

**Managing Stakeholders and Allies:
Balancing Collaboration and Autonomy While Maintaining the Pace of Change**

Agency Name: NYC Department of Environmental Protection

Speaker: Commissioner Christopher Ward

I. LARGE SCALE CHANGE INITIATIVES

a. Siting of a Filtration Plant for the Croton Drinking Water Supply

DEP was ordered by the US Environmental Protection Agency and the NYS Departments of Health and Environmental Conservation to filter drinking water from the Croton watershed, due to existing seasonal color and taste violations, as well as concerns about the City's ability to meet long-term requirements for disinfection byproducts. After an initial review of 9 locations, DEP selected a site under the Mosholu Golf Course in Van Cortlandt Park in the Bronx as the preferred location in 1999. Significant community opposition to the alienation of parkland led to a lawsuit declaring that the City would need an act of the State legislature in order to proceed with alienation. After several years spent re-evaluating siting options and re-designing the specifications for the filtration plant, the City pursued an alienation bill. This bill was passed in June 2003, and signed into law by the Governor in July 2003. Two of the requirements of the bill were to complete a Supplemental Environmental Impact Statement of the three sites still under consideration for the siting of the plant (Mosholu, Harlem River Yards in the Bronx, and Eastview in Westchester County) and the assignment of \$243 million for Bronx parks improvements to make up for the temporary loss of parkland during the period of construction.

b. Renegotiation of the Biological Nutrient Removal Consent Order

DEP signed an Administrative Consent Order (ACO) with NYS Department of Environmental Conservation in April 2002, and submitted a Facility Plan to meet the nitrogen reduction goals set forth in the ACO in October 2002. This action followed from the establishment of nitrogen reduction goals by the Long Island Sound Study (LISS). Due to uncertainties surrounding the relatively new science of nitrogen reduction, DEP's 2002 plan proposed a very conservative design approach for nitrogen removal, incorporating numerous redundant and oversized systems, as well as state-of-the-art monitoring and control devices. DEP soon realized that the cost estimates for the 2002 plan did not cover the structural, mechanical and electrical upgrades that would be needed to support the new technologies and operational parameters required to support full-scale nitrogen removal. Cost estimates soon escalated from \$750 million to \$1.5 billion. Despite DEP's notification of its intent to revise the October 2002 BNR Facility Plan to include more innovative, efficient, and cost-effective technologies, DEC approved the original Plan in June 2003, incorporating its requirements into the Order. DEP has spent the past year negotiating with the State to revise the consent order to allow for the adoption of a revised facility plan. The 2004 facility plan would provide for significant cost savings (approx. \$800 million) through an adaptive management approach, while providing equivalency in nitrogen removal results.

II. MAJOR ACCOMPLISHMENTS AND CHALLENGES

a. Siting of a Filtration Plant for the Croton Drinking Water Supply

The major accomplishment to date was the passage of alienation legislation to allow for the temporary taking of 23 acres of parkland in Van Cortlandt Park, if the Mosholu Golf Course is ultimately selected as the preferred location for the filtration plant. The Supplemental EIS will be published at the end of June 2004, and the findings summary with the site selection decision will follow in mid-July. The greatest challenge in getting to this point was in building a coalition of (City and State) Administration members, elected officials, environmental advocates, and construction industry and labor leaders to support both the

need for filtration and the selection of Mosholu as the cheapest, most constructible, and most secure location for the plant. The City was further able to offer a significant amenities package of \$243 million for the Bronx, which signified the cost savings of building the plant at Mosholu compared to the next cheapest alternative. Opposition from local community members, parks advocates and anti-filtration activists continues.

b. Renegotiation of the Biological Nutrient Removal Consent Order

In late May 2004, DEP and NYSDEC reached a conceptual agreement outlining changes to the existing consent order, which will allow for the adoption of the revised facility plan once finalized. The major challenge in getting to that point was convincing DEC that the revised plan would actually reach the goals set forth by LISS for nitrogen reduction. For several months, DEC was unwilling to consider any change to the plan based on its belief that the City was shirking its commitments under the consent order, and any laxity in oversight (perceived or real) would encourage other municipalities involved in the Long Island Sound Study to renege on their commitments as well. In order to convince DEC of the City's commitment to achieving the nitrogen removal goals set by LISS, DEP agreed to meeting the 15-year limits, making New York City the first municipality to do so. The City was able to convince the State to accept (tacitly) the revised facility plan by demonstrating that the revised facility plan could provide equivalent results in nitrogen reduction, by committing to the long-term limits, and by reaching out to the environmental community involved in monitoring progress in Long Island Sound. This success will enable the City to save nearly \$800 million in capital and operating funds over the course of implementation. We continue to work with the State to finalize the necessary changes to the consent order to formalize this agreement.

III. INTERNAL AND EXTERNAL STAKEHOLDERS: KEY OBSERVATIONS OR STRATEGIES

For both these projects, DEP needed to clearly elucidate the environmental priorities for the region and communicate how these priorities dictated the agency's long-term capital plan. Rather than focusing only on the key issues involved in filtration and nitrogen reduction, DEP communicated with stakeholders (including, in particular, our State and federal regulators, local elected officials, the environmental community, and industry trade associations) how the whole capital program fit together, focusing on why the budget needed to incorporate a balanced mix of infrastructure upgrades, new needs, and mandated activities. This discussion established a platform for discussing these two major initiatives as important – but not wholly discrete – components of the agency's larger mandate to provide drinking water and wastewater collection services to 9 million users.

Furthermore, DEP was ready to “sweeten the deal” for both the Croton filtration plant and for the nitrogen reduction program in order to get the end result we ultimately needed for cost savings and operational efficiency. The \$243 million in funding for Bronx parks is a 50-fold increase (in terms of the Department of Parks and Recreation's previous budget for the borough) in capital monies to be spent out in a very short-term, thereby allowing for a true green legacy for Bronx residents. In terms of the nitrogen negotiations, committing to the 15-year limits was an historic offer, considering that no other municipality to date has shown how it intends to meet the Long Island Sound Study targets. DEP's facility plan demonstrates how adaptive management can work, both by utilizing the most current research and technology available and by establishing (funded) placeholders for future advances. It is our hope that the City's success in this process can provide a “roadmap” for other communities seeking to address nitrogen removal with constrained resources.