrease of \$7.2 million in CDBG-DR funding that was allocated towards the BIB program in Fiscal 2017 that did not carry into Fiscal 2018, which also includes a reduction of 12 full-time staff positions. CDBG-DR funding for BIB is typically re-estimated and restored in the DEP's Executive Budget.

Performance Measures

	Actual			Target		4-Month Actual	
	FY14	FY15	FY16	FY17	FY18	FY16	FY17
Air complaints received	7,896	8,776	9,858	NA	NA	3,427	3,188
Air complaints responded to within seven days (%)	98.00%	95.00%	95.00%	85.00%	85.00%	96.00%	96.00%
Average days to close air quality complaints	4	4	4	9	9	4	3
Noise complaints received	45,584	53,862	61,784	NA	NA	19,857	18,668
Average days to close noise complaints	5.2	5.9	5.6	9.0	9.0	7.1	4.5
Noise complaints not requiring access to premises responded to within 7 days	99.00%	97.00%	97.00%	85.00%	85.00%	97.00%	98.00%
Asbestos complaints received	1,414	1,674	1,855	NA	NA	693	564
Average days to close asbestos complaints	0	0	0	1	1	0	0
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 2017, 96 percent of air complaints were responded to within seven days, as were 98 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 2017 were responded to within three hours.

Miscellaneous

This program area includes funding 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>						
	2015	2016	2017	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2017	2018	2017 - 2018
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$3,103	\$3,513	\$2,930	\$5,175	\$2,708	(\$222)
Other Salaried and Unsalariated	21	41	16	16	16	0
Additional Gross Pay	171	99	0	0	0	0
Overtime - Civilian	360	472	0	51	0	0
Fringe Benefits	1	1	0	1,128	0	0
Subtotal	\$3,656	\$4,127	\$2,946	\$6,370	\$2,724	(\$222)
Other Than Personal Services						
Supplies and Materials	\$202	\$259	\$390	\$734	\$20	(\$370)
Fixed and Misc Charges	69,618	59,547	72,179	82,980	1,479	(70,701)
Property and Equipment	985	159	0	98	0	0
Other Services and Charges	2,644	21,104	(4,836)	7,574	(12,434)	(7,598)
Contractual Services	26,824	68,109	90,197	194,925	4,368	(85,829)
Subtotal	\$100,273	\$149,177	\$157,930	\$286,312	(\$6,567)	(\$164,497)
TOTAL	\$103,929	\$153,304	\$160,876	\$292,682	(\$3,843)	(\$164,719)
Funding						
City Funds			(\$4,715)	(\$4,798)	(\$3,966)	\$749
Other Categorical			0	1,689	0	0
State			0	151	0	0
Federal - Community Development			165,468	288,049	0	(165,468)
Federal - Other			123	6,368	123	0
Intra City			0	1,223	0	0
TOTAL	\$103,929	\$153,304	\$160,876	\$292,682	(\$3,843)	(\$164,719)
Budgeted Headcount						
Full-Time Positions - Civilian	34	52	34	62	35	1
TOTAL	34	52	34	62	35	1

*The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Preliminary Budget.

The Department's Fiscal 2018 Preliminary Budget (\$3.8 million) for miscellaneous expenses, which is \$164.7 million less than the Fiscal 2017 Adopted Budget of \$160.9 million. This change is mainly due to a decrease of \$164.4 million in CDBG-DR funding for BIB, as well as a decrease of \$298,000 for the retrofit accelerator program. Funding is typically re-estimated and restored in the DEP's Executive Budget for BIB and the retrofit accelerator program. The headcount increase of one full-time position is for work in the Clean Soil Bank program within the Office of Environmental Remediation.

Upstate Water Supply

This program area includes funding for the Bureau of Water Supply to manage, operate and protect 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>	2015	2016	2017	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2017	2018	2017 - 2018
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$73,045	\$75,769	\$86,526	\$86,625	\$86,976	\$450
Other Salaried and Unsalariated	295	320	242	242	245	3
Additional Gross Pay	4,157	3,746	2,279	2,279	2,279	0
Overtime - Uniformed	47	61	0	0	0	0
Overtime - Civilian	2,944	3,576	2,071	2,071	2,071	0
Fringe Benefits	184	181	188	188	188	0
Amounts to be Scheduled	0	0	3	3	3	0
Subtotal	\$80,672	\$83,653	\$91,309	\$91,408	\$91,762	\$453
Other Than Personal Services						
Supplies and Materials	\$22,681	\$22,840	\$31,065	\$29,709	\$28,967	(\$2,098)
Fixed and Misc Charges	157,036	158,028	166,374	166,239	166,112	(262)
Property and Equipment	3,939	3,022	4,033	4,070	3,730	(303)
Other Services and Charges	59,221	57,459	75,318	67,561	62,936	(12,383)
Contractual Services	20,570	27,779	33,964	44,120	36,949	2,985
Subtotal	\$263,447	\$269,129	\$310,754	\$311,699	\$298,694	(\$12,060)
TOTAL	\$344,119	\$352,782	\$402,064	\$403,107	\$390,456	(\$11,607)
Funding						
City Funds			\$398,359	\$399,397	\$386,731	(\$11,628)
Other Categorical			0	6	0	0
Capital- IFA			3,704	3,704	3,726	22
TOTAL	\$344,119	\$352,782	\$402,064	\$403,107	\$390,456	(\$11,607)
Budgeted Headcount						
Full-Time Positions - Civilian	1,106	1,178	1,279	1,279	1,272	(7)

*The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Preliminary Budget.

The Department's Fiscal 2018 Preliminary Budget includes approximately \$390.4 million for the Upstate Water Supply, which is \$11.6 million, or approximately 2.9 percent less than the Fiscal 2017 Adopted Budget of \$402.1 million. This overall decrease reflects the following changes:

- A \$8.2 million funding reduction for water conservation programs related to the shutdown of the Rondout-West Branch Tunnel; DEP is re-estimating project costs for the FY 2018 Executive Budget;
- A \$1.6 million reduction in one-time funding in Fiscal 2017 that does not carry over into Fiscal 2018 for the Ulster County Rail Trail project; and
- A \$1.1 million reduction as a result of funding sunset provisions ending in Fiscal 2017.

The reduction of seven full-time positions is due to a headcount transfer that was only reflected in the Fiscal 2017 Preliminary and Adopted Budgets. The Fiscal 2018 Executive Budget will reflect the correct headcount of 1,279 full-time staff positions.

Performance Measures

The in-city samples of water meeting standards for coliform bacteria remained at 100 percent in the first four months of Fiscal 2017 when compared to the first four months of Fiscal 2016. The 98,528 facility security checks by the DEP police in the first four months of Fiscal 2017 is ahead of schedule to meet the goal of 275,000 by the end of the fiscal year. Acres of land solicited in the watershed area increased by 680 acres, or 5.5 percent when compared to the first four months of Fiscal 2016. Overall enforcement activity for the first four months of Fiscal 2017 reached 927 summonses, arrests, Notices of Violation and Notices of Warning issued. This is a decrease of 469, or 102 percent when compared to the first four months of Fiscal 2016.

Performance Indicators	Actual			Target		4-Month Actual	
	FY14	FY15	FY16	FY17	FY18	FY16	FY17
Samples testing positive for coliform bacteria (%)	0.30%	0.30%	0.50%	NA	NA	1.30%	0.80%
In-City samples meeting water quality standards for coliform bacteria (%)	100%	100%	100%	100%	100%	100%	100%
Acres of land solicited in watershed area	44,316	32,865	45,569	NA	NA	12,380	13,060
Water supply - Critical equipment out of service (%)	1.40%	1.30%	1.00%	NA	NA	1.20%	0.90%
Facility security checks	289,759	278,439	293,199	275,000	275,000	91,350	98,528
Overall enforcement activity	1,207	1,206	1,658	NA	NA	458	927

Wastewater Treatment Operations

This program area includes funding for the Bureau of Wastewater Treatment, to maintain 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>	2015	2016	2017	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2017	2018	2017 - 2018
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$131,696	\$137,947	\$158,691	\$158,728	\$162,547	\$3,856
Other Salaried and Unsalariated	45	64	99	99	103	4
Additional Gross Pay	12,959	16,984	7,560	7,560	7,560	0
Overtime - Civilian	23,149	18,363	11,097	11,697	11,097	0
Fringe Benefits	2,858	2,675	3,084	3,159	3,084	0
Subtotal	\$170,707	\$176,033	\$180,531	\$181,243	\$184,391	\$3,860
Other Than Personal Services						
Supplies and Materials	\$43,220	\$38,041	\$57,634	\$56,046	\$51,320	(\$6,314)
Fixed and Misc Charges	737	721	597	1,437	597	0
Property and Equipment	3,861	1,172	4,847	9,702	4,847	0
Other Services and Charges	119,478	96,071	146,098	145,073	118,348	(27,750)
Contractual Services	73,580	86,776	93,972	101,170	96,477	2,505
Subtotal	\$240,877	\$222,781	\$303,149	\$313,429	\$271,589	(\$31,560)
TOTAL	\$411,584	\$398,813	\$483,680	\$494,672	\$455,980	(\$27,700)
Funding						
City Funds			\$475,571	\$478,204	\$447,802	(\$27,769)
Other Categorical			0	7,359	0	0
Capital- IFA			8,109	8,109	8,177	68
Federal - Other			0	1,000	0	0
TOTAL	\$411,584	\$398,813	\$483,680	\$494,672	\$455,980	(\$27,700)
Budgeted Headcount						
Full-Time Positions - Civilian	1716	1,750	1,858	1,811	1,861	3

*The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Preliminary Budget.

The Department's Fiscal 2018 Preliminary Budget includes approximately \$455.9 million for Wastewater Treatment Operations, which is \$27.7 million, or 5.73 percent less than the Fiscal 2017 Adopted Budget of \$483.7 million. The variance reflects the following changes:

- A \$23.1 million funding reduction for Flushing Bay Dredging, as most of the work for this project will be performed in Fiscal 2017;
- A \$6.3 million funding reduction due to lesser costs for chemicals, including Hypochlorite and Glycerin;
- A \$4.5 million funding reduction for interceptor cleaning on Wards Island, as most of the work for this project will be performed in Fiscal 2017;
- A \$3.7 million increase in funding attributed to collective bargaining costs; and
- A \$2.5 million funding increase for maintenance contracts related to wastewater centrifuges.

Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY14	FY15	FY16	FY17	FY18	FY16	FY17
Wastewater treatment plant (WWTP) effluent meeting federal standards (%)	99.6%	99.5%	99.5%	100.0%	100.0%	99.8%	99.9%
Harbor survey stations meeting the fishable standard of 5mg/L for dissolved oxygen (%)	91.0%	94.0%	90.0%	89.0%	89.0%	73.0%	76.0%
WWTPs - Critical equipment out-of-service (% below minimum)	1.9%	2.5%	2.1%	5.0%	5.0%	1.7%	0.7%

In the first four months of Fiscal 2017 the percentage of harbor survey stations meeting the fishable standard for dissolved oxygen increased to 76 percent, when compared to the first four months of Fiscal 2016, where the percentage of stations meeting fishable safety standards was 73 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 2017 to 99.9 percent when compared to the first four months of Fiscal 2016, where 99.8 percent of treated wastewater achieved federal standards.

Water & Sewer Maintenance Operations

This program area includes funding for the Bureau of Water and Sewer Operations to operate, maintain and protect the City's drinking water and wastewater collection (sewer) systems; the protection of adjacent waterways; and the development and protection of the Capital Water and Sewer Design Program.

Water & Sewer Maintenance & Operations						
<i>Dollars in Thousands</i>	2015	2016	2017	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2017	2018	2017 - 2018
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$80,934	\$81,770	\$93,152	\$89,008	\$91,193	(\$1,959)
Other Salaried and Unsalariad	228	554	1,289	1,289	1,684	395
Additional Gross Pay	6,878	5,945	5,859	5,859	5,859	0
Overtime - Civilian	9,762	10,241	5,631	5,247	5,773	142
Fringe Benefits	\$0	\$0	\$24	\$24	\$24	0
Subtotal	\$97,802	\$98,509	\$105,955	\$101,427	\$104,532	(\$1,423)
Other Than Personal Services						
Supplies and Materials	\$7,973	\$12,200	\$11,611	\$11,614	\$10,460	(\$1,151)
Fixed and Misc Charges	14,314	4,740	780	0	0	(780)
Property and Equipment	2,120	2,304	1,995	2,726	1,301	(694)
Other Services and Charges	22,029	20,234	40,949	33,302	41,390	441
Contractual Services	15,325	15,712	16,275	18,007	7,566	(8,709)
Subtotal	\$61,761	\$55,190	\$71,611	\$65,648	\$60,717	(\$10,894)
TOTAL	\$159,563	\$153,700	\$177,566	\$167,075	\$165,249	(\$12,317)
Funding						
City Funds			\$169,517	\$159,027	\$157,147	(\$12,370)
Capital- IFA			8,049	8,049	8,102	53
TOTAL	\$159,563	\$153,700	\$177,566	\$167,075	\$165,249	(\$12,317)
Budgeted Headcount						
Full-Time Positions - Civilian	1147	1,134	1,360	1,271	1,298	(62)

*The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Preliminary Budget.

The Department's Fiscal 2018 Preliminary Budget includes approximately \$165.2 million for Water and Sewer Maintenance Operations, which is \$12.3 million, or 6.9 percent less than the Fiscal 2017 Adopted Budget of \$177.6 million. This variance reflects the following changes:

- A \$7.9 million funding reduction for superfund sites, as the current funding ends in Fiscal 2017; funding will be requested for the Fiscal 2018 Executive Budget after re-estimate of project costs is conducted;
- A \$2.5 million funding reduction as a result of a net decrease of 62 full-time positions for the green infrastructure program;
- An \$800,000 funding reduction for supplies and materials due to a baseline realignment; and
- An \$800,000 funding reduction for sanitation disposal fees the DEP is no longer required to pay.

Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY14	FY15	FY16	FY17	FY18	FY16	FY17
Sewer backup complaints received	11,637	11,435	10,469	NA	NA	3,191	3,666
Sewer backup complaints resolved - Confirmed (on City infrastructure)	3,224	2,846	2,503	NA	NA	719	703
Unconfirmed (not on City Infrastructure or unfounded)							
Sewer backup resolution time (hours)	3.9	3.9	3.7	7.0	7.0	3.5	3.6
Street segments with confirmed sewer backup in the last 12 months (% of total segments)	1.40%	1.20%	1.10%	NA	NA	1.20%	0.30%
Street segments with recurring confirmed sewer backups in the last 12 months (% of total segments)	0.40%	0.30%	0.30%	1.00%	1.00%	0.30%	0.30%
Street cave-in complaints received	3,737	4,073	4,174	NA	NA	1,815	1,681
Average time to respond to street cave-in complaints and make safe (days)	2.5	2.5	4.6	NA	NA	4.2	2.3
Water main breaks	513	563	397	NA	NA	89	88
Water main breaks per 100 miles of main in the last 12 months	7.3	8.0	5.7	NA	NA	8.2	5.7
Average time to restore water to customers after confirming breaks (hours)	4.4	5.1	4.2	6.0	6.0	5.3	6.0
Broken and inoperative hydrants (%)	0.44%	0.50%	0.52%	1.00%	1.00%	0.56%	0.47%
Average time to repair or replace high-priority broken or inoperative hydrants (days)	3.1	2.5	2.9	7.0	7.0	3.1	2.9
Catch basin complaints received	8,576	8,851	8,020	NA	NA	3,041	2,937
Catch basin backup resolution time (days)	3.9	3.1	4.0	9.0	9.0	3.5	5.6
Catch basins surveyed/inspected (%) (cumulative)	31.00%	31.40%	31.70%	100.00%	100.00%	7.10%	18.80%
Catch basins cleaned	29,730	31,086	30,778	NA	NA	8,931	10,124
Backlog of catch basin repairs (% of system)	0.30%	0.40%	0.70%	1.00%	1.00%	0.60%	1.00%
Leak complaints received	3,601	3,622	3,642	NA	NA	1,027	1,064
Leak resolution time (days) (City infrastructure only)	9.8	9.3	10.2	12.0	12.0	9.2	11.0

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 increased by 475 complaints in the first quarter of Fiscal 2017 when compared to the same period in Fiscal 2016, or a 14.9 percent increase. Of the 3,666 sewer backup complaints received in this period in Fiscal 2017, only 703 were confirmed as sewer conditions emanating from City infrastructure, while the rest were related to private property or unfounded.

Street cave-in complaints decreased from 1,815 to 1,681 in the first four months of Fiscal 2017 when compared to the same period in Fiscal 2016, a decrease of 134 complaints, or 7.4 percent. The average time it took the DEP to respond to the complaints decreased from 4.2 days to 2.3 days.

Watermain 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 2017 there were 88 water main breaks and it took the DEP an average of 6 hours to restore water to customers after confirming breaks. The Fiscal 2017 numbers reflect an increase of one water main breaks, or 1.1 percent, but the average response time is increase from 5.3 hours to 6 hours.

Catch Basins

The following table summarizes DEP's compliance with Local Law 48/15 during the period from July 1, 2016 to December 31, 2016, which requires all 150,000 catch basins within the DEP's jurisdiction to be inspected annually and unclogged or repaired within nine days of inspection or receipt of a complaint about a clogged or malfunctioning catch basin.

	Total Number of Inspections	Programmatic Inspections	Complaint-Driven Inspections
Number of Catch Basins Inspected	58,434	55,097	3,337
Number of Catch Basins Identified as Non-Functioning	1,984	1,252	732
Number of Non-Functioning Catch Basins Repaired	1,862	1,138	724
Number of Catch Basins Repaired after the Nine Day Target	79	24	55

While the DEP did not inspect, at a minimum, 50 percent of all catch basins during the first six months of the fiscal year, it is likely the second half of the year will yield better results, as seven additional inspectors will be hired, bringing the headcount to 25 inspectors overall and through leveraging an internal mobile application to streamline the inspection process.

The number of catch basins repaired after the nine-day target was 79; this number was mainly driven by an increase in the overall number of catch basins being inspected. Prior to Local Law 48/15, the Department on average inspected approximately a third of citywide catch basins per fiscal year.

Capital Program

Capital Budget Summary

The Fiscal 2018 Preliminary Capital Commitment Plan includes \$11.6 billion in Fiscal 2017-2020 for the Department of Environmental Protection (including City and Non-City funds). This represents approximately 18.1 percent of the City's total \$64 billion Preliminary Plan for Fiscal 2017-2020. The agency's Preliminary Capital Commitment Plan for Fiscal 2017-2020 is 7.53 percent more than the \$10.8 billion scheduled in the Adopted Capital Commitment Plan, an increase of \$815,000. In addition, the Preliminary Ten-Year Capital Strategy for the Department totals \$17.7 billion over ten years (2018-2027) – an increase of \$2.7 billion when compared to the Fiscal 2016 Preliminary Ten-Year Capital Strategy.

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 2017, the Department of Environmental Protection committed \$1.59 billion or 68 percent of its annual capital plan. Therefore, it is assumed that a significant portion of the agency's Fiscal 2017 Capital Plan will be rolled into Fiscal 2018, thus increasing the size of the Fiscal 2018-2021 Capital Plan. Since adoption last June, the citywide total Capital Commitment Plan for Fiscal 2017 has increased from \$19.2 billion in the Adopted Capital Commitment Plan to \$20 billion in the Preliminary Capital Commitment Plan, an increase of \$785 million or 4.1 percent.

Preliminary Budget Highlights

The Preliminary Capital Commitment Plan for the Department of Environmental Protection for Fiscal 2017-2020 has increased by more than \$815 million to a total of \$11.6 billion, an increase of 7.5 percent when compared to the Department's 2017 Adopted Capital Commitment Plan.

DEP 2017-2020 Capital Commitment Plan: Adopted and Preliminary Budget					
<i>Dollars in Millions</i>					
	FY17	FY18	FY19	FY20	Total
Adopted					
Total Capital Plan	\$2,935	\$3,109	\$2,858	\$1,920	\$10,822
Preliminary Plan					
Total Capital Plan	\$3,196	\$3,007	\$2,687	\$2,747	\$11,637
Change					
Level	\$261	(\$102)	(\$171)	\$827	\$815
Percentage Change	8.89%	(-3.28%)	(-5.98%)	43.07%	7.53%

Major changes in the Preliminary Capital Plan for Fiscal 2017-2020 that resulted in the 7.53 percent increase include increases for water pollution control and watermains.

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

- **Equipment (EP)** The Preliminary Plan includes \$322.4 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 purchases such as laboratory instruments, vehicles and computers.
- **Sewers (SE)** The Preliminary Plan includes \$3.1 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.

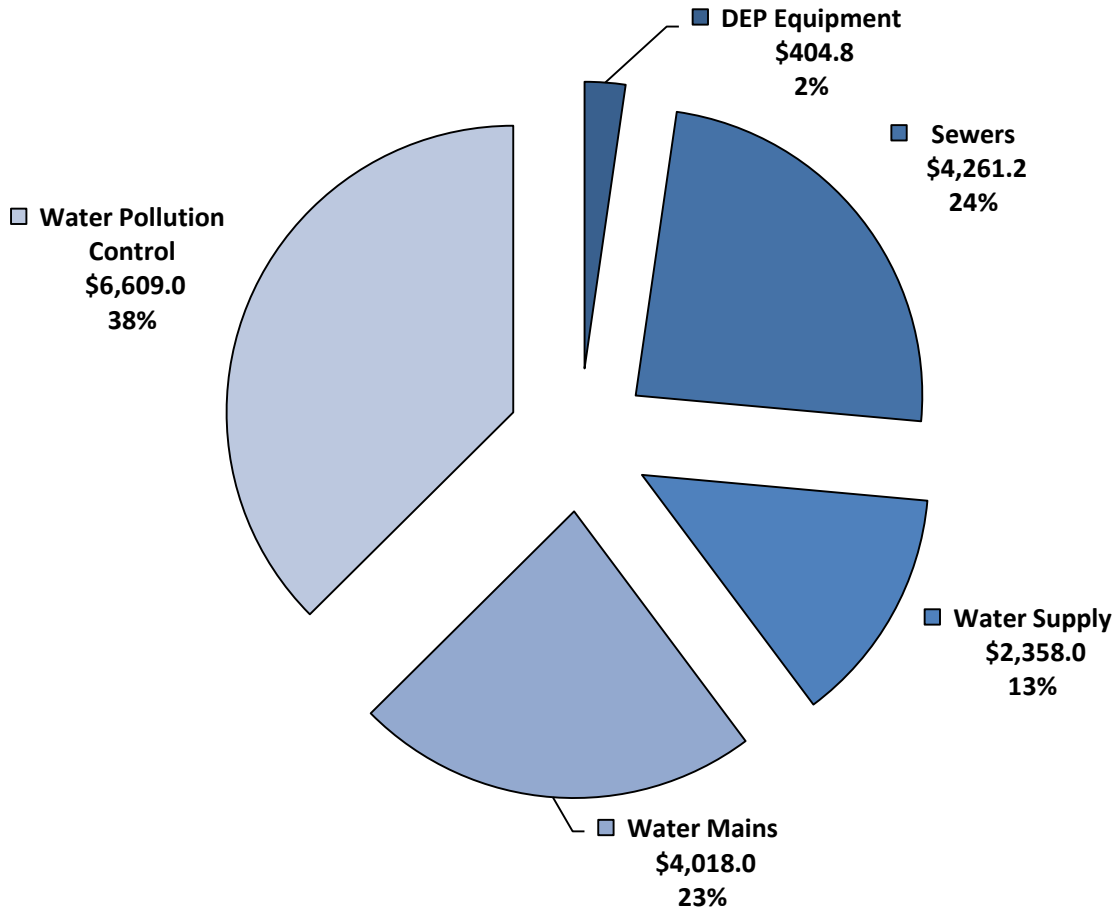
- **Watermains, Sources and Treatment (WM)** The Preliminary Plan includes \$3.1 billion for Water mains, Sources and Treatment. This category involves the protection and upkeep of the City's source water supply and water distribution system.
- **Water Pollution Control (WP)** The Preliminary Plan includes \$4.4 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 \$734.9 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.

Preliminary Ten-Year Capital Strategy

The City's Ten-Year Capital Strategy for Fiscal 2018-2027 totals \$89.6 billion in all funds. For the DEP, the Preliminary Ten-Year Capital Strategy provides \$17.7 billion, including \$6.6 billion for Water Pollution Control; \$4.3 billion for Sewers; \$4 billion for Water Mains; \$2.4 billion for Water Supply; and \$404.8 million for Equipment.

Ten Year Capital Strategy by Category

Dollars in Millions



DEP Ten-Year Capital Strategy by Category

Fiscal 2018-2022 Preliminary Ten-Year Capital Strategy					
<i>Dollars in Thousands</i>	2018	2019	2020	2021	2022
DEP Equipment	\$110,608	\$49,131	\$56,565	\$37,374	\$41,099
Sewers	903,236	678,517	651,457	336,841	394,182
Water Supply	21,299	220,199	260,000	147,500	1,109,000
Water Mains	889,082	504,660	586,040	353,229	431,445
Water Pollution Control	1,083,189	1,234,385	1,192,785	644,065	579,818
Total	\$3,007,414	\$2,686,892	\$2,746,847	\$1,519,009	\$2,555,544

Fiscal 2023-2027 Preliminary Ten-Year Capital Strategy						
<i>Dollars in Thousands</i>	2023	2024	2025	2026	2027	Total
DEP Equipment	\$29,809	\$29,125	\$15,844	\$13,200	\$22,000	\$404,755
Sewers	258,949	288,052	445,810	193,053	111,065	4,261,162
Water Supply	82,000	408,000	110,000	-	-	2,357,998
Water Mains	231,728	219,986	94,841	197,032	509,943	4,017,986
Water Pollution Control	614,622	211,833	324,329	502,210	221,750	6,608,986
Total	\$1,217,108	\$1,156,996	\$990,824	\$905,495	\$864,758	\$17,650,887

Water Pollution Control. The Preliminary Ten-Year Capital Strategy includes \$6.6 billion to improve the quality of the City's waterways and to comply with mandates imposed by the Clean Water Act. Of this amount, \$3.6 billion is for the upgrade and reconstruction of in-City wastewater treatment facilities and related conveyance infrastructure; \$1.9 billion for water quality mandates; \$908.8 million for green infrastructure; \$188.6 for projects that will reduce residual chlorine release into receiving water bodies; \$62.4 for biological nutrient removal; \$28.9 million to stabilize in-city wastewater treatment facilities to remain compliant with State permit requirements.

Water Mains, Sources and Treatment. The Preliminary Ten-Year Capital Strategy includes \$4 billion for the protection and upkeep of the City's water supply and water distribution systems. Of this amount, \$1.6 billion is for trunk and distribution main replacement; \$946.7 million is for water quality preservation; and \$878.2 million is for the reconstruction of dams, bridges and roadways in the Croton, Catskill and Delaware watersheds.

Sewers. The Preliminary Ten-Year Capital Strategy includes \$4.3 billion to replace existing sewers in areas requiring increased capacity; extend sewers to unserved or underserved areas and replace failing, flawed, or collapsed sewer mains. Of this amount, \$1.4 billion is for the replacement or augmentation of existing systems; \$1.1 billion for the replacement of malfunctioning or collapsed combined sewers; \$799.1 million for the reconstruction of storm and sanitary sewers; \$534.6 million to extend sewers for new development; \$350.8 million for stormwater management; \$81.9 million to construct high level storm sewers; and \$5.4 million for trunk and distribution main replacement.

Water Supply. The Preliminary Ten-Year Capital Strategy includes \$2.4 billion for the construction of the Kenscio-Eastview Connection Tunnel; completion on Stage 2 of City Water Tunnel No. 3; modification of chambers at Hillview Reservoir; and the water for the Future Program.

Equipment. The Preliminary Ten-Year Capital Strategy provides \$404.8 million for water meter and automatic meter reading system installation; facility purchases and reconstruction; payments for gas utility line relocation; and for equipment purchases, including laboratory instruments, vehicles and computers.

Major projects in Fiscal 2018 Preliminary Ten-Year Strategy include:

South East Queen's Sewer Buildout. The Preliminary Ten-Year Capital Strategy includes \$1.37 billion towards Southeast Queens flood mitigation. The Southeast Queens community has been experiencing chronic flooding for decades as residential and commercial development continued to outpace the extension of the City's sewer system. These measures, once implemented, will provide great relief to the neighboring community.

Kensico-Eastview Connection Tunnel. The Preliminary Ten-Year Capital Strategy includes \$1.18 billion to fully fund the Kensico-Eastview Connection Tunnel. As a result of the startup of the Catskill-Delaware Ultraviolet 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.

Job Order Contracts - Regions North, South & East. The Preliminary Ten-Year Capital Strategy includes \$742 million to cover small and medium capital improvements to various water pollution control facilities.

North River Water Pollution Control Plant – Structural Improvements. The Preliminary Ten-Year Capital Strategy includes \$360 million to address structural issues with the plants underdeck, main level and roof drainage system.

Ashokan Reservoir / Olive Bridge Dam & Upper/ Lower Outlet. The Preliminary Ten-Year Capital Strategy includes \$733 million to address structural issues within the dam and dikes at the Ashokan Reservoir and Olive Bridge Dam.

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 \$300 million was allocated in the Preliminary Ten-Year Capital Strategy to fully fund the completion of the Brooklyn/ Queens leg of the City Tunnel # 3, increasing to a total of \$600 million to fund this portion of the project.

Upper Catskill Aqueduct Capacity. The Preliminary Ten-Year Capital Strategy includes \$146 million to reconstruct and repair leaks in the Upper Catskill Aqueduct.

Reconstruction of Water Pollution Control Pumps. An additional \$45.7 million was included in the Preliminary Ten-Year Capital Strategy, increasing to a total of \$155.7 million, to harden 14 wastewater treatment plants and 32 pumping stations for future storm events.

New Croton Dam Reconstruction. The Preliminary Ten-Year Capital Strategy includes an additional \$43 million, increasing to a total of \$145 million for the design and reconstruction of the dam, to ensure long-term reliability of New York City's water supply.

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

<i>Dollars in Thousands</i>	FY 2017			FY 2018		
	City	Non-City	Total	City	Non-City	Total
DEP Budget as of the Adopted 2017 Budget	\$1,207,283	\$242,818	\$1,450,101	\$1,155,886	\$70,661	\$1,226,547
New Needs						
Additional Staff for OER Clean Soil Bank	\$42	\$0	\$42	\$68	\$0	\$68
Owls Head Emergency Sludge Dewatering	5,359	0	5,359	0		0
Site Acquisition Related to Gowanus Canal Sewer Overflow Tank	10,000	0	10,000	0	0	0
Subtotal, New Needs	\$15,401	\$0	\$15,401	\$68	\$0	\$68
Other Adjustments						
Biowatch	\$0	\$811	\$811	\$0	\$0	\$0
Biowatch year 11	0	2,905	\$2,905	0	0	\$0
BOA Grant	0	4	\$4	0	0	\$0
Bricklayers L237 Collective Bargaining	28	0	\$28	28	0	\$28
Brownfield Grants	0	150	\$150	0	0	\$0
Brownfield	0	49	\$49	0	0	\$0
Catch Basin Inspection Savings	(764)	0	(\$764)	(764)	0	(\$764)
CDBG JOC Admin Reim	0	70,012	\$70,012	0	0	\$0
Croton Water Filtration Polyaluminum Reduction	(285)	0	(\$285)	(285)	0	(\$285)
Croton Water Filtration Sulfuric Acid Reduction	(901)	0	(\$901)	(901)	0	(\$901)
Delays - Contract Procurement for Catch Basin Cleaning	(2,406)	0	(\$2,406)	0	0	\$0
Demand Response Program	0	6,790	\$6,790	0	0	\$0
Demand Response	0	576	\$576	0	0	\$0
Elimination of Inefficient Pilot Program	(555)	0	(\$555)	(555)	0	(\$555)
FY 17 ExCEL Projects	0	1,223	\$1,223	0	0	\$0
HRO - budget Realignment	0	(137)	(\$137)	0	0	\$0
HRO - Funding Realignment	0	54,459	\$54,459	0	0	\$0
Improved Completion for IT Telecom Contracts	(599)	0	(\$599)	0	0	\$0
Jamaica Bay Oyster Grant	0	1,000	\$1,000	0	0	\$0
L1180 Admin Manager	32	0	\$32	13	0	\$13
Lefrak Carpet Installation	0	1,689	\$1,689	0	0	\$0
Lower Green Infrastructure Maint. Costs	(4,041)	0	(\$4,041)	(5,064)	0	(\$5,064)
Lower Green Infrastructure Maint. Costs 1	(320)	0	(\$320)	0	0	\$0
Lower Upstate Taxes	(212)	0	(\$212)	(217)	0	(\$217)
NYSERDA	0	141	\$141	0	0	\$0
NYSERDA Ben Nesin	0	10	\$10	0	0	\$0
OER Staff Training	20	0	\$20	20	0	\$20
Oilers Collective Bargaining	1,663	0	\$1,663	1,663	0	\$1,663
Savings from New Contract for Wastewater Effluent	(1,082)	0	(\$1,082)	(2,814)	0	(\$2,814)
Wastewater Treatment Chemical Savings	(5,000)	0	(\$5,000)	(3,500)	0	(\$3,500)
Waste Reuse Grant Program	(500)	0	(\$500)	(500)	0	(\$500)
Welder IUOE Local 15	24	0	\$24	28	0	\$28
Biowatch (2)	0	0	\$0	0	474	\$474
Contractual Service Delays	(5,694)	0	(\$5,694)	5,319	0	\$5,319
Energy Savings Improvements at Hunts Point	(145)	0	(\$145)	(145)	0	(\$145)
Rapid Repair Closeout	2,800	0	\$2,800	0	0	\$0
Jan Plan: Reallocating Funds	231	0	\$231	0	0	\$0
Projected IFA Personal Services Surplus	(1,125)	0	(\$1,125)	0	0	\$0
Projected Personal Services Surplus	(1,250)	0	(\$1,250)	0	0	\$0
Reduction of Other Than Personal Services Surplus	0	0	\$0	(780)	0	(\$780)
Savings on Security Contract Costs	(248)	0	(\$248)	(526)	0	(\$526)
Timber Harvest Contract Delay	(500)	0	(\$500)	0	0	\$0
Subtotal, Other Adjustments	(\$20,829)	\$139,682	\$118,853	(\$8,980)	\$474	(\$8,506)
TOTAL, All Changes	(\$5,428)	\$139,682	\$134,254	(\$8,912)	\$474	(\$8,438)
DEP Budget as of the Preliminary 2018 Budget	\$1,199,950	\$383,931	\$1,583,880	\$1,146,974	\$70,661	\$1,217,636

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	\$34,120	\$0	\$0	\$881	\$546	\$57,320	\$5,508	\$0	\$98,376
Customer Services & Water Board Support	0	0	0	14,956	0	0	35,760	0	\$50,716
Engineering Design and Construction	0	0	200	745.142	0	0	38,401	0	\$39,346
Environmental Management	1,058	17,070	0	597.024	1,928	0	702.536	0	\$21,356
Miscellaneous	0	2,724	0	-19,260	12,693	0	0	0	(\$3,843)
Upstate Water Supply	0	0	91,460	298,694	0	0	302.128	0	\$390,456
Wastewater Treatment Operations	0	0	0	268,154	3,436	0	0	184,391	\$455,980
Water & Sewer Maintenance & Operations	0	115.973	104,416	54,568	6,149	0	0	0	\$165,249
Grand Total	\$35,178	\$19,911	\$196,076	\$619,334	\$24,751	\$57,320	\$80,674	\$184,391	\$1,217,636