

1 BEFORE THE NEW YORK STATE SENATE FINANCE
2 AND ASSEMBLY WAYS AND MEANS COMMITTEES

3 -----

4 JOINT LEGISLATIVE HEARING

5 In the Matter of the
6 2017-2018 EXECUTIVE BUDGET ON
7 ENVIRONMENTAL CONSERVATION

8 -----

9 Hearing Room B
10 Legislative Office Building
11 Albany, New York

12 February 13, 2017
13 9:42 a.m.

14

15 PRESIDING:

16 Senator Catharine M. Young
17 Chair, Senate Finance Committee

18 Assemblyman Herman D. Farrell, Jr.
19 Chair, Assembly Ways & Means Committee

20 PRESENT:

21 Senator Liz Krueger
22 Senate Finance Committee (RM)

23 Assemblyman Robert Oaks
24 Assembly Ways & Means Committee (RM)

25 Senator Thomas F. O'Mara
26 Chair, Senate Committee on
27 Environmental Conservation

28 Assemblyman Steve Englebright
29 Chair, Assembly Committee on
30 Environmental Conservation

31 Senator Patricia A. Ritchie
32 Chair, Senate Committee on Agriculture

33

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3 PRESENT: (Continued)

4 Assemblyman William Magee
Chair, Assembly Committee on
5 Agriculture

6 Assemblyman Daniel J. O'Donnell
Chair, Assembly Committee on
7 Tourism, Parks, Arts and
Sports Development

8 Assemblywoman Amy Paulin
9 Chair, Assembly Committee on Energy

10 Senator Diane J. Savino
Vice Chair, Senate Finance Committee

11 Assemblyman Jeffrion L. Aubry

12 Senator Elizabeth O'C. Little

13 Assemblywoman Patricia Fahy

14 Assemblyman Robert Carroll

15 Senator Pamela Helming

16 Senator Brad Hoylman

17 Assemblyman Phil Steck

18 Assemblyman Dan Stec

19 Assemblyman Peter D. Lopez

20 Senator Elaine Phillips

21 Assemblyman Steven Otis

22 Assemblywoman Addie Jenne

23 Assemblywoman Didi Barrett

24

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4 Senator Todd Kaminsky

5 Assemblyman Brian P. Kavanagh

6 Senator Robert G. Ortt

7 Assemblywoman Carrie Woerner

8 Assemblyman Steven F. McLaughlin

9 Assemblyman Fred W. Thiele, Jr.

10 Senator Timothy M. Kennedy

11 Assemblywoman Ellen Jaffee

12 Assemblyman Sean Ryan

13 Assemblywoman Aileen Gunther

14 Senator Terrence P. Murphy

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1 CHAIRWOMAN YOUNG: Good morning. I'm
2 Senator Catharine Young, chair of the State
3 Standing Committee on Finance. Welcome to
4 the New York State Legislature Joint Budget
5 Hearing on Environmental Conservation.

6 I'm joined by several of my
7 colleagues. We have Vice Chair Senator Diane
8 Savino, Senator Tim Kennedy, and Senator Todd
9 Kaminsky.

10 And I'd also like to welcome my
11 colleague, chairman of the Ways and Means
12 Committee, Assemblyman Denny Farrell.

13 CHAIRMAN FARRELL: Thank you, Senator.

14 We have been joined by Assemblyman
15 Steve Englebright, Assemblyman Robert
16 Carroll, Assemblyman Philip Steck, and
17 Assemblywoman Patricia Fahy. We've also been
18 joined by Assemblywoman Carrie Woerner and
19 also Assemblyman Brian Kavanagh and
20 Assemblyman Jeff Aubry, and Assemblyman Oaks.

21 ASSEMBLYMAN OAKS: Thank you very
22 much, Chairman. We've also been joined by
23 Assemblyman Dan Stec and Assemblyman Pete
24 Lopez.

1 CHAIRWOMAN YOUNG: Thank you,
2 Assemblyman.

3 Pursuant to the State Constitution and
4 Legislative Law, the fiscal committees of the
5 State Legislature are authorized to hold
6 hearings on the Executive Budget. Today's
7 hearing will be limited to a discussion of
8 the Governor's proposed budget for the
9 Department of Environmental Conservation, the
10 Office of Parks, Recreation and Historic
11 Preservation, the Department of Agriculture
12 and Markets, and the New York State Energy
13 Research and Development Authority.

14 Following each presentation, there
15 will be some time allowed for questions of
16 the chairs of the fiscal committees and other
17 legislators.

18 First of all, I sincerely would like
19 to welcome Basil Seggos, commissioner of the
20 Department of Environmental Conservation. We
21 are so happy to have you here. And I'm glad
22 that you arranged for a break in the weather
23 so that we could all attend today. So
24 welcome, Commissioner.

1 COMMISSIONER SEGGOS: Thank you,
2 Chairwoman. It was not easy.

3 But good morning, Chairwoman Young,
4 Chairman Farrell, and members of the
5 legislative fiscal and environmental
6 conservation committees.

7 I'm Basil Seggos, commissioner of the
8 DEC. And here with me today are Julie Tighe,
9 who is our assistant commissioner for
10 intergovernmental affairs, as well as Jeff
11 Stefanko, who's deputy commissioner for
12 administration. So on behalf of DEC's nearly
13 3,000 employees, thank you for the
14 opportunity to discuss the Governor's
15 2017-2018 budget.

16 Governor Cuomo has established one of
17 the most aggressive environmental agendas in
18 the nation. The agenda recognizes that a
19 clean environment goes hand in hand with a
20 strong economy. Over the last six years, we
21 have worked tirelessly with you to cement New
22 York's leadership on environmental and clean
23 energy issues. This foundation will serve
24 the state well as we confront serious

1 questions about environmental protection in
2 Washington. New York must and will continue
3 to lead.

4 The Governor's 2017-2018 budget is his
5 most ambitious environmental budget yet. It
6 reflects the state's strong commitment to our
7 core conservation and public health
8 responsibilities, and demonstrates our intent
9 to tackle two of the most pressing threats of
10 our time -- climate change and drinking water
11 protection.

12 The time for debate about climate
13 change is over. Climate change is real, and
14 human activity is the principal cause. Last
15 year, I spoke to you about how 2015 was the
16 hottest year ever. 2016 just surpassed it.
17 In fact, the past 16 years are among the 17
18 warmest on record. The time for action on
19 climate is now, especially in the absence of
20 federal leadership.

21 New York has already set the most
22 aggressive climate goals in the country -- a
23 40 percent reduction in greenhouse gas
24 emissions by 2030, and an 80 percent

1 reduction by 2050. And we intend to have
2 50 percent of our energy from renewables by
3 2030. Later today, NYSERDA will discuss how
4 we'll reach these goals through billions of
5 dollars of investment in clean energy, and
6 through programs like NY Sun, REV, and the
7 Clean Energy Standard.

8 This year, we're doubling down on
9 these goals. First, through RGGI, the
10 Regional Greenhouse Gas Initiative, we
11 propose to lower the cap on carbon emissions
12 from the power sector by 30 percent between
13 2020 and 2030. Second, DEC and other
14 agencies will implement a comprehensive plan
15 to control methane emissions. And finally,
16 DEC and NYSERDA are undertaking a landmark
17 study to determine how the state can secure
18 100 percent of our energy from renewable
19 sources.

20 This year, we'll begin the critical
21 work of the newly created Ocean Acidification
22 Task Force. We'll also continue grants to
23 municipalities to reduce carbon emissions and
24 develop resiliency in the face of a changing

1 climate. And we'll propose changes to the
2 forest tax credit program to protect more
3 private forestland, sequestering more carbon
4 and protecting our precious water resources.

5 Clean water is vital for America's
6 health and prosperity, yet for too long we
7 have taken it for granted. New York's
8 historic legacy of contamination, coupled
9 with some of the nation's oldest
10 infrastructure, demands that we take bold
11 action now. That's why the Governor has
12 proposed the \$2 billion Clean Water
13 Infrastructure Act. This monumental
14 investment over the next five years is in
15 addition to the \$175 million remaining in
16 WIIA, the Water Infrastructure Improvement
17 Act, which provides grants to municipalities
18 and leverages low-cost financing through
19 EFC's billion-dollar loan program.

20 With the additional \$2 billion, we'll
21 prioritize grants for the following:
22 protecting water at its source, through local
23 land acquisition projects and green
24 infrastructure; mitigating the impacts of

1 road salt and dairy waste; and incentivizing
2 consolidation of services between
3 municipalities. These watershed-based
4 initiatives will also create and sustain
5 jobs.

6 Emerging contaminants are a serious
7 threat to water quality. In 2016, DEC
8 tackled major water pollution challenges in
9 Hoosick Falls, Petersburg, Newburgh, Owasco,
10 and on Long Island. Our unprecedented
11 responses to PFC contamination across the
12 state have secured clean water supplies,
13 protected private wells, and held polluters
14 accountable. Through the Governor's Water
15 Quality Rapid Response Team, DEC and DOH are
16 proactively identifying drinking water
17 supplies potentially impacted by PFCs and
18 other emerging contaminants like 1,4-dioxane.

19 And this past weekend, the Governor
20 called on the EPA to set a national
21 drinking-water standard for 1,4 dioxane. If
22 the federal government does not, we will.

23 And to ensure that DEC has the
24 resources it needs to effectively respond to

1 water contamination, the Governor is
2 proposing additional funding for the state
3 Superfund program.

4 So these broad goals on climate change
5 and water protection will be bolstered by
6 another historic commitment of \$300 million
7 to the Environmental Protection Fund, or EPF.
8 This includes funding for all traditional
9 programs, such as land acquisition and
10 invasive species control, and new programs,
11 such as funding for the disposal of
12 PFC-containing firefighting foam, and
13 hardship grants for DOH's new water-testing
14 programs.

15 Environmental justice continues to be
16 one of my top priorities. As I work to
17 update DEC's own environmental justice
18 policy, we plan to invest \$2 million for
19 targeted air monitoring programs and
20 mitigation solutions in low-income
21 communities, as we are doing right now in
22 Albany's South End. We'll also dedicate
23 \$1 million to support green job training in
24 EJ areas and \$1 million to develop urban

1 environmental education centers.

2 Outdoor recreation and natural
3 resource protection are the pillars of DEC's
4 mission. This year, the Governor is
5 proposing to increase our ability to steward
6 our lands by increasing our NY Works funding
7 to \$70 million. Combined with EPF
8 stewardship funding, this will allow us to
9 invest \$50 million in the first year of a new
10 program called Adventure NY, which is
11 designed to upgrade DEC's recreational assets
12 across the state. It will also encourage
13 recreation in new areas, in part to curtail
14 overuse in places like the Adirondack High
15 Peaks.

16 In the first three years of
17 Adventure NY, DEC will design and construct
18 projects across the state, including boat
19 launches, duck blinds, and wildlife viewing
20 areas; we'll improve trails, signage and
21 campgrounds in the Adirondacks and Catskills;
22 we'll establish a Gateway to the Adirondacks
23 on the site of the former Frontier Town
24 amusement park; we'll coordinate marketing

1 and tourism initiatives through I Love NY;
2 and we'll expand recruiting and retention
3 efforts for hunters and anglers, and continue
4 our work with the National Archery in Schools
5 program.

6 To support all these initiatives,
7 DEC's budget for the coming year recommends
8 State Operations appropriations of
9 \$450.1 million and a capital budget totaling
10 \$2.9 billion. The budget maintains DEC's
11 staffing level at 2,946 employees. And for
12 the first time in many years, we're holding
13 back-to-back academies for our Environmental
14 Conservation Officers and Forest Rangers,
15 which just kicked off this past weekend with
16 45 recruits. Day in and day out, our rangers
17 and ECOs perform heroic work on behalf of the
18 state, and I'm personally committed to
19 ensuring they have all the resources they
20 need to carry out their duties.

21 I'm confident this Executive Budget
22 will enable DEC to continue to fulfill its
23 mission to protect public health and the
24 environment. I thank you for the opportunity

1 to testify, and I look forward to your
2 questions.

3 (Interruption by protestors.)

4 CHAIRWOMAN YOUNG: Thank you,
5 Commissioner, for that testimony. We truly
6 appreciate it.

7 We've been joined by Senator Pam
8 Helming and also Senator Tom O'Mara, who
9 chairs the Senate Standing Committee on
10 Environmental Conservation. And he has some
11 questions.

12 CHAIRMAN FARRELL: Before that, we've
13 also been joined by Assemblywoman Aileen
14 Gunther, Assemblyman Dan O'Donnell,
15 Assemblyman Fred Thiele, and Assemblyman
16 Steve Otis.

17 Thank you.

18 CHAIRWOMAN YOUNG: Senator O'Mara.

19 SENATOR O'MARA: Thank you, Senator
20 Young.

21 Good morning, Mr. Seggos and your
22 team.

23 COMMISSIONER SEGGOS: Senator.

24 SENATOR O'MARA: It's good to see you

1 here this morning. Thank you for your
2 testimony.

3 While we're on the subject of drowning
4 New York, we have voluntarily entered into
5 Plan 2014 for the lake levels of Lake
6 Ontario, where we are in effect raising the
7 level of Lake Ontario, which is undoubtedly
8 going to lead to shoreline impacts, loss of
9 shoreline, property damage.

10 What in this budget is being utilized
11 to address those issues going forward and the
12 impacts of Plan 2014 on the lakeshore
13 residents of Lake Ontario?

14 COMMISSIONER SEGGOS: Right, Senator,
15 so you're referencing a decision by the U.S.
16 federal government as well as the Canadian
17 government made in late December-January.

18 We have been funding, out of the
19 Oceans and Great Lakes line of the EPF, for a
20 number of years a series of lake resiliency
21 projects in coordination with the Department
22 of State. We propose that that continues in
23 this budget. We have several million dollars
24 set aside for Great Lakes work.

1 Our plan, irrespective of Plan 2014,
2 has been to conduct reach by reach analyses
3 of where there's vulnerabilities to flooding
4 in several communities and where there's a
5 need for resiliency projects. So we intend
6 to fund projects -- after we completed a
7 detailed survey of vulnerabilities, we intend
8 to fund those projects in part using the EPF
9 grants to municipalities, where we can, work
10 through the Clean Water Infrastructure Act to
11 upgrade sewage and water infrastructure. As
12 you know that's been an issue for many, many
13 years on Lake Ontario due to the prevalence
14 of storms in the winter and some of the
15 impacts that the shoreline owners suffer.

16 So our budget does provide some
17 funding to address the concerns you've
18 raised. And I would certainly ask and
19 advocate for your help in lobbying the
20 federal government to provide some resources
21 behind the decision that they made. At this
22 point they made the decision to raise water
23 levels through Plan 2014 and didn't bring any
24 funds along with it.

1 SENATOR O'MARA: Did you in your
2 capacity as commissioner, or Governor Cuomo,
3 weigh in, either pro or con, on Plan 2014?

4 COMMISSIONER SEGGOS: We didn't weigh
5 in pro or con. What we did was provide input
6 to the U.S. government and urge them to
7 provide funding for whatever decision they
8 made.

9 SENATOR O'MARA: And they have not
10 provided funding to this point, the feds?

11 COMMISSIONER SEGGOS: Not yet.

12 SENATOR O'MARA: Now, you mentioned
13 there may be some relief for municipalities
14 in this expected property damage, shoreline
15 erosion, and the like. What about private
16 property owners that have owned property
17 along the lake, the south and eastern shore
18 of the lake, for generations? Are they just
19 left to fend for themselves? Or what kind of
20 relief can we expect to see coming for
21 private property owners?

22 COMMISSIONER SEGGOS: Well, right now
23 the EPF doesn't allow us to provide direct
24 grants to property owners, so that's why we

1 were pushing on the federal government to
2 come up with a program to provide mitigation
3 for homeowners. I haven't given up on that
4 by any stretch. We have to take a run at the
5 new administration on this. And that's
6 something we've heard loud and clear from
7 property owners on the south shore.

8 SENATOR O'MARA: So it would take a
9 change to the criteria of the EPF funding to
10 allow that to be spent through the EPF. What
11 about outside of the EPF?

12 COMMISSIONER SEGGOS: I'm not aware of
13 other programs outside the EPF that could
14 help provide direct grants to private
15 property owners, but I'd be happy to look
16 into that. And it would be one thing, if we
17 strike out with the federal government, that
18 we'll have to do.

19 SENATOR O'MARA: I'd be happy to work
20 with you on that, Commissioner, as well.

21 COMMISSIONER SEGGOS: Thank you.

22 SENATOR O'MARA: Now, with the bond
23 act, the \$2 billion as is proposed by
24 Governor Cuomo -- and some of us in the

1 Senate have proposed a \$5 billion bond act
2 for clean water infrastructure. Would any of
3 that \$2 billion be able to be utilized for
4 Plan 2014 mitigation?

5 COMMISSIONER SEGGOS: It's a good
6 question. I think at this point one of the
7 things we are proposing to fund is source
8 water protection and, setting aside green
9 infrastructure projects -- green
10 infrastructure being an alternative to gray
11 infrastructure -- hardened infrastructure.
12 Those programs, in theory, could be used for
13 some watershed resiliency projects. And that
14 might have an effect on the impacts that
15 homeowners are seeing.

16 SENATOR O'MARA: In my opinion, the \$2
17 billion bond act in the budget seems to lack
18 some specificity, categories of where that
19 funding will be spent, and lack of
20 involvement of the Legislature in that
21 process.

22 Can you describe maybe in a little
23 better detail, or will you be forthcoming
24 with a spreadsheet or line items of that

1 \$2 billion and how that's proposed to be
2 spent, and what if any role you see the
3 Legislature has in the allocation of these
4 funds?

5 COMMISSIONER SEGGOS: Sure. Well just
6 to be clear, it's not -- the Governor hasn't
7 proposed a bond act. So we're proposing our
8 bonding authority be available immediately
9 after the closure of the budget, so not
10 having to go to the voters for it.

11 We will of course be happy to discuss
12 all of the proposals that we included in the
13 book. I can go through some of them today.
14 We've had a very successful few years with
15 the Water Infrastructure Improvement Act, or
16 WIIA, where we've dedicated millions of
17 dollars towards municipalities for water
18 infrastructure upgrades. We would certainly
19 seek to use that mechanism to channel more
20 resources out to those communities for the
21 same kinds of projects.

22 In addition to that, we want to see
23 funds going into salt controls, to help
24 farmers with manure runoff, to repair lead

1 service lines -- that's emerged as a major
2 issue in the wake of the Flint crisis. Now,
3 in New York State, we're seeing places where
4 there are lead service lines.

5 Regional water infrastructure
6 projects, where you have towns that are
7 nearby one another who might be able to share
8 resources, and we can provide funding for
9 that.

10 And certainly what we've seen is that
11 there are limits to the amount of projects
12 that we can spend Superfund dollars on. And
13 we would propose to direct some funds out of
14 the Clean Water Infrastructure Act to enable
15 us to go after contamination.

16 So that's just a general preview of
17 some of the projects and programs that we
18 would seek to fund through this. And we'd be
19 happy to work with you on those lines to make
20 sure there's more specificity.

21 SENATOR O'MARA: Do you have any more
22 specific breakdown for those categories of
23 what percentage of the available funds would
24 be spent, say, towards the clean water

1 infrastructure? Which I would agree with
2 you, over the past couple of years in the
3 budget has been hugely successful and allowed
4 many municipalities to move forward with
5 projects through that grant funding that
6 otherwise would not have been undertaken. So
7 I think we've seen an increase in those
8 projects, which is good for the residents and
9 also good for the environment.

10 So, you know, what -- and you
11 mentioned -- so without asking a second
12 question, I guess, then the breakdown of the
13 dollars for clean water infrastructure, for
14 lead line, main line removing. Do you have
15 some kind of breakdown as to where you would
16 see these monies focused?

17 COMMISSIONER SEGGOS: We don't at this
18 time. But that will be something we'll be
19 working through with you in the context of
20 the negotiations over the next few months.

21 SENATOR O'MARA: I've had some
22 conversations with you and met with some of
23 our Environmental Conservation Officers and
24 Forest Rangers, and I commend you on the new

1 class to help build those numbers of
2 employees in the department. However,
3 there's a concern that we've discussed -- and
4 I know the department has been acting on it
5 in recent years -- but a lack of turnover of
6 vehicles and the safety of those vehicles for
7 our officers on the road. I believe over the
8 recent years we've had -- I think three
9 different vehicles have actually had a wheel
10 fall off of the vehicle while they've been in
11 use.

12 I've seen some of these vehicles, and
13 the poor condition doesn't bode well for I
14 think how the office is perceived in the
15 public when officers are driving around in
16 rusted-out vehicles. Can you explain where
17 you're headed on vehicle replacement and
18 where we can see, you know, turnover of these
19 vehicles going in this year, the next year?

20 COMMISSIONER SEGGOS: I would agree
21 with you, I believe the vehicle situation is
22 a concern. There was a period of time in the
23 late 2000s -- 2008, 2009 -- where the state
24 stopped buying vehicles, writ large, and our

1 agency was part of that.

2 There was a blip in that time that
3 we're starting to work through and are, I
4 think, in some ways in much better shape now
5 than we were even three or four years ago.

6 So for our ECOs and Rangers, last year
7 we bought 25 vehicles -- or two years ago,
8 25; this year, 60. And we're proposing
9 similar levels for the coming year. So I
10 think what we're doing is working through
11 that backlog, working through that blip that
12 we saw from the 2000s, and are getting back
13 to really where we should be, which is a
14 regular turnover, a more predictable
15 turnover.

16 I've seen some of the vehicles you've
17 referenced, and I find that unacceptable as
18 well. And we've worked through a number of
19 the problematic areas. The ECOs and Rangers
20 are getting new vehicles. We got new spill
21 trucks this year, which is helping us
22 statewide. Now we're getting back into a
23 regular rhythm with our program staff who are
24 using vehicles. So I think that the

1 situation is becoming better and better each
2 year because of the NY Works investments
3 we've had.

4 SENATOR O'MARA: Does the department
5 have any standards or goals as far as years
6 on the vehicle, number of miles on the
7 vehicle, as to when it's expected to be taken
8 out of service? And I also understand these
9 vehicles, they're in the first instance being
10 used by the officers out in the field in
11 responding to emergencies. But then there's
12 a secondhand use for lower, less emergent
13 duties of the department. So they're
14 utilized beyond even that expected life for
15 the officers.

16 But what are your goals or
17 expectations for vehicles as far as number of
18 years and mileage on a vehicle before it's
19 taken out of service?

20 COMMISSIONER SEGGOS: I don't have
21 specific numbers for you on sort of where the
22 cutoff might be. I think it will come down
23 to the condition of the vehicle and whether
24 or not it's serviceable and whether or not

1 it's going to be more expensive for us to
2 maintain the vehicle than to just buy a new
3 one or get into a lease. We work very
4 closely with OGS on this. I mean, this is
5 obviously a statewide issue. Statewide
6 questions, typically OGS is in the lead on
7 that. And we are prioritizing where we make
8 our investments in vehicles based on the
9 needs out there and based on the condition of
10 the vehicles that we have in service.

11 SENATOR O'MARA: Thank you.

12 And it's my understanding that the
13 maintenance on these vehicles is primarily
14 done in-house. And it's done, I think -- at
15 least in the information I was given in my
16 meeting with a few of the officers, is that
17 it's a pretty effective rate as far as the
18 mechanic's rate on that servicing of the
19 vehicles.

20 However, some of these vehicles have
21 received as much maintenance over the years,
22 just about, as the whole full value of the
23 vehicle. And I don't know if at a certain
24 point whether it -- we're spending good money

1 after bad to keep a vehicle on the road. And
2 I understand the department doesn't undertake
3 any body repairs, which, you know, they're
4 showing rust on some of these vehicles with
5 actual holes in the side panels. So, you
6 know, that just doesn't shine a good light, I
7 think, on the officers in the field and the
8 respect that they should have from the public
9 if they're driving around in a rusted-out
10 vehicle.

11 COMMISSIONER SEGGOS: Well, I would
12 agree with you. And to that I would say we
13 are working through the backlog that was
14 effectively given to us because of the lack
15 of investment back in the late 2000s. And
16 we'll get to the point where we no longer
17 have those situations shortly.

18 SENATOR O'MARA: Thank you. I'm out
19 of time for now. I'll probably be back. But
20 thank you for your answers, and we can move
21 on from here.

22 COMMISSIONER SEGGOS: Thank you,
23 Senator.

24 CHAIRWOMAN YOUNG: Thank you,

1 Mr. Chairman.

2 Chairman Farrell.

3 CHAIRMAN FARRELL: Thank you very
4 much.

5 Assemblyman Chairman Englebright.

6 CHAIRWOMAN YOUNG: Before that, we'd
7 like to announce that we've been joined by
8 Senator Liz Krueger. Thank you.

9 CHAIRMAN FARRELL: And we've been
10 joined by Assemblywoman Ellen Jaffee,
11 Assemblyman Sean Ryan, Assemblyman Chairman
12 Bill Magee, and Assemblywoman Addie Jenne.

13 And now Mr. Englebright.

14 ASSEMBLYMAN ENGLEBRIGHT: Thank you,
15 Mr. Farrell.

16 Good morning, Commissioner.

17 COMMISSIONER SEGGOS: Good morning,
18 sir.

19 ASSEMBLYMAN ENGLEBRIGHT: The
20 \$2 billion appropriation that the Governor
21 has proposed, does that stand in support of
22 the premise that we really need to be making
23 a substantial infrastructure investment and
24 that this is all that we need to do, or would

1 the agency and the Governor support the \$5
2 billion initiative that Senator O'Mara and I
3 are helping to propose?

4 COMMISSIONER SEGGOS: Well, obviously
5 the \$2 billion is a start. And just so we
6 get some context for it, the money we've
7 spent so far under WIIA, which amounts to
8 about \$400 million, that's already leveraged
9 well over a billion dollars in total
10 projects.

11 So using the same math, our \$2 billion
12 over the course of five years is likely to
13 leverage over \$10 billion in projects.
14 That's just some context for the amount of
15 spending, because of the loan program we have
16 and the effectiveness of it.

17 I can't speak to the Division of
18 Budget and its ability to withstand more
19 debt. I leave that to them. But there's
20 obviously a need out there. We projected a
21 need of \$30 billion over 20 years for
22 wastewater infrastructure. The \$2 billion we
23 know will help to address the most serious
24 concerns over that time. And we'll certainly

1 work with you and your staffs and the
2 Division of Budget to see if we can increase
3 that.

4 ASSEMBLYMAN ENGLEBRIGHT: The need
5 is -- if you include water supply along with
6 wastewater disposal --

7 COMMISSIONER SEGGOS: It's much bigger
8 than that.

9 ASSEMBLYMAN ENGLEBRIGHT: -- the need
10 is closer to \$70 billion to \$80 billion.

11 COMMISSIONER SEGGOS: Right.

12 ASSEMBLYMAN ENGLEBRIGHT: So this is
13 kind of a drop in the bucket, no pun
14 intended. But we seem to at least be pulling
15 in the same direction, which is encouraging.

16 The State Comptroller has said that
17 only \$75 million of the \$2 billion is
18 projected to be spent in fiscal year
19 2017-2018. Is that correct?

20 COMMISSIONER SEGGOS: I am not aware
21 of that calculation. We would certainly --
22 we already have, in 2017-2018, \$175 million
23 programmed for wastewater out of the WIIA
24 funding. And we're proposing that the

1 \$2 billion is in addition to that. So we'd
2 be making \$400 million available this year in
3 addition to that 175.

4 ASSEMBLYMAN ENGLEBRIGHT: The DOB has
5 indicated that it would be about \$400 million
6 a year for five years, and yet there are no
7 specifics in here. How do we know that a
8 single item like information technology isn't
9 going to gobble up more traditional DEC
10 investments into wastewater and supply?

11 COMMISSIONER SEGGOS: Well, as I told
12 Senator O'Mara, we will be working with you
13 and your staffs to provide more specificity
14 on each of those programs. There's an
15 unquestioned need on infrastructure. That's
16 where our priority is. There's an
17 unquestioned need on source water protection;
18 that's another huge priority. Obviously, IT
19 infrastructure is important for the
20 department, but that's going to be a much,
21 much smaller priority than our capital
22 expenditures out in the field.

23 ASSEMBLYMAN ENGLEBRIGHT: In a sense
24 of historical perspective and fairness, I

1 should point out that our missing partner
2 here is the federal government, which has
3 been disinvesting in these very important
4 areas. We'd like to work with you to help
5 appeal to our representatives at the federal
6 level for them to do their part.

7 COMMISSIONER SEGGOS: I think that's
8 incredibly important. There's been a lot of
9 talk about infrastructure at the federal
10 level and the new administration's commitment
11 to infrastructure. And I would stress it's
12 the invisible infrastructure that gets
13 ignored, but that happens to be in some cases
14 the most important infrastructure, and we
15 have to do all we can to remind the feds not
16 to lose sight of that.

17 Just to clarify, half of what we are
18 proposing -- so half of the \$400 million a
19 year -- is going to go towards water
20 infrastructure. And the IT concept is a
21 one-year expenditure.

22 ASSEMBLYMAN ENGLEBRIGHT: This year
23 the EPF includes a number of new items that
24 had previously been funded elsewhere. This

1 includes, for example, payment for
2 enforcement of certain local Navigation Law
3 expenses. These items, in aggregate, are
4 worthwhile. However, they decrease the
5 traditional EPF expenditures for items that
6 we've seen the EPF used for in the past.

7 So this is an interesting departure
8 from what we would expect, given the kinds of
9 stresses that the EPF is undergoing. What's
10 the rationale behind these transfers?

11 COMMISSIONER SEGGOS: So respectfully,
12 I'd ask you to raise that with Commissioner
13 Harvey, because that's a program that Parks
14 administers.

15 ASSEMBLYMAN ENGLEBRIGHT: That's not
16 just Commissioner Harvey. I mean, there are
17 a whole variety of offloads that are now
18 being placed in the capital expenditures that
19 previously were not capital items.

20 COMMISSIONER SEGGOS: I can just tell
21 you that the navigation concept that you
22 brought up is a Parks Department program.

23 ASSEMBLYMAN ENGLEBRIGHT: Overall, the
24 DEC staff has remained around 3,000

1 employees. It's down about a thousand, or 25
2 percent, since the early 2000s. But your
3 responsibilities keep growing. Do you feel
4 that you have sufficient staff to perform the
5 many functions of your department?

6 COMMISSIONER SEGGOS: I do. I do.
7 And having been at the department now for a
8 year, I feel honored to have been able to
9 work with our staff on some of the most
10 challenging issues to come across our agency
11 in many years. The way that we responded in
12 Hoosick Falls -- in addition to Hoosick
13 Falls, we had other areas around the state
14 that had very significant pollution problems,
15 and we rose to the challenge in a very
16 successful way with the staffing that we
17 have.

18 I think what's really important to me
19 is not just how many staff you have, but what
20 resources they have. We've worked now for
21 six years in restoring environmental
22 budgets -- I mean, bringing the EPF from what
23 it was, 134, now up to \$300 million. There
24 was no NY Works when we started six years

1 ago. Superfund expired two years ago.
2 Thankfully, we came together and reauthorized
3 Superfund because that gave our staff, our
4 2,946 employees, the chance to go out there
5 and solve some of these incredibly
6 complicated problems for the benefit of New
7 Yorkers.

8 So I think it's a testament to our
9 collective work and the funding we've been
10 able to provide to our staffs to help them
11 carry out their mission. And that's why I'm
12 confident we can continue that moving
13 forward.

14 ASSEMBLYMAN ENGLEBRIGHT: Last year,
15 of course, was the first time that we saw the
16 \$300 million figure. It was because we had a
17 bunch of settlement money. So going forward,
18 we're probably not going to have settlement
19 money. Is the \$300 million level planned on
20 being maintained or increased? And if so,
21 through the use of bonding, would the EPF be
22 responsible for debt service payments?

23 COMMISSIONER SEGGOS: The \$300 million
24 is absolutely in the financial plan moving

1 forward. We intend to sustain that through
2 bonding. And our Division of Budget has
3 assured us that that is within the state's
4 capabilities moving forward.

5 ASSEMBLYMAN ENGLEBRIGHT: Is the cost
6 of the bonding going to be placed upon the
7 EPF, is the question.

8 COMMISSIONER SEGGOS: My deputy
9 commissioner for administration has advised
10 me no.

11 ASSEMBLYMAN ENGLEBRIGHT: Okay.

12 The land acquisition category in the
13 EPF was reduced this year by \$7 million, from
14 \$40 million last year. It's only \$33 million
15 this year. Why the decrease?

16 COMMISSIONER SEGGOS: So we have --
17 our Open Space Conservation plan has given us
18 a framework for land acquisition moving
19 forward. We continue to close on properties
20 across the state. We didn't reach the figure
21 that we projected last year, so we've pulled
22 that back in order to prioritize several
23 other categories.

24 However, as I mentioned in my opening

1 testimony, as part of the \$2 billion we
2 certainly want to continue and in fact
3 enhance land acquisition across the state,
4 albeit slightly differently. Whereas the
5 state -- be it DEC or Parks, through the
6 EPF -- does land acquisition through the EPF,
7 the Clean Water Infrastructure Act would
8 provide funds for municipalities to do some
9 of that. So the net benefit to New York is
10 going to be more land acquisition moving
11 forward, not less. So that line is somewhat
12 covering up of the fact that more will be
13 purchased.

14 ASSEMBLYMAN ENGLEBRIGHT: Okay. The
15 Governor's State of the State message
16 mentioned that the DEC will construct
17 infrastructure at the Boreas Ponds in the
18 Adirondacks and build trails as part of a
19 "hut to hut" system. Does the Executive
20 Budget contain funding for this proposal?
21 And if so, how much? And also, would such a
22 proposal involve the construction of
23 structures on the Forest Preserve? I, for
24 one, would be very concerned about that.

1 COMMISSIONER SEGGOS: So the Governor
2 has proposed \$50 million to go into a new
3 program called Adventure NY. Adventure NY
4 would provide funds for us to do projects all
5 across the state, chiefly in the Adirondacks
6 and Catskills, where we have land. Some of
7 the investments we intend to make around the
8 Boreas property would involve repairing
9 certain assets, trail networks, boat launches
10 and whatnot.

11 There are -- there's nothing in terms
12 of structures planned for the Boreas lands.
13 There's certainly -- we will do our best to
14 make a coordinated trail network, coordinated
15 hut-to-hut network around the Adirondacks
16 that takes advantage of our properties but
17 also helps increase the amount of lodging.
18 In some cases, our campgrounds are the only
19 lodging in municipalities within the
20 Adirondacks. So that's the concept.

21 In addition to the work we'll do to
22 secure the Boreas property, in conjunction
23 with the APA we're also proposing \$32 million
24 over time to go into the Frontier Town, which

1 is a new project just off of Exit 29. Some
2 of those funds will come right out of
3 Adventure NY. It will be designed to bring a
4 new gateway to the Adirondacks that doesn't
5 exist right now.

6 ASSEMBLYMAN ENGLEBRIGHT: We had a
7 hard time finding where the \$3 million for
8 the southern pine beetle was. Could you tell
9 us, where is this money in the budget?

10 COMMISSIONER SEGGOS: So within the
11 invasive species line of the EPF, with our NY
12 Works funds, where applicable, and also
13 through the stewardship line of the EPF.

14 In addition to that, we're producing
15 federal grants. We already have some federal
16 grants now, and given the nature of invasive
17 species, the federal government has to have a
18 greater stake in that, and we would seek more
19 funds out of the federal government on that
20 this year.

21 ASSEMBLYMAN ENGLEBRIGHT: We have a
22 number of new Superfund sites. Does this
23 program currently have sufficient assets to
24 address all of the identified and potential

1 sites?

2 And the Executive Budget would also
3 authorize transfer of funding from the
4 \$2 billion proposed water appropriation to
5 the same account that funds the Superfund
6 program. Is this funding necessary to
7 maintain the fund's solvency?

8 COMMISSIONER SEGGOS: So the first
9 part of your question, do we have enough
10 funds now in Superfund, luckily we do. We
11 have \$100 million a year to address pure
12 Superfund sites. Those are sites that are --
13 by their nature, they qualify for Superfund
14 based on their hazardous waste status and
15 threats to public health and the environment.

16 You're right, we are proposing to
17 direct a portion of the \$2 billion Clean
18 Water Infrastructure Act to address
19 contaminated sites that don't rise to the
20 level of Superfund sites but are nonetheless
21 a threat to drinking water -- such sites as
22 landfills, salt, salt piles. Things of that
23 nature that are not necessarily hazardous but
24 are nonetheless threatening to drinking

1 water, we would propose to use the Superfund
2 mechanism and the staffs that work on those
3 projects to conduct an enhanced amount of
4 work around the state.

5 ASSEMBLYMAN ENGLEBRIGHT: Thank you,
6 Commissioner.

7 Mr. Farrell.

8 CHAIRMAN FARRELL: Senator?

9 CHAIRWOMAN YOUNG: Thank you.

10 We've been joined by Senator Betty
11 Little.

12 COMMISSIONER SEGGOS: Senator.

13 CHAIRWOMAN YOUNG: So thank you,
14 Commissioner. I have several questions, and
15 I'd like to follow up.

16 But first of all, I'd like to commend
17 the Governor and you for including \$400
18 million for the Water Quality Infrastructure
19 Improvement Act and also \$2 billion for the
20 Clean Water Infrastructure Act. And as my
21 colleague Senator O'Mara and my colleague
22 Assemblyman Englebright pointed out, we'd
23 like to actually increase those funds for
24 infrastructure and water, and especially

1 water projects.

2 You know, Albany was first claimed for
3 the Dutch in 1609. And I point that out
4 because New York is such an old state. We're
5 a very historic state that we're all very
6 proud of. We're the Empire State. But we're
7 an old state. We were settled hundreds and
8 hundreds of years ago. And as a result, our
9 communities across the state struggle with
10 infrastructure problems. In many cases,
11 infrastructure is falling apart. We've been
12 faced with some terrible situations of water
13 quality issues in the state, and that's why
14 we need those funds, obviously.

15 But Assemblyman Englebright pointed
16 out the need for the infrastructure and the
17 Superfund. I just was wondering, you talk
18 about the ability to transfer the money over
19 to the Superfund from some of the
20 infrastructure money. But when we've checked
21 in the past, it's never gone over \$90
22 million. So you talk about these
23 lesser-of-a-threat sites, but are you
24 concerned that maybe as you investigate these

1 sites, they may rise to a Superfund status?
2 Is that why you want the flexibility or --
3 could you address that?

4 COMMISSIONER SEGGOS: Senator, that's
5 certainly a possibility. I mean, we would
6 propose to increase our capabilities into
7 Superfund in part financially, to address
8 those Superfund sites that we come across.

9 So there are many -- you know,
10 certainly many -- probably many sites out
11 there that are not currently characterized as
12 Superfund sites that we know about -- many of
13 the landfills around the state. Certainly
14 our investigations, if they rise to that
15 level, we would be able to classify those
16 differently and more aggressively and conduct
17 more investigations. But that's what those
18 funds are designed to do.

19 CHAIRWOMAN YOUNG: Right. Because,
20 you know, there are limited resources.
21 They're scarce. And we have so many needs
22 that if -- so I just wanted to ask that
23 question.

24 Why does the land acquisition portion

1 of the water quality proposal not include the
2 ability of local governments to play a part
3 in the decision-making process?

4 COMMISSIONER SEGGOS: Well, as you
5 know, within the EPF that's worked very well
6 for many, many years, having local government
7 control and local government involvement.
8 And I would say we are certainly willing to
9 entertain that discussion to have local
10 government be a part of the land acquisitions
11 that would come out of this Clean Water
12 Infrastructure Act.

13 I mean, we are making grants directly
14 available to local government to do some of
15 those projects. But even the projects that
16 they aren't necessarily involved in -- if
17 it's going to a nonprofit, for example -- you
18 raise a good point, it might be worthwhile
19 having local government involved at all
20 levels.

21 CHAIRWOMAN YOUNG: I would encourage
22 that. I think the more that you get local
23 governments involved, I think it just makes
24 the project better all around. So that would

1 be great.

2 What specific problems have been
3 encountered in responding to water quality
4 crises using the current emergency rulemaking
5 statutes?

6 COMMISSIONER SEGGOS: I'm sorry, can
7 you -- can you --

8 CHAIRWOMAN YOUNG: So when we've had a
9 water quality crisis -- and we've had those
10 in the state, unfortunately -- are there
11 things in the law that get in the way when
12 you're responding to emergency situations?

13 COMMISSIONER SEGGOS: Well, a perfect
14 example of that, obviously, is PFOA, which up
15 until early January of last year was not a
16 regulated contaminant at the federal level or
17 certainly at the state level.

18 We worked very quickly to put out
19 emergency regulations declaring PFOA and PFOS
20 as hazardous contaminants. That enabled us
21 to then go spend Superfund dollars to fix a
22 very, very significant problem in Hoosick
23 Falls and elsewhere.

24 We were able to move quickly. It took

1 an enormous amount of staff time to pull off
2 this emergency regulation within the span of
3 just a few weeks. Typically that takes much
4 longer. But we have the ability at DEC to
5 move quickly if we find something within our
6 own authorities, and then we can turn that
7 around and effectively address it for the
8 benefit of the public.

9 So I would just offer that as an
10 example of our ability to move without
11 hurdle. But that may not be the case with
12 every contaminant we come across. There
13 might be other, you know, hurdles that we
14 address along the way.

15 CHAIRWOMAN YOUNG: So with the
16 Governor's proposals that he includes
17 regarding water quality, are there provisions
18 that actually address some of the emergency
19 situations that may arise? Are there other
20 things that can be done to address the
21 situation so that, you know, everybody can be
22 ready if something does happen?

23 COMMISSIONER SEGGOS: Well, certainly
24 we are very well coordinated right now with

1 the Department of Health on water issues
2 around the state. The Governor launched the
3 Water Quality Rapid Response Team back in
4 February, about a year ago exactly. And
5 through that, Commissioner Zucker and I have
6 been organizing our staffs very efficiently
7 to respond to situations that come across our
8 tables.

9 So we've obviously started very
10 aggressively in Hoosick Falls, but have
11 worked on enormous responses to places like
12 Newburgh, when the City of Newburgh lost its
13 water supply. And we quickly pivoted and
14 connected it to the New York City Catskill
15 Aqueduct and began treating all the dirtier
16 water coming off the Stewart Air Base. The
17 same thing happened at Gabreski, down on Long
18 Island, Gabreski Air National Guard Base,
19 where we moved very quickly.

20 So the Governor has been giving us all
21 the resources that we need to very
22 effectively respond to these crises as they
23 come up, and I don't foresee any barriers to
24 our ability to move quickly on that moving

1 forward.

2 CHAIRWOMAN YOUNG: Good. Great.

3 Thank you.

4 The Governor's proposal allows
5 unilateral expansion of the definition of
6 "solid waste site" beyond its current
7 definition that's in regulation. So what
8 additional types of sites beyond landfills do
9 you anticipate adding to the definition of
10 solid waste?

11 COMMISSIONER SEGGOS: Well, the
12 definition is obviously very broad right now.
13 And not all solid waste sites are necessarily
14 hazardous, but might cause issues to nearby
15 drinking water supplies. And, you know,
16 there are areas where you have high levels of
17 salt or high levels of even naturally
18 occurring materials that would demand that we
19 get in there and move aggressively. So the
20 definition broadens our ability to go out
21 aggressively after those kinds of sites,
22 using Superfund dollars.

23 CHAIRWOMAN YOUNG: Thank you.

24 Again, the \$300 million for the

1 Environmental Protection Fund is included
2 again this year. And there's a \$40.9 million
3 amount, an increase of \$6.1 million, for
4 solid waste programs; \$86.8 million, an
5 increase of \$5.3 million, for Parks and
6 Recreation programs; \$150.6 million, a
7 decrease of \$11 million, for Open Space
8 programs, as was pointed out; and \$21.7
9 million, a decrease of \$350,000 for climate
10 change programs.

11 So we're just discussing solid waste.
12 Under the solid waste account, there are \$3
13 million in additional funding for food
14 donation, recycling and organics projects.
15 What is the purpose of these funds?

16 COMMISSIONER SEGGOS: So food disposal
17 and food waste has become a major issue, not
18 only in New York but nationwide. We waste an
19 enormous amount of food. It just literally
20 is thrown off our plates into the garbage.
21 And that's true not only on the home front
22 but also in many commercial establishments
23 around the state, and institutions.

24 It not only takes valuable resources

1 away from the environment, it costs a lot of
2 money to raise food that you throw away. It
3 absorbs quite a bit of water. What we need
4 to do is a comprehensive approach to reducing
5 food waste by getting more of it to food
6 banks around the state, to the homeless and
7 to the hungry, keeping more of it out of
8 landfills. Food waste in landfills generates
9 an enormous amount of methane and is a
10 significant contributor to our overall
11 climate change footprint. And certainly, you
12 know, the cost of handling waste to landfills
13 is enormous.

14 So our plan announced by the Governor
15 is to mandate that food waste, starting in
16 2021, is redirected, directed away from
17 landfills, from waste, into as much reuse as
18 possible. The grants we're proposing now
19 through the EPF are going to help to generate
20 a market for that waste, whether it's a
21 market with the food banks or certainly a
22 market with anaerobic digestion around the
23 state. The food banks are going to be one of
24 the primary institutions that we start

1 working with right off the bat.

2 But in anticipation of those
3 regulations taking effect, we want to make
4 sure that there are enough places where
5 businesses of all kinds -- grocery stores,
6 businesses, institutions -- can send their
7 materials. And it will be a very effective
8 system once it's up and running.

9 CHAIRWOMAN YOUNG: Thank you.

10 Within the climate change account,
11 there's a \$14 million allocation for Climate
12 Smart Communities, and it's a competition.
13 Could you tell us about that?

14 COMMISSIONER SEGGOS: Sure. Well, we
15 actually introduced that last year. And in
16 the first year, we actually gave out
17 \$11 million. We announced the program right
18 after the budget in 2016, and made awards in
19 December, Climate Smart grants. These grants
20 went out to communities all across the state
21 for reducing carbon footprints, so making
22 buildings more efficient. They also went
23 towards climate resiliency projects around
24 the state, such as increasing green

1 infrastructure in various communities.

2 It was a very attractive program. We
3 got lots of very fantastic applications. And
4 we turned around great grants for many
5 municipalities.

6 We also had a smaller grant program in
7 that number, the \$14 million, for
8 zero-emission vehicle programs. It was also
9 very well subscribed by municipalities.
10 That's what we intend to continue this year.

11 So the Climate Smart Communities is a
12 designation that we give to communities based
13 on their intent to become more resilient for
14 climate change purposes. That helps in the
15 scoring of those projects when they come to
16 us, if you are a Climate Smart Community, but
17 it's not a barrier to it if you are not. So
18 if you've got a good idea and you want to
19 come to us for funding, we will help fund it.

20 CHAIRWOMAN YOUNG: Thank you.

21 CHAIRMAN FARRELL: We've been joined
22 by Assemblywoman Didi Barrett.

23 Now for questioning, Assemblywoman
24 Fahy.

1 ASSEMBLYWOMAN FAHY: Thank you,
2 Mr. Chairman.

3 And thank you again, Commissioner, for
4 your presentation and your comments. And I
5 commend you and the Governor for putting at
6 the top of your list the climate change issue
7 as well as the drinking water protection. I
8 couldn't agree more.

9 I have a couple of comments, just in
10 the interests of time, and then just a couple
11 of questions. We appreciate that you came to
12 join our Environmental Committee last week,
13 so I did have a chance to ask you a couple of
14 these, so I'm just going to make note of them
15 and get to my other questions.

16 The Port of Albany, as you know, is
17 just a stone's throw from here. And I am a
18 little bit concerned with what we are hearing
19 about with the new berths and anchorage spots
20 proposed for further down the river, which I
21 assume will increase port traffic here with
22 the oil trains that also come into the port.

23 And I understand this is all tied to
24 the lifting of the ban on selling oil

1 overseas. So I'm very concerned. I know it
2 came up last week, and look forward to your
3 comments on that, because we do want to make
4 sure we minimize all risks. We know what has
5 happened in the Mississippi just a year or
6 two ago with shutting down that river for
7 months and months because of oil barge
8 disasters.

9 On that note, also I commend you for
10 the environmental justice work that you are
11 doing -- and thank you for noting it in your
12 testimony -- with the truck traffic right
13 near the port, along Pearl Street. Thank you
14 for awarding the grants to do that air
15 quality. We look forward to the results on
16 that, because that is a very, very serious
17 concern, especially given some of the health
18 consequences of that in that environmental
19 justice community.

20 And tied to that, of course, is the
21 bill I have to increase oil train safety,
22 which I look forward to working with you on.

23 A question, then, back on water. You
24 mentioned in your testimony the \$2 billion,

1 and we appreciate that the Governor is
2 proposing that significant increase in water
3 infrastructure grants. Though I want to
4 reiterate the comments from Chairman
5 Englebright that certainly we know it is a --
6 there is so much more need, given the \$80
7 billion that is estimated and certainly that
8 the federal government has not been stepping
9 up to the degree that we need them to step up
10 to address the water crisis.

11 You mention that in your testimony
12 that you see that a part of that money would
13 go toward incentivizing consolidation. Can
14 you elaborate on what you mean by that?

15 COMMISSIONER SEGGOS: Sure.

16 There are many municipalities around
17 the state that share proximate
18 infrastructure. So sewage plants that are
19 nearby, sewage gathering lines that are
20 nearby, water treatment plants that are
21 nearby one another, all of them needing
22 upgrades. The funding we would propose for
23 that would be almost on a separate track to
24 encourage consolidation of those services,

1 knowing in some cases it's far more effective
2 to build a smaller modern plant that can run
3 more efficiently than it is to repair two
4 older ones. So that's what that's
5 specifically designed to get at.

6 We have already -- we know of many
7 plants around the state where this might be
8 an effective dedication of the state's
9 resources, and we'd be happy to share the
10 list of those sites with you.

11 ASSEMBLYWOMAN FAHY: Thank you.

12 I'm also working on legislation to
13 incentivize localities to work more on that,
14 as well as looking at the cap on those funds
15 right now of \$5 million, which as you know,
16 just here in this region, there's a \$90
17 million project underway, an important one.
18 But certainly a tremendous need is here in
19 our localities.

20 One other comment, and then one
21 question. The staffing issue, I know that
22 again was already raised. I just want to
23 share the concerns about the staffing,
24 particularly with regard to permitting the

1 permit process, which we know has been a
2 contentious one in the past. I recognize
3 that there is no proposal again, but I do
4 want to echo the concerns of if the staffing
5 needs are there so that we don't delay on the
6 inspections, they're very critical -- for
7 instance, the oil train inspections -- as
8 well as any unnecessary delays in the
9 permitting process that is so essential. Or
10 permit reviews, I should say.

11 Second question, Adventure NY. I have
12 read and you mentioned the proposal, the \$50
13 million proposal to encourage and to provide
14 upgrades in the Adirondacks and the
15 Catskills, including the Frontier Park. Can
16 you talk about what is included in that
17 proposal to encourage more -- or to target
18 and provide better access to our low-income
19 areas, particularly those in our urban areas?

20 As you know, since the recession, we
21 have had -- well, the recession combined with
22 a decrease in education funding and combined
23 with the increase in testing, we have -- the
24 number of field trips among our youth,

1 school-aged youth, has absolutely plummeted.
2 And it's hard to encourage better stewards
3 among youth and families or to grow stewards
4 of our environment and of our park systems if
5 we don't improve the access, particularly
6 among urban youth and low-income youth.

7 I've addressed this with our Parks
8 commissioner as well, and she's been actually
9 terrific in increasing some proposals. But
10 can you talk about what might be in that
11 Adventure NY proposal that would also
12 increase access for those communities?

13 COMMISSIONER SEGGOS: Yes, of course.

14 ASSEMBLYWOMAN FAHY: Thank you.

15 COMMISSIONER SEGGOS: So we're very
16 excited about all the things that Adventure
17 NY will do for our facilities. We need to
18 upgrade our facilities. In many cases, they
19 haven't had the kind of investment that
20 they've needed over the years. Nonetheless,
21 they're getting heavy use. So we want to
22 make the experience that one gets when they
23 get to these places much, much better.

24 All of our investments are near -- or

1 many of them, at least, are near or within a
2 short driving distance from urban areas. A
3 perfect example is Reinstein Woods, out in
4 Buffalo, which is just 9 miles from the city
5 center of Buffalo. We have Five Rivers,
6 which is just out in Delmar, very close to
7 the City of Albany.

8 Adventure NY will be designed to
9 upgrade those facilities and the campgrounds
10 that we use, the campgrounds that service so
11 many of our visitors from cities.

12 We have great coordination with Rose
13 Harvey on her programs, and the program we
14 actually worked on together, Connect Kids,
15 which is designed to bring kids out of urban
16 areas into some of our wilder places. We've
17 doubled the amount of money in this budget to
18 a million dollars that would be used for
19 Connect Kids, and that's specifically
20 designed to improve our facilities for the
21 use of our facilities by kids in urban areas.

22 We have Adventure NY, and we also have
23 our EJ programs, which are designed really to
24 work in tandem. They're two separate

1 programs, but they really are just one. It's
2 sort of one DEC and one mission.

3 So with the money that we are
4 proposing to direct towards environmental
5 justice organizations around the state, that
6 will help them build their capacity, it will
7 help us address needs within urban areas.
8 And then ultimately, if we are doing a better
9 job of ensuring that environmental justice
10 communities have access to cleaner air and
11 cleaner water, that will a hundred percent
12 involve their ability to get to our wilder
13 places.

14 So I believe this is vital. It's
15 something the Governor has given us the tools
16 to do in this budget. And I'm excited for
17 the next year.

18 ASSEMBLYWOMAN FAHY: Thank you. I
19 look forward to following up with you,
20 particularly on the transportation for
21 school-age children.

22 CHAIRMAN FARRELL: Thank you.

23 COMMISSIONER SEGGOS: Thank you.

24 ASSEMBLYWOMAN FAHY: Thank you,

1 Mr. Chairman.

2 CHAIRWOMAN YOUNG: Thank you.

3 Our next speaker is Senator Kaminsky.

4 SENATOR KAMINSKY: Good morning,
5 Commissioner.

6 COMMISSIONER SEGGOS: Good morning,
7 Senator.

8 SENATOR KAMINSKY: Many of us on Long
9 Island, in light of recent news stories and a
10 lot of what's come out have been concerned
11 with 1,4-dioxane in the water supply, which
12 you brought up a little earlier. I was
13 hoping you can fill us in on what you and
14 coordinate state agencies are doing to
15 address the problem.

16 COMMISSIONER SEGGOS: Right. So as
17 you know -- and thank you for your work on
18 this -- 1,4-dioxane is a ubiquitous chemical.
19 It was used for many, many years in
20 manufacturing as a solvent. And it is still
21 used very widely today at lower levels in
22 consumer-care products.

23 The EPA in 2013-2014 did testing of
24 wells in Long Island and discovered that

1 though well below EPA guidelines, 1,4-dioxane
2 was showing up in about 71 percent of the
3 wells down there.

4 So we clearly need to get a better
5 sense what the causes are, where the
6 1,4-dioxane is coming from, what the safe
7 levels are for it. Again, while the
8 levels are all very low and below standards
9 right now, we need to find out what the
10 impacts are of it.

11 So over the last year we've been,
12 chiefly on the DOH side, working with Suffolk
13 County to put in a treatment system, a new
14 technology to be used at scale on a drinking
15 water well to see whether or not that type of
16 technology, called advanced oxidation, can be
17 used more widely. It has been used for many
18 years at Superfund sites across the state,
19 but at very low levels of flow. We want to
20 see if it can be used at a higher level of
21 flow. So that project, we should get the
22 results of that in 2017.

23 We're also recognizing the difficulty
24 of treatment. We are also -- the Governor

1 last year announced \$5 million for
2 1,4-dioxane treatment technologies to the
3 Center for Clean Water Technology at SUNY
4 Stony Brook. That research is underway right
5 now. And at DEC we are aggressively
6 pursuing, through Superfund and the Clean
7 Water Act and our SPDES permitting program,
8 the potential sources of the 1,4-dioxane in
9 the groundwater.

10 Over the weekend, the Governor wrote a
11 letter to the acting administrator of the
12 EPA, urging her to set an enforceable
13 nationwide limit for 1,4-dioxane in drinking
14 water. And the Governor had said that if the
15 federal government does not do that, then the
16 state will do that, using a body of experts.

17 SENATOR KAMINSKY: You know, the
18 people on Long Island are obviously
19 concerned. It's on the cover of their
20 newspaper. The term "likely carcinogenic" is
21 attached to 1,4-dioxane, and so they would
22 love to see these real aggressive steps and
23 knowing that there's -- you're working as
24 hard as you can on a solution for it.

1 And of course, you know, getting our
2 federal partners involved is important. But
3 I think if we're waiting for this
4 administration to suddenly come down and
5 regulate 1,4-dioxane, I think another plan
6 has to be pursued at the same time. And I
7 hope you continue to do that aggressively and
8 alert the people of Long Island, who have the
9 highest amount of this in their water, as to
10 what you're doing.

11 COMMISSIONER SEGGOS: Certainly will.
12 And we look forward to working with you on
13 that.

14 SENATOR KAMINSKY: Definitely.
15 You and I have spoken about the
16 Bay Park outfall pipe, and we've both
17 commonly called it a game-changing project
18 for the South Shore, protecting the bays.
19 Can you give us an update as to where we are
20 with that? It's been a few years now, and
21 still every day there's treated effluent
22 getting pumped out into the waters in some of
23 the great communities on the South Shore of
24 Long Island without any relief.

1 COMMISSIONER SEGGOS: Well, without a
2 doubt, figuring out a solution to the Bay
3 Park outfall is going to be a game-changer
4 for water quality in Long Island. It's a
5 massive project. When we started on this a
6 couple of years ago, it was how do we
7 redesign this outfall at Bay Park, with an
8 enormous figure of, you know, over
9 \$500 million.

10 Since then, you know, my team has been
11 working very creatively and proactively with
12 Nassau County on alternatives to that. And
13 that involves, as you know, the Cedar Creek
14 outfall. My staff is in negotiations right
15 now with Nassau County, trying to lock down
16 the use of the Cedar Creek outfall, which
17 would be a lower-cost alternative using
18 existing infrastructure to get rid of that
19 waste in an effective and clean manner.

20 So I don't want to characterize
21 exactly where the negotiations are, other
22 than I have some staff that are, you know,
23 pulling their hair out trying to finish it
24 up. And we hope to be able to announce it

1 this year.

2 SENATOR KAMINSKY: Okay, thank you.

3 And lastly, people in my area that
4 rely on the Lloyd aquifer have been troubled
5 by recent reports about saltwater intrusion
6 and other threats to the aquifer, the
7 sole-source pure aquifer that we have. And I
8 know that Chairman Englebright, who's here,
9 has spent a good part of his career working
10 on this.

11 Can you tell us where we are with
12 finding out the state of our aquifers and
13 what plan we have to make sure that they're
14 not being overpumped or harmed in any other
15 way?

16 COMMISSIONER SEGGOS: Sure. That is a
17 major, major situation down on Long Island.
18 And last year the Governor announced that we
19 are launching a multiyear study with the
20 USGS, a \$6 million study over several years,
21 to characterize the full extent of the
22 groundwater on Long Island. That work is
23 underway right now. In fact, we are on the
24 verge of drilling the first pilot well, which

1 is designed to characterize groundwater
2 flows. We have historical inputs from
3 Suffolk County. We would intend to take
4 advantage of the existing information out
5 there and create a new layer of information
6 through this effort.

7 But this is very much underway right
8 now. I think we actually have a meeting
9 tomorrow, a big stakeholder meeting tomorrow
10 on this down in Long Island with USGS and
11 some of the experts that we've convened.

12 SENATOR KAMINSKY: Okay. Well, thanks
13 for your work, Commissioner. I was obviously
14 very pleased to see the work this weekend on
15 1,4-dioxane and hope we continue to push and
16 have New York really lead on this. So thank
17 you.

18 COMMISSIONER SEGGOS: Thank you,
19 Senator.

20 CHAIRWOMAN YOUNG: Thank you.
21 Chairman Farrell.

22 CHAIRMAN FARRELL: Thank you.
23 Assemblyman Dan Stec.

24 ASSEMBLYMAN STEC: Thank you,

1 Chairman.

2 Good morning, Commissioner. Thanks
3 for joining us.

4 COMMISSIONER SEGGOS: Good morning,
5 Assemblyman.

6 ASSEMBLYMAN STEC: A couple of quick
7 questions. Mostly I wanted to follow up
8 on -- last year we had a hearing here, I
9 believe it was in this room, on the
10 electronic waste program and the problems
11 that it's had. That law was passed predating
12 my tenure in the Legislature, so it's been
13 kicking around for at least five, six years
14 now.

15 And generally the law requires that
16 manufacturers provide for disposal of
17 household electronic waste. In effect,
18 though, that is not occurring, and there's a
19 lot of people or municipalities that are
20 forced to pay or sometimes go to great
21 lengths to try to find somebody that will
22 take the stuff, either for charge or not.

23 But certainly I think the intent and
24 everyone's understanding of the law was that

1 this was not supposed to cost the consumer or
2 the local municipalities, who are under the
3 gun with the tax cap and more edicts from
4 Albany about, you know, how they should be
5 spending their money, and yet I've got local
6 municipalities in my district that are using
7 taxpayer dollars to subsidize this program or
8 this fiat.

9 What is the current update as far as
10 the regulations and trying to get the --
11 because I know that there are some
12 investigations, there was reports that the
13 department has authority to create and
14 enforce and -- but I think the gist of the
15 hearing last year was that changes need to be
16 made. And I wanted to know if you can update
17 us.

18 COMMISSIONER SEGGOS: Right. Well, I
19 would say this. The e-waste law has been
20 very successful in many ways in keeping
21 e-waste out of landfills and out of many
22 parts of the state where we wouldn't want it.

23 We have seen the trends heading in the
24 right direction on people taking advantage of

1 the program. But I absolutely hear you on
2 the burdens that municipalities have been
3 facing. One of the biggest problems with
4 e-waste is nobody wants the old televisions.
5 It's the old leaded glass that's very
6 difficult to handle. The commodity pricing
7 right now across the board is quite low, and
8 it's harder and harder for businesses to take
9 advantage of the program and actually make
10 money off of these commodities.

11 So last year, as you know, we worked
12 with you to announce a grant forum for munis,
13 and about \$1.3 million has gone out from that
14 program to help offset some of the burden
15 that they're facing. There's still \$1.7
16 million available and unclaimed; we've
17 actually announced it two or three times. So
18 if there's more we can do to get the word out
19 that there's funding available to offset some
20 of the burdens that they're facing, we need
21 to make that known that this money is
22 available.

23 ASSEMBLYMAN STEC: The law says that
24 the manufacturers are on the hook for this.

1 COMMISSIONER SEGGOS: Right.

2 ASSEMBLYMAN STEC: And if I was here,
3 perhaps I would have debated whether or not
4 that was the right move for the state to make
5 at the time. But that's the move the state
6 made.

7 Are the manufacturers all complying?
8 I mean, are -- you know, there's not a local
9 SONY manufacturer you can just drive down and
10 drop your -- so, I mean, which I always
11 thought it was odd to put the manufacturer on
12 the hook for this. Not that I'm in a hurry
13 to put the retailer on the hook for it
14 either. But, you know, clearly the intent
15 was not for the owner of the electronic waste
16 to be spending money. Maybe that's where we
17 should have landed, but that isn't where we
18 landed.

19 Are the manufacturers all complying?

20 COMMISSIONER SEGGOS: I wouldn't say
21 they're all complying. We certainly are
22 managing the program with an eye towards
23 enforcement of the existing law.

24 We are in the midst of reforming the

1 regulatory package that goes along with it,
2 and we'll be putting that out this year to
3 ensure that there's more clarity out there
4 and more adherence with the existing law.
5 And in the meantime, you know, getting the
6 grants out there as quickly as possible to
7 offset some of those burdens is one of the
8 things I want to make sure they're aware of.

9 ASSEMBLYMAN STEC: All right, thanks.

10 And I just want to shift gears quickly
11 with the time I've got left. My district,
12 about a third of the Adirondacks, hundreds of
13 lakes and rivers, lots of water concerns,
14 quality concerns, specifically aquatic
15 invasive species, salt loading.

16 You know, certainly not the only lake
17 in my district but one that's very heavily
18 studied and very frequently visited by all,
19 Lake George. We're seeing, you know, a ton
20 of data available there, increasing trends on
21 chloride loading. It's tripled since 1980.
22 What's in this budget that's new or expands
23 existing programs for both our salt issue but
24 aquatic invasives? I think that, you know,

1 Lake George has got a nice program there,
2 we've got boat-washing stations. But it's
3 really a statewide issue, ultimately. And I
4 think here's an example, if you'll forgive
5 the expression, of a rising tide lifts all
6 boats, you know, as far as if we're
7 addressing it on a statewide basis as opposed
8 to, you know, trying to chase hundreds of
9 individual lakes. What's new in the budget
10 for those issues?

11 COMMISSIONER SEGGOS: No doubt salt is
12 an issue for many of our surface waters. And
13 I've gotten several briefings from the Lake
14 George advocacy community -- and not just
15 advocacy, local government as well, all being
16 very concerned about the trends in those
17 levels.

18 We have a bit of a head start there in
19 the sense we've got the science now. We've
20 got everyone pulling in the right direction;
21 you know, historic opponents that are all
22 concerned about the condition on the lake.
23 And we have multiple state and local agencies
24 that are looking at ways to improve the

1 application of salt on roads.

2 But as you say, this is not just a
3 Lake George issue, it's an issue across the
4 Adirondacks and really statewide. And it's a
5 tough balance. Right? You have to balance
6 the road safety versus environmental and
7 public health. And there's some places that
8 are doing it at the local government better
9 than others. And we have formed a working
10 group within the Rapid Response Team to focus
11 on salt issues. So we're working with the
12 Department of Transportation and others to
13 figure out whether or not we need to do best
14 management practices.

15 Within the budget, in the Clean Water
16 Infrastructure Act, in the EPF, we are
17 proposing specifically to provide grants for
18 municipalities to cover salt storage areas.
19 I think that will have a significant impact
20 on runoff. It doesn't get to the
21 application, it gets to the storage of it.
22 But those grants in the past have been very
23 helpful, particularly in the Adirondacks,
24 really across the board in reducing salt

1 contamination.

2 On the invasive side, we -- again, a
3 unique situation I think in the Adirondacks,
4 where you had everyone pulling in the same
5 direction to address a very significant
6 situation. Where places like Lake Champlain
7 have incredible numbers of invasive species,
8 and yet we've been able to stave it off on
9 Lake George and elsewhere. Great boat
10 stewards program going on right now that we
11 will continue to fund in the Adirondacks.

12 We also, as you know, we put out
13 grants. Last year I heard loud and clear
14 during my hearing the interest in doing
15 eradication, not just prevention. We believe
16 prevention is very important because you want
17 to prevent it from getting there in the first
18 place. But if it gets there, you have to get
19 tools to people to move it out.

20 So those grants we announced in
21 December, I believe, \$2 million. The
22 application process is underway right now.
23 Those funds will certainly, I would imagine,
24 flow towards many lake associations and

1 municipalities up in Adirondacks.

2 It's certainly one of my top
3 priorities. We have an inundation in
4 New York State, given who we are. We are the
5 nexus of commerce and tourism. And there's
6 an enormous amount of terrestrial and aquatic
7 invasives coming into the state, and we have
8 to do everything we can across the agencies
9 -- DEC, Ag and Markets, DOT. And we work
10 very well generally in stopping some of these
11 problems. But when we don't, we want to make
12 sure we're in there doing eradications.

13 ASSEMBLYMAN STEC: Thank you.

14 CHAIRMAN FARRELL: Thank you.

15 CHAIRWOMAN YOUNG: Thank you. I'd
16 like to remind all the speakers to try to
17 keep within the time period. You all have
18 clocks that show you where we're at. But we
19 have over 30 speakers scheduled for today.
20 And if we go at this rate, we're going to run
21 into the hearing tomorrow.

22 Our next speaker would be Senator Tim
23 Kennedy.

24 SENATOR KENNEDY: Thank you,

1 Chairwoman.

2 Thank you, commissioner. Thank you
3 for your service and your testimony today.

4 COMMISSIONER SEGGOS: Thank you.

5 SENATOR KENNEDY: I applaud the
6 Governor's proposal to redevelop the old
7 Bethlehem Steel site in Lackawanna, New York,
8 in my district. As you're well aware, the
9 site has been subject to remediation over
10 decades. Can you elaborate on the current
11 status of that cleanup?

12 COMMISSIONER SEGGOS: Yes. Well, a
13 significant industrial site out in Buffalo
14 that for many years was impacted by a variety
15 of chemicals, including simple slag, which
16 underlies most of the site.

17 We've been working very hard with
18 local partners, through the Brownfields
19 Cleanup Program and through State Superfund,
20 to address not only the hotspots but to
21 address some of the land that isn't as
22 heavily impacted and can be turned into
23 productive industrial use, reuse.

24 We want to see the site be restored as

1 a place of commerce and then, where
2 appropriate, provide some public access to
3 waterfronts. Smokes Creek we've talked about
4 being an ideal location to get people down to
5 the waterfront, connect the communities down
6 to the lake. And working with your office
7 and our partners out there, we have a good
8 vision to get that done quickly. We've
9 gotten, obviously, the creek dredged, which
10 will help with some of the flooding issues
11 that you see in Lackawanna.

12 But it's an exciting project, and it's
13 an exciting opportunity for Buffalo to bring
14 an old brownfields site back into productive
15 reuse.

16 SENATOR KENNEDY: Yeah, can you talk a
17 little bit more about what still needs to
18 happen to develop this into this
19 manufacturing campus, this industrial park,
20 as has been proposed, and what sort of
21 timeline we may be looking at?

22 COMMISSIONER SEGGOS: I can't talk
23 about the timeline exactly. I mean,
24 certainly we've made significant progress

1 over the last few years, and we're nearing
2 the end of remediating some of the most
3 significant sites. The acid tar pits and few
4 other hotspots on the property have been
5 remediated. And we're doing this in
6 conjunction with the local community, so that
7 there's enough buy-in into the ultimate
8 redevelopment of the property.

9 There's work that remains, but I think
10 we're through the worst of it at this point.
11 And it's been a great everyone-
12 pulling-in-the-same-direction effort.

13 SENATOR KENNEDY: Thank you.

14 The \$2 billion proposal for water
15 infrastructure improvement, obviously badly
16 needed across our state. In my district,
17 Scajaquada Creek, as we've discussed on many
18 occasions, has been negatively impacted by
19 sewage overflow issues. And just recently,
20 last year the Town of Cheektowaga received \$5
21 million in grants, \$15 million in
22 zero-interest loans to update their sewer
23 lines. I appreciate your efforts and support
24 and thank your office for all of their

1 efforts on behalf --

2 COMMISSIONER SEGGOS: Thank you.

3 SENATOR KENNEDY: -- in that regard.

4 But this represents funding given to
5 municipalities. We also have many capable
6 nonprofits, such as the Buffalo Niagara
7 Riverkeeper, willing to help with water
8 cleanup, infrastructure improvements, wetland
9 restorations. Will any of the \$2 billion be
10 available for nonprofits to access?

11 COMMISSIONER SEGGOS: Well, certainly.
12 As we discussed a little bit about
13 source-water protection and setting aside
14 lands, we want to make not only
15 municipalities eligible to get those funds
16 and setting land aside, but also to enable
17 qualified nonprofits to do some of that work
18 as well.

19 As we see quite often, there's a very
20 thorough engagement. That's a perfect
21 example, Scajaquada Creek and Hoyt Lake.
22 Those are areas where you have very solid
23 engagement from communities and nonprofits,
24 and some of those funds could be channeled

1 through those organizations generally to do
2 source-water protection.

3 SENATOR KENNEDY: Is there more we can
4 do to engage these nonprofits?

5 COMMISSIONER SEGGOS: Absolutely. And
6 in fact, I mean, we are very thoroughly
7 engaged with nonprofits across the state on
8 environmental matters. There's -- the Land
9 Trust Alliance already receives grants under
10 the Land Trust Alliance Grant Program in the
11 EPF. There are parks' friends groups that
12 get similar investments. There's also the
13 Water Quality Improvement Program within the
14 EPF that's a larger grant program, \$23
15 million. And you see grants like you're
16 talking about right now being applied for to
17 address watershed-type issues.

18 The Buffalo Riverkeeper is emblematic
19 of the kind of group that would apply for
20 those types of grants, and those have been
21 very effective statewide over the last 15 or
22 so years.

23 SENATOR KENNEDY: Great. I have more
24 questions; I will hold until later.

1 CHAIRWOMAN YOUNG: Thank you.

2 CHAIRMAN FARRELL: Thank you.

3 Assemblyman Aubry.

4 ASSEMBLYMAN AUBRY: Good morning,
5 Commissioner.

6 Flushing Bay in my area is now
7 undergoing a major dredging --

8 UNIDENTIFIED WOMAN: Your mic's not
9 on.

10 ASSEMBLYMAN AUBRY: And it doesn't
11 want to go on.

12 CHAIRMAN FARRELL: Take another one.

13 ASSEMBLYMAN AUBRY: Flushing Bay is in
14 my district and is undergoing a major
15 dredging. Is the department involved in that
16 effort? And what can you tell me about it?

17 COMMISSIONER SEGGOS: Is it the
18 dredging effort?

19 ASSEMBLYMAN AUBRY: Yes.

20 COMMISSIONER SEGGOS: I believe that's
21 primarily an Army Corps project. We would
22 be -- we're involved with some of the upland
23 sources of contamination around Flushing Bay,
24 some of the stormwater issues over the years

1 and some of the issues coming out of the
2 automobile chop shops.

3 ASSEMBLYMAN AUBRY: In Willets Point?

4 COMMISSIONER SEGGOS: Yes.

5 ASSEMBLYMAN AUBRY: Okay. Second,
6 what is your department's responsibility
7 relative to municipal waste trucks? We have
8 in that area a nesting of them, sometimes
9 overnight, sometimes for several days, full.
10 And in the summertime, obviously creating
11 great odors that add to the odor that comes
12 out of Flushing Bay. This was particularly
13 embarrassing when the Mets were going to the
14 World Series, and we invited the world there
15 but the trucks were there first.

16 So could you describe to me what your
17 department does about that and whether or not
18 you have sufficient personnel in the Queens
19 region to handle those kind of problems?

20 COMMISSIONER SEGGOS: Sure. Well,
21 typically truck parking and solid waste, for
22 that matter, is typically a local issue. You
23 raised this with us in the past, and we in
24 fact sent out our RECOs to conduct an

1 investigation of the problems you'd raised
2 with us. In Queens and Jamaica, for example,
3 recently we did an Operation ECO Quality.
4 We've done these around the state for many
5 years. We did one here in Albany, where we
6 have our Environmental Conservation Officers
7 actually doing truck pullovers to check with
8 compliance for all kinds of air emission
9 regulations and concerns.

10 Those have been very effective in the
11 past, and they're designed in some ways to
12 promote compliance but also to find bad
13 actors. And we'd be happy to talk with you
14 about other parts of Queens and Flushing, for
15 that matter, where you see persistent
16 problems, because we've been able to address
17 those in the past.

18 ASSEMBLYMAN AUBRY: My understanding
19 is that we have limited resources for that
20 kind of work, though, out of that particular
21 office.

22 COMMISSIONER SEGGOS: The way we run
23 our truck inspections is usually not just
24 with the resources in a single office. We

1 usually pool resources for operations. So
2 we'll pull officers from the Albany area,
3 we'll pull them from Western New York to do
4 these operations over a sustained basis. And
5 it's less of whether or not there's somebody
6 based in Queens; more so, how can we move
7 these teams in quickly and effectively to
8 solve comprehensive problems.

9 ASSEMBLYMAN AUBRY: Thank you.

10 And the last is, what is your MWBE
11 program like relative to the money that you
12 spend on capital projects?

13 COMMISSIONER SEGGOS: Well, we are
14 obviously one of the agencies complying with
15 the MWBE requirements that the Governor set
16 forth. We are exceeding the MWBE guidelines
17 when it comes to the investments in
18 environmental justice that I detailed
19 earlier. We discussed some of the proposals
20 in the Governor's budget this year, the
21 millions of dollars he proposed to put into
22 environmental justice to help communities of
23 color around the state and disadvantaged
24 communities.

1 ASSEMBLYMAN AUBRY: And it appears, at
2 least in the information that we've been
3 given, that you're now anticipating funding
4 job training and project implementation.
5 What's the relationship between a challenged
6 community of color environmentally and job
7 training relative to it? And how many
8 projects have we in fact implemented as
9 opposed to just studied?

10 COMMISSIONER SEGGOS: Well, this year
11 through the EPF we would like to dedicate at
12 least a million dollars to do job training
13 specifically for environmental jobs within --

14 ASSEMBLYMAN AUBRY: How much money,
15 I'm sorry?

16 COMMISSIONER SEGGOS: A million
17 dollars, specifically for environmental job
18 training in environmental justice areas, in
19 addition to a suite of grants for capacity
20 building at EJ groups. And also up to
21 \$750,000 to do clean energy installations
22 within environmental justice communities.

23 All of that would be -- we would like
24 to see those programs be run in a coordinated

1 manner so that communities that are
2 disadvantaged and need job training are then
3 perhaps doing the work that would then come
4 through a grant program to build, you know,
5 local sources of clean energy.

6 ASSEMBLYMAN AUBRY: And do you have a
7 list of what you consider to be environmental
8 justice communities around the state? Is
9 that a formal designation?

10 COMMISSIONER SEGGOS: We do. It's
11 actually a regulatory designation dating back
12 to I believe 1999, when it was first put into
13 law.

14 In addition to that, we have a
15 commissioner's policy, it's called
16 Commissioner's Policy 29, that I have just
17 started the first set of dialogue with
18 environmental justice communities down in
19 New York City, and we're going to roll this
20 out statewide in an effort to modernize our
21 EJ policy, because frankly it's been on the
22 shelf for a while and we need really good
23 feedback from EJ groups and got it at our
24 first meeting last week, or two weeks ago.

1 ASSEMBLYMAN AUBRY: Can we see the
2 list of those communities? Would you send
3 that to us?

4 COMMISSIONER SEGGOS: Certainly.

5 ASSEMBLYMAN AUBRY: Thank you.

6 CHAIRMAN FARRELL: Thank you.
7 Senator?

8 CHAIRWOMAN YOUNG: Thank you very
9 much.

10 Our next speaker is Senator Diane
11 Savino.

12 SENATOR SAVINO: Thank you, Senator
13 Young.

14 Thank you, Commissioner. The beauty
15 of going this far in is I've gotten answers
16 to most of the questions that I had on the
17 list.

18 I do want to touch, though, on
19 something I know other members are probably
20 going to speak about, and it's an issue that
21 is of particular importance especially to
22 someone who represents my part of the city,
23 Staten Island and South Brooklyn, because you
24 know we are the entry point to the New York

1 Harbor. It is the issue of invasive species.

2 One of your predecessors had put in
3 place a ballast water proposal that would
4 have essentially crippled the shipping
5 industry in New York State and as far as
6 upstate New York, and we were able to push
7 that back.

8 But we do need a more comprehensive
9 solution to the problem of invasive species,
10 whether it's, you know, coming in on ballast
11 water. I don't think that the proposal in
12 the budget is sufficient. And I know it's
13 one of the things that Senator Kennedy wants
14 to follow up on, so I'm going to let him
15 question you more about that. I want to be a
16 little bit more parochial.

17 We have our own invasive species
18 problem on Staten Island, as your department
19 is well aware of. They are four-legged
20 creatures and winged creatures. You're
21 laughing, because you know the problem that
22 we have. You know, your department has
23 tried, but I'm not sure you're being that
24 successful with the relocation of the

1 turkeys.

2 For those of you watching at home,
3 Staten Island has a tremendous wild turkey
4 problem. And for some reason they have taken
5 up residence on the grounds of the South
6 Beach Psychiatric Facility and around the
7 area. And while some of us think it's
8 quaint, they are a nuisance, they destroy
9 property, and they have become a real problem
10 for the residents in the area around there.

11 And every time we think that you guys
12 have relocated them, suddenly a whole new
13 batch is hatched and they're wandering the
14 streets tying up traffic and destroying
15 property.

16 And then we have the deer problem.
17 These are not indigenous to Staten Island.
18 They are -- we are now up to almost a
19 thousand deer. They are inhabiting the
20 island. They swam across to Brooklyn
21 recently -- two of them literally swam over
22 the Narrows, wound up in Brooklyn in a
23 junkyard in Coney Island. Your department
24 went, picked them up, and brought them back

1 to Staten Island. Which -- they don't belong
2 to us. In fact, if you're going to bring
3 them somewhere, bring them back to Jersey.
4 That's where they came from. They are
5 New Jersey's deer.

6 (Laughter.)

7 SENATOR SAVINO: They really are.

8 COMMISSIONER SEGGOS: It's part of our
9 tourism campaign.

10 (Laughter.)

11 SENATOR SAVINO: But this is becoming
12 a bigger problem. As you know, recently
13 there was a graveyard that was found on the
14 south shore of Staten Island where a bunch of
15 deer carcasses were unearthed, and it turned
16 out that some of your staff had buried them
17 inappropriately.

18 So what are we going to do about the
19 deer and the turkeys?

20 COMMISSIONER SEGGOS: Well, I'll tell
21 you this. Obviously when you have a
22 situation where the predator-prey
23 relationship doesn't exist and you just have
24 prey out there -- deer, turkeys, other

1 animals -- and nature is out of balance,
2 there has to be some kind of active
3 management on behalf of the government. And
4 that's certainly what we see in
5 Staten Island.

6 Now, when it comes to turkeys, we have
7 tried in the past to do that, you're
8 absolutely right. We can certainly do so
9 again, do our best to get on top of it.

10 The deer situation, yes, is a problem
11 in Staten Island. Obviously we don't have
12 hunting down there, and that's usually what
13 is effective elsewhere around the state.
14 And, you know, again, we have been open to
15 creative thinking on this. The city, as you
16 know, has this program to do --

17 SENATOR SAVINO: Yes, I know.

18 COMMISSIONER SEGGOS: -- deer
19 sterilization on a research pilot basis that
20 we gave them a permit to do.

21 While we don't believe that those
22 kinds of programs are effective, it's
23 nonetheless worth our time to see if it has
24 an impact. We certainly take this very

1 seriously. I hear the stories on a regular
2 basis about impacts with cars. A big issue.

3 SENATOR SAVINO: Cars and property and
4 --

5 COMMISSIONER SEGGOS: Cars and
6 property. And I will say that we need to be
7 open to many solutions on this, not just the
8 ones we've used so far.

9 SENATOR SAVINO: In the brief time I
10 have, what is the time frame for the
11 evaluation of the city's proposal, which is
12 deer vasectomies? Because now we have -- you
13 know, the female deer, it doesn't prevent
14 them from going into heat, and that's
15 creating other problems. So you have the --
16 whatever. It's just a mess.

17 But, I mean, when will we know whether
18 or not this is a successful program?

19 COMMISSIONER SEGGOS: Well, it's
20 underway now. And it will continue for the
21 next three to five years. And I think we'll
22 start to see results of that shortly,
23 probably within Year 2 or 3.

24 SENATOR SAVINO: The expression on

1 your face indicates you're somewhat skeptical
2 of the success of this program.

3 (Laughter.)

4 COMMISSIONER SEGGOS: I will say that
5 it's perhaps not the best-designed program.
6 But it is a program nonetheless that we
7 should see what the results come back with.

8 SENATOR SAVINO: So we just have angry
9 and unsatisfied deer. Very unhappy.

10 (Laughter.)

11 SENATOR SAVINO: Thank you,
12 Commissioner.

13 COMMISSIONER SEGGOS: Thank you,
14 Senator.

15 CHAIRMAN FARRELL: Thank you.
16 Assemblyman Otis.

17 ASSEMBLYMAN OTIS: Commissioner, thank
18 you. Mr. Chairman, thank you.

19 COMMISSIONER SEGGOS: Assemblyman.

20 ASSEMBLYMAN OTIS: I want to talk
21 about the water parts of the budget proposal.
22 And, you know, as a matter of reflection for
23 everybody, EPF was 177 two years ago; it's
24 now 300, 300 again this year. And the

1 commitment of --

2 UNIDENTIFIED VOICES: Your mic is off.

3 ASSEMBLYMAN OAKS: You turned it off.

4 CHAIRWOMAN YOUNG: You turned it off.

5 ASSEMBLYMAN OTIS: These mics are
6 finicky.

7 So we have \$400 million for the next
8 five years proposed by the Governor,
9 including we still have \$175 million from our
10 existing water funding. So actually for the
11 upcoming year we're going to have 575 for the
12 '17-'18 year for the different water
13 programs.

14 I want to ask the question a different
15 way. In terms of the new uses that are
16 proposed -- and they're all good and
17 worthy -- has DEC looked at trying to
18 estimate, anticipating what some of these new
19 programs are going to bring in in terms of
20 applications?

21 COMMISSIONER SEGGOS: Well, I will
22 tell you, through the existing Water
23 Infrastructure Improvement Act that we've had
24 going two years now, there are far many more

1 applications coming in for more dollars than
2 are available. And the scoring is such that
3 we're able to move money out very quickly,
4 but we leave some folks, some of the munis,
5 without funding.

6 So what this funding would do is
7 obviously broaden the pot, make it much
8 bigger and make it -- we're not changing the
9 eligibility of the grant program, so that the
10 same grant criteria will be applied moving
11 forward. That will broaden the number of
12 communities that will be able to get into the
13 program.

14 ASSEMBLYMAN OTIS: I'm actually asking
15 about the new uses in the -- like the salt
16 stores and the lead pipes and all that sort
17 of stuff that are new -- in the new \$400
18 million a year program.

19 But you're getting to sort of where I
20 was going, is that we could use a good growth
21 just for the water infrastructure, pipes and
22 stuff that we've been doing for the last two
23 years. My compliments to the addition of the
24 intermunicipal regional approach, because

1 there's a need for recognizing those. Right
2 now an intermunicipal application almost gets
3 penalized for working with another community
4 because they still have the single
5 application cap.

6 So those are all great, but if we have
7 575 as the total for '17-'18, how much do you
8 anticipate we can keep with these water
9 infrastructure projects, as opposed to the
10 new uses which you're -- some of those
11 getting off the ground new in the current
12 year, or the new year?

13 COMMISSIONER SEGGOS: Well, I think
14 it's -- we will have about half of the Clean
15 Water Infrastructure Act appropriation go
16 towards the traditional programs that we've
17 been talking about, so wastewater and water
18 infrastructure. Those programs in some
19 respects are constrained by the loan program
20 that we have available. So I just talked in
21 my testimony very briefly about how EFC puts
22 out about a billion dollars a year in loans,
23 low-interest loans and no-interest loans.

24 What these grants have been doing in

1 the past -- we used to have a significant
2 delta between the amounts of loans available
3 and the amounts actually taken up. Since we
4 did the grant program, now the loan program
5 is almost fully subscribed. Which is a great
6 thing. We finally are now moving out not
7 only grants but loans across the state, and
8 that gets to my point about the enlarging of
9 the entire pot.

10 But it gets to the point where the
11 grants have now maxed out the loans, and now
12 we have some additional grant monies
13 available for other programs. So if we look
14 at the full, you know, new \$400 million,
15 about half of that again will go back into
16 the EFC, the traditional WIIA grants/loans
17 program, and the other half will go into the
18 other issues that we've raised -- lead
19 service lines, expanding some of the
20 Superfund, doing source-water protection
21 grants for municipalities.

22 So it's about fifty-fifty on that, old
23 programs and new. And as I mentioned, we
24 will be working with you all to hone the

1 specifics of each of those lines so that you
2 have a better sense of what you're seeing.

3 ASSEMBLYMAN OTIS: That would be
4 great. One suggestion I would have -- and
5 you allude to sort of the incentive that was
6 created in the water grant program. In these
7 new areas, the idea of having a percentage
8 that the grant can provide and having the
9 applicant put in the rest, we can hopefully
10 also incentivize projects that wouldn't
11 happen otherwise in these new areas as well.

12 It's worked quite well. DEC, you and
13 EFC have done a great job on the rollout of
14 the program, and glad to see this great, very
15 significant increase in commitment. So thank
16 you.

17 COMMISSIONER SEGGOS: Great. Thank
18 you.

19 CHAIRWOMAN YOUNG: Thank you.

20 We've been joined by Senator Elaine
21 Phillips.

22 And our next speaker is Senator Pam
23 Helming.

24 SENATOR HELMING: Thank you,

1 Commissioner, for your time and for your
2 efforts to protect the public health.

3 I represent a district that includes
4 quite a significant portion of the
5 Finger Lakes area. And I recently read a
6 report that seven of the Finger Lakes are
7 impacted by blue-green algae. Out of these
8 seven lakes, several of the lakes have
9 harmful algal blooms, which have resulted in
10 threats to public health, the closure of
11 beaches, impacts to tourism dollars,
12 et cetera.

13 So -- and I know in your report you
14 mentioned funding for invasive species, but
15 what I'd like to hear more about, what
16 specific programs and funding is going to be
17 available to address the blue-green algae
18 issue, specifically the harmful algal blooms
19 in the Finger Lakes?

20 COMMISSIONER SEGGOS: Sure. Well,
21 first of all, I think the \$2 billion water
22 infrastructure money that we've been
23 discussing is going to help address one of
24 the causes for some of these algal blooms,

And you see nitrogen getting into the water,
creating the blooms, and the blooms then
causing problems.

In terms of the other uses for that money, obviously there are many farms around the state. We've been putting money into upgrading manure storage statewide. As the boom in milk is happening, and it's a good thing for our farmers, we want to make sure that they also have the resources to invest in buffers between their properties and streams, and that the manure lagoons are up to spec.

So both through the EPF and through the water infrastructure money, we will be continuing that. And we've made that a specific component of the water infrastructure money that we proposed as part of the \$2 billion.

Grants for setting land aside, source

1 water protection is the best money spent,
2 typically. If you can protect water at the
3 source, then you don't have problems
4 downstream. And the \$2 billion will help
5 with that. Again, monies through
6 municipalities, and in some cases nonprofits,
7 to fix those problems.

8 And then to get to the very serious
9 issue of harmful algal blooms on Owasco Lake,
10 where you saw the city of Auburn and Owasco
11 drawing water that was impacted by this
12 bloom, the Governor put into the budget
13 \$150,000 right now to be available for
14 engineering studies at both those
15 municipalities, to ensure that their plants
16 can be upgraded, and then up to \$2 million
17 for the upgrade of the plant, to have new
18 technology to take the otherwise -- the
19 toxins from the harmful algal blooms aren't
20 taken out through the usual means, so we need
21 new technology there. And the \$2 million
22 will help to provide those funds.

23 SENATOR HELMING: So what about the
24 water treatment plants at all of the

1 facilities along the lakes? Are we going to
2 take what we learned from Owasco and somehow
3 share that with the other communities? Is
4 the DEC involved with --

5 COMMISSIONER SEGGOS: Absolutely.

6 SENATOR HELMING: -- inspecting and
7 upgrading the other facilities to make sure
8 that they have what they need? How does that
9 work?

10 COMMISSIONER SEGGOS: Absolutely. I
11 mean, we are -- we're not approaching Owasco
12 as a one-off. What we're trying to do is
13 understand how Owasco happened, how the water
14 was impacted that way, and begin applying
15 that not just in the Finger Lakes, but
16 elsewhere.

17 But as far as the Finger Lakes are
18 concerned, there was a need for us to think
19 more creatively about how we staff these
20 problems. So we've got -- the Finger Lakes
21 are actually between several different DEC
22 regions. Usually our regional staff are the
23 ones handling these problems directly. But
24 when you have multiple regions, you need

1 coordination. So this year we actually
2 created, 2016, a water hub so staff from both
3 offices then -- focusing specifically on
4 water problems. And actually the team in
5 charge of the Owasco response is actually the
6 water hub that is shared between local
7 offices as well as my headquarters staff.

8 So we will be applying that to other
9 Finger Lakes as well.

10 SENATOR HELMING: Thank you very much,
11 because that was -- my second comment was on
12 DEC staffing. I noticed in the report that
13 overall the staffing numbers won't change.
14 But as was said previously, I'd truly like to
15 see a shift so that there's additional
16 staffing at the regional levels to help us
17 with issues.

18 And just quickly to echo on Senator
19 O'Mara's comments, my district also includes
20 a significant portion of Lake Ontario. And
21 again, I'd just say to you it's critically
22 important to provide the necessary resources
23 to protect not only the municipal
24 infrastructure but also the private property,

1 especially in communities such as Sodus
2 Point, where the threat of flooding has been
3 documented and is a real threat.

4 So I thank you.

5 COMMISSIONER SEGGOS: Thank you.

6 CHAIRWOMAN YOUNG: Thank you.

7 CHAIRMAN FARRELL: Thank you.

8 Assemblyman Ryan.

9 ASSEMBLYMAN RYAN: Thank you,
10 Chairman. Thank you, Commissioner.

11 COMMISSIONER SEGGOS: Assemblyman.

12 ASSEMBLYMAN RYAN: We spoke briefly
13 last week. I gave good credit to your
14 department for your response to the former
15 steel plant fire at Lackawanna. It was a
16 major fire. They could actually see the
17 smoke plume in aerial and satellite
18 photographs as it was proceeding out to the
19 ocean.

20 So your agency did a great job of
21 interacting with the community and really
22 taking a community on high anxiety and
23 bringing it really down to a rational level.
24 So thanks for that work.

1 COMMISSIONER SEGGOS: Thank you.

2 ASSEMBLYMAN RYAN: But on that same
3 subject which Senator Kennedy spoke of, we're
4 very interested in seeing the plans for the
5 restoration of that steel plant site. We
6 know there's a large chunk of money dedicated
7 towards that. We'd like to work with you as
8 you're rolling that out and hopefully make it
9 as soon as possible.

10 And then with the EPF money and the
11 new money we have coming in, one of my
12 concerns has been for streams and waterways
13 that pass through several municipalities,
14 much like the Scajaquada Creek.

15 COMMISSIONER SEGGOS: Right.

16 ASSEMBLYMAN RYAN: So we were able to
17 come with a real combined effort on the
18 Buffalo River cleanup with a nonprofit sort
19 of in the conductor chair. It seems one of
20 the things delaying the Scajaquada cleanup is
21 that the stream runs through several
22 municipalities, several municipalities dump
23 their waste in it. But there doesn't seem to
24 be a good coordinated effort.

1 And I think if we're able to provide
2 funding to nonprofits like Riverkeeper, yet
3 to help coordinate those efforts, we'd be
4 much farther along now.

5 So I wanted to hear your thoughts on
6 perhaps how could we empower nonprofits to do
7 more work in coordination, especially with
8 the smaller towns and villages who don't have
9 big staffs and would have to dedicate, you
10 know, resources of their own to hire
11 environmental engineering companies. But if
12 we were able to have the nonprofits play that
13 role, I think we would push projects along
14 quicker. And I wanted to hear what you had
15 to say about that.

16 COMMISSIONER SEGGOS: Well, I
17 certainly am very respectful of the
18 nonprofits' mission generally. That's where
19 I started my career, and I know the
20 effectiveness they can have in bringing
21 coordinated voices to problems.

22 I mean, Scajaquada Creek is a perfect
23 example. You're right, obviously it flows
24 through many municipalities. And there's all

1 kinds of historic problems along the way,
2 Cheektowaga and other places with their CSO
3 discharges and SSO discharges.

4 So I will say this. I mean, I am
5 committed to making sure that Scajaquada and
6 other places around the state are handled
7 with that sort of team mentality, where you
8 have nonprofit buy-in, you've got local
9 government buy-in, you've got a role for the
10 state. Then you've got sometimes a role for
11 the federal government as well, as we saw
12 downstream in the Niagara River.

13 The grants that we're proposing out of
14 the Clean Water Infrastructure Act for
15 source-water protection I think will help to
16 get at some of that. And we, you know, have
17 lots of history in funding nonprofits through
18 other pots of money and working
19 collaboratively with them.

20 And I've seen the tenor on Scajaquada
21 change a little bit in my year. I think
22 you're absolutely right, maybe it started
23 with not enough coordination through our
24 regional office. And I've spent quite a bit

1 of time on that issue. We're starting to see
2 a little bit better coordination now between
3 the towns. Buffalo Sewer Authority has
4 bought into it. You've got, you know, all
5 the various contributors to the problem down
6 there sort of see a light at the end of the
7 tunnel, which is good. And I've been working
8 very hard to ensure that happens.

9 But to your point, nonprofits play a
10 role. And we will ensure that they have a
11 voice whether they get funding or not.

12 ASSEMBLYMAN RYAN: That's great. I
13 appreciate you keeping an open mind to that.
14 And often the issue really is the advocacy,
15 right, helping to shine the light on the
16 issues but also to bring the municipalities
17 along, to educate them on what they can do.
18 I know you're sensitive to this issue. You
19 know, it becomes a real focal point in my
20 community as the upstream municipalities dump
21 their sewage waste into the stream that comes
22 out at historic Olmsted Park in the middle of
23 the City of Buffalo, which happens to be two
24 blocks down from my house, too. So I'm quite

1 interested in using that park as a parkland
2 and less as a cesspool.

3 So appreciate your help on that, and
4 we continue to look forward to working with
5 you.

6 COMMISSIONER SEGGOS: Likewise, thank
7 you.

8 CHAIRWOMAN YOUNG: Thank you.

9 We've been joined by Senator Robert
10 Ortt.

11 And it's now the Assembly's turn --
12 or, I'm sorry, it's the Senate's turn. So
13 our next speaker is Senator Liz Krueger.

14 SENATOR KRUEGER: Good morning,
15 Commissioner.

16 COMMISSIONER SEGGOS: Morning,
17 Senator.

18 SENATOR KRUEGER: So we had a chance
19 to talk in advance, and you mentioned it
20 already today in your testimony about your
21 goal to decreasing food waste ending up in
22 solid waste, which actually is a methane
23 problem.

24 I asked a question of the OTDA deputy

1 commissioner the other day, and he said,
2 "Well, it's a DEC question," so I'm going to
3 give it to you. He was discussing the
4 state's efforts to expand participation in
5 the federally funded SNAP program and that
6 they would be doing more models. And I
7 suggested that you do SNAP applications with
8 hunting and fishing licenses. Many people
9 hunt for food. And not all people who hunt
10 for food are low-income and need additional
11 money for food, but I bet a bunch of them
12 are.

13 So I'm going to encourage you to
14 explore with OTDA the possibility of doing
15 some outreach to the SNAP program through
16 your applications for hunting and fishing
17 licenses.

18 COMMISSIONER SEGGOS: Okay. That's
19 innovative. I've not heard that one before.

20 SENATOR KRUEGER: Okay. No, I think I
21 might be the first one to come up with it.
22 But anyone else can say no, no, it was my
23 idea. That's fine.

24 Second, there's references to EPF

1 funding -- you know, we've been expanding the
2 definition of what we use EPF funding for,
3 and some of it apparently is for projects
4 that are involving private landowners. And
5 how do -- do you just think that there's some
6 questions that should be asked when we start
7 to use EPF with private land purposes? Or
8 was I advised wrong and there aren't any?

9 COMMISSIONER SEGGOS: I'm not -- I'm
10 not sure what you're referring to.

11 SENATOR KRUEGER: So is there any EPF
12 money being used for either stewardship
13 programs or private activities involving the
14 parks --

15 COMMISSIONER SEGGOS: On private land?

16 SENATOR KRUEGER: Yeah.

17 COMMISSIONER SEGGOS: Yeah, I mean I
18 think it would only come into play if we had
19 a conservation easement, for example, on a
20 large tract of forestland. Which we do,
21 around the state, but we typically don't
22 spend EPF dollars beyond conservation
23 easements.

24 ASST. COMMISSIONER TIGHE: And those

1 lands would be publicly accessible.

2 COMMISSIONER SEGGOS: Right.

3 SENATOR KRUEGER: So basically you
4 might be doing some kind of project that
5 people are going from parkland to private
6 land, because it was part of a larger
7 project?

8 COMMISSIONER SEGGOS: Right. Yeah,
9 you have a large tract of forest that might
10 be adjacent to the Forest Preserve. One
11 part's purchased and owned by the state,
12 forever wild; the other portion is
13 conservation easement of timberlands. You
14 know, timberlands, they're able to use it for
15 sustainable harvesting. But you couldn't
16 tell the difference between the two unless
17 you were an expert.

18 SENATOR KRUEGER: But there are no
19 other plan -- there's no other plans --

20 COMMISSIONER SEGGOS: Not to my
21 knowledge, no.

22 SENATOR KRUEGER: -- to use EPF money
23 for private land? Thank you.

24 Several of my colleagues have asked

1 around the questions about with water
2 contamination --

3 COMMISSIONER SEGGOS: Senator, I mean,
4 there are grants that go out through WQIP and
5 ag nonpoint source to farmers to control
6 sewage runoff. That would be one other
7 example -- I'm sorry to interrupt you -- but
8 one other example where we'd use EPF dollars
9 to control an on-site pollution problem.

10 SENATOR KRUEGER: And so that passes
11 from EPF into Ag and Markets --

12 COMMISSIONER SEGGOS: Yes.

13 SENATOR KRUEGER: -- and then gets
14 distributed throughout? All right, so I can
15 ask the Ag and Markets --

16 COMMISSIONER SEGGOS: And through the
17 Soil and Water Conservation Districts.

18 SENATOR KRUEGER: Okay, thank you.

19 COMMISSIONER SEGGOS: Sure. Sorry.

20 SENATOR KRUEGER: That's okay.

21 Water contamination issues. We look
22 at Hoosick Falls and Newburgh as one set of
23 serious examples. My colleague from
24 Long Island was talking about Long Island

1 water.

2 You've gone ahead and asked companies
3 to evaluate for themselves the water
4 contamination; I think it was 40 companies.
5 Have those reports been submitted, and can
6 you share those at some point?

7 COMMISSIONER SEGGOS: Yes. So you're
8 referring to the PFOA/PFOS that may have been
9 used statewide. Yes. I mean, we had
10 identified a number of companies around the
11 state that may have used those chemicals in
12 the past, and then compared the results that
13 we got through our outreach to the presence
14 of drinking water supplies.

15 So we didn't just rely on their
16 responses to us, but in fact have gone -- and
17 are still going out proactively to identify
18 company and well. And if there are
19 situations that demand any kind of cleanup,
20 DEC, in coordination with DOH, are putting in
21 place an aggressive system there.

22 We can certainly share with you the 38
23 that we identified, all of the levels well
24 below the federal guideline. Nonetheless,

1 the presence of those chemicals detected.
2 We're starting to working on investigations
3 of those potential sources.

4 I think there will be a privacy
5 concern that we'd have to work around and
6 address, because some of the wells we took
7 samples from were within private control.
8 But we can certainly work with your office
9 and the Legislature on that.

10 SENATOR KRUEGER: And I see how
11 quickly my time is up. But I guess never
12 waste a crisis. So Newburgh and the other
13 towns showed us some of the seriousness of
14 problems that can be popping up in small
15 towns without, perhaps, any way to know about
16 it or handle it themselves.

17 Is there a new protocol that your
18 department will be coming up with to help any
19 other communities, not just necessarily with
20 those specific chemicals, but with any kind
21 of chemical contamination in their water
22 system, to help us be better prepared to
23 proactively, all right, here's what you need
24 to study, here's what the agency is going to

1 do, here's what the community needs to do,
2 this is how we're going to hold the companies
3 accountable for the cost of cleanup and
4 public education.

5 Is there perhaps some kind of written
6 protocol that you can offer us in the future
7 so that if and when the next crisis comes,
8 we're better prepared from the experience
9 of --

10 COMMISSIONER SEGGOS: Sure. Well, I'd
11 be happy to share with you just a general
12 protocol of how we'd approach these things.

13 I think we have now had the experience
14 over the last few months of responding to
15 similar situations with different variables
16 here and there, but ultimately finding ways
17 to move very quickly and free up funding to
18 fix problems. And that's something we've
19 sort of perfected across the board.

20 SENATOR KRUEGER: I mean, sharing it
21 with us would be great, but I --

22 COMMISSIONER SEGGOS: Sure.

23 SENATOR KRUEGER: -- guess I would
24 argue sharing it with every municipality --

1 COMMISSIONER SEGGOS: Absolutely. No,
2 you're right.

3 SENATOR KRUEGER: -- and county in the
4 state would be actually be really valuable.

5 COMMISSIONER SEGGOS: I meant us
6 meaning --

7 SENATOR KRUEGER: Yes, us.

8 COMMISSIONER SEGGOS: -- everyone.

9 SENATOR KRUEGER: I agree.

10 COMMISSIONER SEGGOS: Yes.

11 SENATOR KRUEGER: Thank you.

12 COMMISSIONER SEGGOS: Sure.

13 CHAIRWOMAN YOUNG: Thank you.

14 CHAIRMAN FARRELL: Thank you.

15 Assemblyman Carroll.

16 ASSEMBLYMAN CARROLL: Thank you,
17 Chairman.

18 Thank you, Commissioner, for being
19 here today. My first question is about, as
20 you are probably aware, decentralizing our
21 power grid by incentivizing businesses and
22 homeowners to generate their own power
23 through solar and geothermal power that will
24 create a more resilient, green and

1 energy-efficient power grid.

2 What is the state doing to foster this
3 sort of growth in our energy grid?

4 COMMISSIONER SEGGOS: Sure. Well,
5 respectfully, I'd ask that you raise that
6 with NYSERDA. That's not really in DEC's
7 jurisdiction. I mean, I can speak as a
8 layperson to it, but I think you'll get a
9 better answer out of John Rhodes, who will be
10 testifying later.

11 ASSEMBLYMAN CARROLL: Fair enough.

12 I think most of my questions you're
13 going to say that, but I'm going to say them
14 anyway.

15 COMMISSIONER SEGGOS: Okay.

16 ASSEMBLYMAN CARROLL: There are 16
17 power generating plants in New York City that
18 are commonly referred to as peakers. These
19 power plants are used only a few days a year
20 and produce large amounts of carbon emissions
21 as well as higher energy costs. How can the
22 state mitigate this use of power plants in
23 New York City?

24 COMMISSIONER SEGGOS: So we -- I agree

1 that these plants can be a concern if they're
2 being operated. We put out regulations
3 called the Part 222 regulations this year,
4 which are designed to ratchet back on
5 emissions from these plants. Those
6 regulations have been crafted with both input
7 from the regulated community and in
8 particular the environmental justice
9 community.

10 So those plants are not only going to
11 have to comply with the applicable federal
12 law but also our state regulations in terms
13 of discharges or air emissions.

14 ASSEMBLYMAN CARROLL: Thank you.

15 The Indian Point nuclear power plant
16 produces 25 percent of the energy for
17 New York City and Westchester County. That
18 energy is produced with no carbon footprint.
19 How does the state plan to ensure that when
20 that plant goes offline in 2021 that the
21 energy that it's producing right now will be
22 replaced with renewable energy sources?

23 COMMISSIONER SEGGOS: Well, again, I'd
24 ask you to raise that with DPS and NYSERDA

1 later on today. DEC has been thoroughly
2 involved in the Indian Point situation for
3 many, many years, but primarily on the idea
4 of water intakes and discharges and fish
5 mortality as well as on-site pollution. So
6 we just aren't -- we don't have the
7 jurisdiction to deal with larger questions
8 about energy and reliability and the grid.

9 ASSEMBLYMAN CARROLL: Thank you.

10 That's the end of my questioning.

11 COMMISSIONER SEGGOS: Thank you.

12 CHAIRWOMAN YOUNG: Thank you.

13 Senator John Bonacic.

14 SENATOR BONACIC: Good morning,
15 Commissioner.

16 COMMISSIONER SEGGOS: Good morning,
17 Senator.

18 SENATOR BONACIC: Good to see you
19 again.

20 COMMISSIONER SEGGOS: Likewise.

21 SENATOR BONACIC: My questions are
22 relatively easy, which is unusual when I come
23 here for a commissioner.

24 COMMISSIONER SEGGOS: It is.

1 SENATOR BONACIC: First of all, the
2 struggle I always see going on is balancing
3 economic development projects and dealing
4 with the DEC bureaucracy and how fast they
5 can move the timeline to closure on
6 decisions. That's always there.

7 The second thing I've been observing
8 in the last few years is that the DEC always
9 wants -- is trying to be lead agency whenever
10 they can. And I would like to see more of
11 the locals, the local counties or the local
12 municipalities that are close to the
13 projects, having more lead agency than the
14 DEC.

15 Now, Senator Amedore, Senator Seward,
16 and I have the New York City Watershed in our
17 district. Dealing with the DEP bureaucracy
18 is insane. And the DEC is better --

19 COMMISSIONER SEGGOS: Thank you.

20 SENATOR BONACIC: -- but not all that
21 much better, just so you know.

22 COMMISSIONER SEGGOS: Thank you, I
23 think.

24 (Laughter.)

1 SENATOR BONACIC: Yeah. So getting
2 now to my question. In the line items that
3 I'm looking at in the Executive Budget -- and
4 I don't expect you to pick this out. But on
5 page 133, lines 10 to 12, it says "No state
6 assistance may be provided pursuant to this
7 section to fund any project committed to in
8 any agreement pursuant to a filtration
9 avoidance determination."

10 So I read this to say that you don't
11 want to have state funding replace New York
12 City funding for projects in the New York
13 City Watershed. I agree with that position.
14 That's a good position.

15 But what happens sometimes is that --
16 some of the source water is used by
17 municipalities, and some of it is part of the
18 reservoir to supply the city water supply.
19 So when you have that duplication, does that
20 language mean that there will be no state
21 funding to that municipality that's dealing
22 with that source water for their
23 municipality?

24 COMMISSIONER SEGGOS: I don't believe

1 so.

2 ASST. COMMISSIONER TIGHE: No, it's
3 only intended to not allow -- so New York
4 City itself is required to acquire its lands
5 --

6 SENATOR BONACIC: Could you speak a
7 little louder? Thanks.

8 ASST. COMMISSIONER TIGHE: The intent
9 is that if New York City is required itself
10 to acquire lands under the filtration
11 avoidance determination, that they would not
12 be eligible. But if a town in that community
13 that happens to also be the New York City
14 watershed wants to apply for a grant, that
15 does not mean that they would not be
16 eligible.

17 SENATOR BONACIC: Okay. And then I
18 have one pet peeve. It may sound funny, but
19 it's not. It pertains to my largest town in
20 my Senate district in Orange County, the
21 Village of Florida. It's Glenmere Lake.
22 That's a water supply for all the residents
23 there. And you put this cricket frog on your
24 endangered species list.

1 Now, federally, this is not on the
2 endangered species list. And so you know --
3 I've learned more about this cricket frog
4 than I ever wanted to know. But the cricket
5 frog is proliferating in population as you go
6 down the Eastern Seaboard, and now it's
7 starting to go west. Why? Because the
8 weather is warmer. It's more conducive.

9 Now, the people in the Village of
10 Florida -- you have a eutrophication process
11 that's happening in that Glenmere Lake. So
12 they want to address it, but they can't,
13 because this cricket frog hangs out there.
14 So why is that on the endangered species list
15 when they're expanding in population -- and
16 doing very well -- throughout the United
17 States? Why do we take that extra
18 over-the-top step to make this cricket frog
19 endangered when, across most of the United
20 States, it is doing very well?

21 You don't have to answer that question
22 today. I'm sure there are more deeper
23 questions that want to be addressed. But if
24 someone could get back to me, it's very

1 important to the people of the Town of
2 Warwick, my largest town in my entire Senate
3 district.

4 Thank you, Commissioner.

5 COMMISSIONER SEGGOS: Well, I will
6 certainly have a team get back to you on that
7 with an answer.

8 SENATOR BONACIC: Thank you so much.

9 COMMISSIONER SEGGOS: Thank you.

10 CHAIRWOMAN YOUNG: Thank you, Senator.
11 Chairman Farrell.

12 CHAIRMAN FARRELL: Thank you.

13 Assemblyman Thiele.

14 ASSEMBLYMAN THIELE: I'd like to
15 follow up on the cricket frog, if I could.

16 (Laughter.)

17 ASSEMBLYMAN THIELE: Just kidding.

18 I want to talk about water quality and
19 the \$2 billion that you have proposed.

20 And as was said earlier, there are
21 legislative proposals for \$5 billion for
22 water. It's been described earlier that the
23 demand for water quality infrastructure,
24 whether it be supply or disposal, is in the

1 neighborhood of \$80 billion. So, you know, I
2 hope that we can look at larger numbers
3 during the budget process. But it's pretty
4 obvious we're going to need partners.

5 And I'd like to think maybe the
6 federal government might be a partner, I'd
7 like to think the new administration will be
8 into water quality infrastructure big league,
9 but I doubt it. So our partners are going to
10 be local government.

11 And, you know, whether it's been the
12 water infrastructure program that we now have
13 or prior bond acts, there's always the need
14 for a local share. And if we are looking at
15 the kind of numbers over the next many years
16 that we're looking at, my concern is going to
17 be the ability of local governments to be
18 partners, particularly in light of, you know,
19 the property tax cap and the other
20 limitations on local government.

21 And certainly on Long Island there's
22 been discussions about the maybe non-property
23 tax revenue sources to be devoted to water
24 quality. Of course, they would need state

1 authorization. Do you have any feelings
2 about that as far as, you know, developing a
3 full set of partners in addition to just
4 putting out our own bond act?

5 COMMISSIONER SEGGOS: Well, I would
6 completely agree with you, we need as many
7 partners as possible to fix this problem.
8 Certainly on the federal side, doing what we
9 can to lobby for more money and make it
10 easier for states to loan and grant money
11 out.

12 As far as the local spending is
13 concerned, I have heard that recently,
14 certainly since we've proposed the
15 \$2 billion. On tax cap issues, we'll raise
16 that internally on my end. We certainly
17 don't want barriers to investment. We want
18 to make it as easy as possible for them to do
19 this work and are open to creative solutions,
20 if we can find ways to make that happen.

21 ASSEMBLYMAN THIELE: The second thing
22 with the \$2 billion, and that is a lot of
23 focus on water mains and sewage treatment
24 plants and pipes and things of that nature.

1 Out on the east end of Long Island, one of
2 the issues that we're dealing with,
3 obviously, is nitrogen. But, you know, most
4 of -- it's mostly septic systems, old septic
5 systems, cesspools.

6 And my question is, you know, we've
7 created a Center for Water Quality Technology
8 at Stony Brook, we're looking for new
9 solutions. And will there be a part of this
10 \$2 billion that might be available to provide
11 incentives for local governments to get
12 homeowners to upgrade their cesspool or
13 septic system with this new technology?

14 COMMISSIONER SEGGOS: So I think the
15 answer to that is out of the \$2 billion,
16 there are - there will be aspects of that
17 that I think will begin to get to the
18 concerns you're raising.

19 Certainly when it comes to the green
20 infrastructure, using nontraditional means of
21 disposing of stormwater, those types of
22 grants, we want to get those grants out in
23 the communities.

24 In terms of our support for switching

1 homeowners either to better treatment
2 technologies, on-site septic, or connecting
3 them to municipal sewage lines, that's
4 something we've been working very closely
5 with the county on. Through the EPF, we've
6 been funding every year giving monies towards
7 Suffolk County to do some of the work that
8 they are doing on both septic and hookups.

9 We're in the midst of about a
10 \$388 million project down in Suffolk County
11 to sewer certain areas, and then -- and
12 that's only the beginning. I think with the
13 county and some of the ideas that they're
14 considering in terms of how to address septic
15 more long-term, we'll be prepared certainly
16 to fund them on the technical side, on the
17 expertise that is coming out of the Center
18 for Clean Water Technology, some of the
19 grants that we're able to make through the
20 EPF and Water Quality Improvement Projects
21 and elsewhere.

22 And then through the \$2 billion, you
23 know, getting into funding local
24 infrastructure, funding green infrastructure,

1 funding other source-water protection, I
2 think we will be able to, in some cases,
3 either directly or indirectly, deal with some
4 of the serious nitrogen problems that we're
5 seeing down there.

6 ASSEMBLYMAN THIELE: Okay. I'm out of
7 time, but I said this at the Environmental
8 Conservation Committee hearing the other day,
9 but it's a bigger room. I just want to thank
10 you for the extremely quick response that we
11 got at Gabreski --

12 COMMISSIONER SEGGOS: Thank you.

13 ASSEMBLYMAN THIELE: -- with regard to
14 dealing with the concerns of the public and
15 coming up with a plan to extend public water.

16 COMMISSIONER SEGGOS: Thank you.

17 ASSEMBLYMAN THIELE: It was really a
18 rapid response, and it was greatly
19 appreciated. Thank you.

20 COMMISSIONER SEGGOS: Well, thank you
21 for your help on that too. Appreciate it.

22 ASSEMBLYMAN THIELE: Thank you.

23 CHAIRWOMAN YOUNG: Thank you.

24 Senator Elaine Phillips.

1 SENATOR PHILLIPS: Good morning.

2 COMMISSIONER SEGGOS: Senator.

3 SENATOR PHILLIPS: Thank you for being
4 here. And just so you know, I represent the
5 7th Senate District, which is on the North
6 Shore, on the western part of the Long
7 Island, mid-island, to the North Shore.

8 And also, Commissioner, so you know, I
9 have written you a letter, you would have
10 received it last week, in addition to
11 Commissioner Zucker. So this is in writing
12 what I'm about to say. But last summer, as
13 you know, the USEPA released the results of
14 the third unregulated contaminant monitoring
15 rule, which found detectable levels of
16 1,4-dioxane, a chemical that the agency has
17 determined is likely to cause cancer in
18 humans. And they found it in 70 percent of
19 the samples from drinking-water wells serving
20 millions of Long Islanders. And in fact, the
21 EPA found that dioxane was more prevalent in
22 Long Island's water systems than elsewhere in
23 the state and, even more disturbing,
24 identified wells in two districts, in

1 communities that I represent, with levels of
2 the chemical that were higher than in most of
3 the country. Let me repeat that: higher
4 than most of the country.

5 So I have had discussions with
6 representatives of the water providers in my
7 district. They have indicated to me their
8 strong desire for more direction from both
9 the state and federal government as to how
10 that they should respond to these levels.

11 So I wrote to you. I'm asking, please
12 read my letters. We also would like some --
13 I'd like to hear if we have any actions or
14 steps that are in the process to address
15 these levels; the status of remediation,
16 where it stands. My understanding is that
17 there is some sort of prototype that's being
18 designed right now out at Stony Brook. When
19 could we expect to see that? And do we have
20 funding for remediation, particularly on
21 these two wells that are in my district that
22 have exceptionally high levels.

23 And then really to offer to you to
24 work on legislation, if we need legislation

1 in place, to address this issue of dioxane.

2 COMMISSIONER SEGGOS: Well, I'll say
3 this. Certainly -- we discussed this a
4 little bit earlier -- the presence of
5 1,4-dioxane on Long Island is certainly of
6 concern. Luckily, most of -- I think almost
7 all of the wells except for one, which was
8 not a potable source of water, were well
9 below the existing federal advisory, which is
10 I think 300 parts per billion. One came back
11 at 33 parts per billion.

12 SENATOR PHILLIPS: Thirty-three, the
13 other one in my district came back at 12.

14 COMMISSIONER SEGGOS: At 12, exactly
15 right.

16 So as we discussed earlier, one of the
17 problems with 1,4-dioxane is that it's very
18 soluble, in that it is hard to take out of
19 water. So you're right, we have a treatment
20 --

21 SENATOR PHILLIPS: Strippers don't
22 work.

23 COMMISSIONER SEGGOS: It's not a good
24 thing -- it's not something you want in

1 water.

2 We have a program going with the
3 Suffolk County Department of Health and
4 Suffolk County Water Authority to develop the
5 new technology, advanced oxidation, and be
6 able to apply it at scale. It's not a new
7 technology, but it's never been used at full
8 scale, like water district scale.

9 That's underway now. We're going to
10 start to get the results out of that process
11 shortly, certainly in 2017. And we're going
12 to be sharing those results with the public.

13 We're not stopping there. We've also
14 given \$5 million to the Center for Clean
15 Water Technology at SUNY Stony Brook to
16 develop other types of technologies to
17 control 1,4-dioxane. At DEC we are tracking
18 down sources of contamination -- again,
19 industrial solvent, used widely, some high
20 levels, but also a ubiquitous product in
21 commercial consumer products -- dry cleaning
22 detergent, personal care products. So we're
23 seeing that there are many potential sources
24 of contamination.

1 Over the weekend the Governor convened
2 DEC-DOH to go down to Long Island and listen
3 to a group of stakeholders, and wrote a
4 letter to the EPA asking them to set a
5 national standard or at least an advisory
6 level, a national enforcement advisory level,
7 on 1,4-dioxane. Because right now you don't
8 have that, you have sort of a placeholder
9 number.

10 If the federal government doesn't do
11 that, and I'm not sure that they will,
12 certainly this day, the state will proceed
13 with its own. That would be informed -- we'd
14 put a group together this year of scientists
15 to help us establish what that would be.
16 Now, this is sort of not DEC's
17 responsibility, it's more on the DOH side,
18 but we're certainly going to be at the table
19 on that process.

20 But I take what you're saying very
21 seriously. I think the message to the public
22 is that it's -- right now there are no
23 exceedances in drinking water. But the
24 presence of it means that we need to

1 aggressively study this.

2 SENATOR PHILLIPS: Thank you.

3 COMMISSIONER SEGGOS: Thank you.

4 CHAIRWOMAN YOUNG: Thank you.

5 CHAIRMAN FARRELL: Thank you.

6 Assemblywoman Jenne.

7 ASSEMBLYWOMAN JENNE: Thank you,

8 Mr. Chairman.

9 I think it's one minute till
10 afternoon, so good morning, Commissioner.

11 COMMISSIONER SEGGOS: Good morning.

12 ASSEMBLYWOMAN JENNE: Swinging from
13 Long Island up to the Thousand Islands region
14 and the St. Lawrence River Valley.

15 COMMISSIONER SEGGOS: Yes.

16 ASSEMBLYWOMAN JENNE: First I'll just
17 point out that we have many tools and
18 opportunities to control the deer, turkey,
19 and frog population in my area, and we enjoy
20 using those tools.

21 (Laughter.)

22 ASSEMBLYWOMAN JENNE: And I have a
23 better appreciation for your job as, you
24 know, it's second nature to us to control

1 those populations.

2 COMMISSIONER SEGGOS: Right.

3 ASSEMBLYWOMAN JENNE: But I will say
4 we could use some other tools to control the
5 coyote population, which I hopefully can have
6 some discussions with you further about.

7 But I also want to start by, you know,
8 being excited about Plan 2014, which some of
9 my colleagues I think are concerned about,
10 and I understand their concern. But my
11 region has suffered a tremendous amount of
12 environmental damage because of the previous
13 regulation regimen, particularly as it
14 affects the St. Lawrence River Valley. And
15 so we're hoping that we'll see restoration of
16 our habitat and better utilization of the
17 natural resources, and particularly be able
18 to have more economic activity as a result of
19 better flows and the fact that our fisheries
20 will be restored.

21 So that is a very important positive
22 that comes out of Plan 2014, and I appreciate
23 whatever your office did in conjunction with
24 the Governor to get that through.

1 I'm going to talk a little bit about
2 the Clean Water 2017 plan, which is somewhat
3 intriguing to me. You've mentioned that
4 there will be funding available for municipal
5 storage barns for their salt. Do you have
6 any idea if there will be a pot of money or a
7 bucket of money that then will be shared
8 between state and municipal storage
9 facilities at this point, or is that not
10 hashed out?

11 COMMISSIONER SEGGOS: In terms of salt
12 storage?

13 ASSEMBLYWOMAN JENNE: Yes.

14 COMMISSIONER SEGGOS: Yes. I mean, we
15 fully expect most of those monies to actually
16 go to municipalities, for their storage. And
17 they've got that. There will still be a
18 statewide --

19 ASSEMBLYWOMAN JENNE: I've been
20 hearing a lot about that over the last
21 several years, so I appreciate your
22 sensitivity to that issue.

23 COMMISSIONER SEGGOS: Yup.

24 ASSEMBLYWOMAN JENNE: I'm also

1 wondering about what level of coordination
2 there will be between DOT and DEC. A lot of
3 the pinch points that I have that affect
4 water quality often happen when we're trying
5 to get water under, you know, a road or
6 something like that. I have some serious
7 issues in my district related to that. And I
8 didn't know if this was plans in the works to
9 kind of make sure those silos don't exist in
10 this pot of money, so that when DEC and DOT
11 both see a problem, that it raises the stakes
12 a little bit, I guess, in their score.

13 COMMISSIONER SEGGOS: I would say
14 this. Certainly Commissioner Driscoll and I
15 talk on a regular basis. We have monthly
16 meetings on all big issues, and we've talked
17 extensively about the investments they're
18 making in bridges and how once we're doing
19 repairs and doing replacements, they're
20 designing for more modern levels of
21 stormwater flow. So certainly, on that end,
22 there's absolute coordination on that.

23 ASSEMBLYWOMAN JENNE: I also have a
24 municipality involved in one in Redwood,

1 which gets me to the Indian River chain of
2 lakes. You know, first of all I have the
3 issue where several lakes drain in a culvert
4 that's owned by a town underneath the road
5 into the rest of the lakes, which is I think
6 needing some attention, which would require,
7 you know, probably a task force type of
8 approach to it. And I have probably more
9 than just that example to talk about.

10 But we have blue-green algae blooms in
11 the lakes as well as -- I think one of our
12 colleagues from the Finger Lakes was talking
13 about that issue as well. And my colleague
14 here, Mr. Thiele, was talking about septic
15 systems that are feeding these lakes and
16 creating these problems.

17 You know, I'm aware of residential
18 advanced treatment systems. And I know that
19 earlier in your testimony you talked about,
20 you know, combining two septic treatment
21 systems into one, more on the larger
22 municipal scale. But I've got a lot of rock
23 where I am, and we would be a prime location
24 to really start to expand the use of

1 residential advanced treatment systems.

2 And I would hope that we would look at
3 areas of the state like mine -- and I guess
4 Mr. Thiele is wanting the same type of
5 treatment. But I would hope that the
6 Thousand Islands region would be part of any
7 effort to bring those types of treatment
8 systems and have our homeowners upgrade.

9 I'd also like to briefly talk about
10 the fact that we've been acquiring a lot of
11 state land, and yet the number of Forest
12 Rangers has continued to stay at very low
13 levels. And as this Adventure NY is trying
14 to bring more people into the state, that we
15 need to ensure that their safety is taken
16 care of by making sure we have officers there
17 to help people when they get in trouble.

18 And I'd just also like to make a pitch
19 that if we're trying to bring people into
20 Adirondack region, certainly coming through
21 the Thousand Islands region is a wonderful
22 way to bring them in. We want to encourage
23 the Canadians to still come over and see us,
24 not just to go to the White House for lunch,

1 but to also come to the North Country, the
2 Thousand Islands and the Adirondack region to
3 enjoy themselves, and making sure that we are
4 taking into consideration the opportunities
5 for Canadians to come across the border --
6 there are many crossings in the Thousand
7 Islands region -- into the Adirondacks, and
8 maybe make a loop.

9 That would be greatly appreciated.

10 And I know that that's not just your
11 jurisdiction, but I'll be taking it up with
12 some of your other colleagues as well.

13 Thank you.

14 COMMISSIONER SEGGOS: Okay. Thank
15 you.

16 CHAIRWOMAN YOUNG: Thank you.

17 Senator Rob Ortt.

18 SENATOR ORTT: Good morning,
19 Commissioner.

20 COMMISSIONER SEGGOS: Good morning,
21 Senator.

22 SENATOR ORTT: Recently the DEC made
23 it --

24 SEVERAL MEMBERS: Mic. Mic.

1 SENATOR ORTT: I can just speak really
2 loud to make sure --

3 CHAIRWOMAN YOUNG: No, let's get your
4 mic on.

5 (Discussion off the record.)

6 SENATOR ORTT: How's this? All
7 right.

8 COMMISSIONER SEGGOS: Much better.

9 SENATOR ORTT: I will start over
10 again. Good morning, Commissioner.

11 COMMISSIONER SEGGOS: Good to see you,
12 Senator.

13 SENATOR ORTT: Thanks for being here.

14 Recently the DEC made the
15 determination to cut the salmon stock in
16 Lake Ontario by 20 percent. I'm sure you're
17 aware of the millions of dollars that is
18 generated by that industry, certainly in my
19 district and across New York State. We have
20 folks who come from all over the country for
21 the salmon run.

22 And it was done to -- because of the
23 alewives population. But yet we've
24 recognized the alarming survival rates of the

1 alewives going back to 2013 and 2014. So my
2 question is when you were making the -- when
3 the determination was made to reduce that
4 stock, was there any other thought given to
5 introducing other prey fish, you know, as
6 opposed to cutting the salmon stock?

7 COMMISSIONER SEGGOS: Right. Well, it
8 was not an easy decision for the department
9 to make. Obviously, to cut any stocking is
10 always -- it rises to the commissioner level.
11 So we talked extensively about whether that
12 made sense.

13 My staff convinced me that the alewife
14 population was -- it wasn't just my staff,
15 frankly, it was multiple states looking at
16 the same question, including Canada -- the
17 alewife population was in danger of collapse.
18 And if that -- it's a very important feeder
19 fish -- goes away, then our long-term outlook
20 for the fishery becomes in greater jeopardy.

21 So the salmon have sort of a voracious
22 appetite for alewife, which is why the
23 decision was made on the salmon side to drop
24 down 20 percent for one year. On the upside,

1 wild propagation of salmon is up 10 percent,
2 we expect, so the ultimate -- the actual drop
3 in salmon this year will be probably in the
4 range of 10 percent.

5 So in terms of the economic impact, we
6 don't believe that it will be detectable at
7 the charter fishing level. It's nonetheless
8 a very serious situation. We've been in
9 constant contact. Three big public meetings,
10 and I've got staff who are talking nonstop up
11 there about this.

12 So we looked through all of the
13 opportunities available to us and did
14 everything we could to make this as low an
15 impact as possible, but ultimately determined
16 that the other alternatives, such as
17 introducing other fish, wouldn't have been
18 effective in the short term and would have
19 further jeopardized us.

20 SENATOR ORTT: Is there any discussion
21 to introduce additional fish, no other fish,
22 that will help sustain the industry as far as
23 the fishing industry? Whether like, for
24 instance, the old brown trout or something

1 like that?

2 COMMISSIONER SEGGOS: Well, I think
3 part of what we're going to see is that this
4 is going to be a very short-term issue, in
5 that the stocking we do for one year, the
6 impacts of which won't be detectable for
7 several years and ultimately will be much
8 lower -- sorry, the noticeable impact will be
9 much lower than one would expect because it's
10 not 20 percent, it's really just a 10 percent
11 figure, with the increased chances for
12 natural propagation.

13 So we haven't discussed introducing
14 other types of fish, but we're also not
15 looking to significantly cut the stocking of
16 other fish. Trout that we do stock, we are
17 pulling back some of that stocking, in part
18 because the population is now at a healthy
19 carrying level.

20 SENATOR ORTT: Okay. I would ask,
21 certainly -- you say this is a one-year
22 reduction?

23 COMMISSIONER SEGGOS: Yes.

24 SENATOR ORTT: So I could certainly --

1 I'm expecting that you would then review
2 after this year --

3 COMMISSIONER SEGGOS: Absolutely.

4 SENATOR ORTT: -- certainly keep me
5 abreast, but also just the entire
6 Legislature, because it is certainly a larger
7 issue than just an issue for Senator Rob
8 Ortt.

9 And again, I know at your confirmation
10 hearing, and I know you've spoken numerous
11 times about the balance between the
12 environmental side and the regulatory side,
13 but also understanding that there's an
14 economic and business side to almost all of
15 your decisions. And just respecting that
16 balance, especially for communities who rely
17 really heavily on the charter fishing
18 industry and such. And the state, of course.

19 COMMISSIONER SEGGOS: Right.

20 SENATOR ORTT: And then lastly, I
21 noticed in your testimony you did talk
22 about -- I know there was questions asked
23 earlier about energy policy, and you kind of
24 deferred those to the NYSERDA folks who are

1 coming in. But in your testimony you do talk
2 about reducing carbon emissions by 2030,
3 going down another 20 percent, I believe, and
4 then looking at a study to be 100 percent
5 dependent on renewable energy.

6 I guess my question is, where did
7 those numbers come up? You know, where does
8 the year come from, where does the percentage
9 come from? And I've heard passing discussion
10 or passing references to the economic
11 impact -- you know, training programs, for
12 instance, for people who are unemployed as a
13 result of these restrictions or these new
14 regulations -- but I haven't heard a lot of
15 detail about the folks who might be, you
16 know, unemployed who work at a coal plant or
17 whatever, as a result of these new policies.

18 COMMISSIONER SEGGOS: Well, I will ask
19 you to raise the 40 by '30 and 80 by '50
20 questions with NYSERDA, because they have
21 primary jurisdiction over that.

22 What we have on our side is the
23 Regional Greenhouse Gas Initiative, the RGGI
24 program. And we've made significant progress

1 with the power sector over the last 10 years
2 or so, using RGGI in reducing carbon
3 emissions.

4 The effect of the program actually is
5 somewhat positively economically. We're
6 actually seeing not only improvements in
7 ratepayer bills through the RGGI program, but
8 also significant state investments in state
9 clean technologies. So upwards of a billion
10 dollars of economic impact to the RGGI states
11 from the RGGI program itself.

12 So we certainly want to make the
13 adjustment in RGGI in a very careful way so
14 as not to upset any of the ratepayer issues,
15 and certainly so as not to upset the
16 viability of the power producers.

17 And working with the other RGGI
18 states, we meet with them on a regular basis
19 to determine what levels are appropriate.
20 It's something that this proposal is
21 achievable, the 20 percent reduction over a
22 10-year period. It's somewhat in line with
23 the direction that we're on right now. And
24 we believe, at least on the RGGI side, that

1 it is going to help channel investments back
2 into New York State, but also ultimately not
3 have a measurable impact or have a positive
4 impact, in fact, on ratepayers.

5 So that's sort of our wheelhouse, if
6 you will, on emissions, is the RGGI program.
7 But we also have, also as part of that, we've
8 launched a Transportation Climate Initiative,
9 to understand the impacts of the
10 transportation sector. We're in the early
11 stages of that. Our methane action plan, as
12 well, is looking at emissions of methane from
13 the oil and gas sector, landfills and farms.
14 And we're starting to get funds in fact
15 directed towards places like farms, where you
16 have farmers willing to put in place
17 anaerobic digesters and take advantage of
18 that energy usage to reduce their carbon
19 footprint, but also to cut down some of their
20 costs.

21 So the approach is sort of all in.
22 It's multi-agency. We believe it's an
23 imperative right now, it's an existential
24 imperative. I firmly believe that climate

1 change is real and we have to do what we can
2 to mitigate all impacts and prepare the
3 state. And I think it will be good business
4 for the state in the long run.

5 But I certainly hear you on the rate
6 side and certainly encourage you to raise
7 that with my colleagues, who have a firm
8 grasp on all of their programs.

9 SENATOR ORTT: And I know my time is
10 up. I just would further stress -- you know,
11 I think one of the challenges is New York
12 State does acts other states may not. There
13 is a very real immediate economic impact,
14 while understanding the larger environmental
15 goals. And in a state that's 49th in almost
16 every category when you talk about
17 business-friendliness, you know, I think the
18 DEC very often is an agency that you look to
19 to try to balance the economic initiatives,
20 the economic benefits and all these laudable
21 goals with economic realities in large parts
22 of the state.

23 So thank you very much, Commissioner.

24 COMMISSIONER SEGGOS: Point well made.

1 Thank you, Senator.

2 CHAIRWOMAN YOUNG: Thank you, Senator.

3 CHAIRMAN FARRELL: Assemblyman Oaks.

4 ASSEMBLYMAN OAKS: Hi, Commissioner.

5 I know Senator O'Mara asked some
6 questions related to Plan 2014, and Senator
7 Helming mentioned that, and also
8 Assemblywoman Jenne. And, you know, for
9 those of us who opposed it, the agreement,
10 you know, near the end of the Obama
11 administration going out was a bit
12 frustrating. And, you know, the opposition I
13 think comes from the devastation we know is
14 going to happen at some point because we're
15 going to allow higher water. And so there's
16 going to be impact on the south shore
17 property owners, and some on the eastern
18 shore as well, when we have those instances.
19 And certainly that's both public and private.
20 And I know you talked a little bit about the
21 possibility of some public answers with that.

22 I know there are some efforts going on
23 at the federal level to maybe pull back from
24 that. Obviously I support that.

1 But just in thinking with that, in
2 proposing 2014 the IJC did a bunch of
3 research. And all that's been publicly given
4 is some summary of that. Did they share with
5 you what the more specific impact of their
6 research says is what's going to happen, so
7 that we know what -- you know, you talked
8 about some mitigation possibilities or
9 resiliency things. Do we know what those
10 are?

11 COMMISSIONER SEGGOS: So I personally
12 saw summary information. I'll have to check
13 with my staff to see whether or not we got
14 more extensive information that you're
15 referring to.

16 ASSEMBLYMAN OAKS: My hope would be
17 that if you haven't, could we try to get
18 that? Certainly if it -- you know, I can see
19 the reason maybe they pulled back when it
20 was -- before. But certainly having that I
21 think could be helpful both in your efforts
22 or any efforts at the local level.

23 The second thing I'd like to ask a
24 quick question about, the mandatory organic

1 waste recycling program. One of my -- I get
2 a little nervous when we start out with
3 mandatory and whatever. And certainly we
4 struggle with rules, regulations and whatever
5 that we add.

6 I do think we have a major issue with
7 food waste. And just interestingly, though,
8 in and around my district I've seen some
9 amazing progress in the last couple of years,
10 things I wouldn't have thought about. But
11 kind of the free market is working a little
12 bit. And so we've seen apple and blueberry
13 and cranberry and grape waste that was thrown
14 away, or paid to take away, is now being
15 used, repurposed, dried, put into -- used as
16 additives or other things. And so that
17 market is working.

18 I just -- I guess I hope that -- I
19 know there's some grant money I did see as a
20 part of that program. I hope the
21 incentivized versus the mandate side of it is
22 there in the creativity and the ingenuity of
23 kind of individuals, because I do think --
24 and I guess I'd ask for your, you know, kind

1 of thoughts on this.

2 But, you know, there -- I hope that
3 the program, if it goes through, is designed
4 in a way that it's not so narrow that it
5 doesn't allow those who -- where we haven't
6 thought of what the answers might be, that
7 they're allowed. Because I think there are
8 people out there who may create a business to
9 do something with that food waste that ends
10 up being a positive for us that we may not
11 envision.

12 COMMISSIONER SEGGOS: Well, I think
13 what we're trying to do with this is to
14 create an all-in comprehensive program that
15 isn't just you must recycle your organics,
16 but in fact help to create a more sustainable
17 and stable market really statewide, because
18 there's so much flow right now going to the
19 landfills. You know, not going to food
20 banks, not going to anaerobic digestion, not
21 going to other productive uses.

22 So the idea of the phase-in, in part,
23 and the changes we're making regulatorily to
24 enable anaerobic digesters to come in, for

1 example, proposed changes to SEQR to make it
2 easier to site some of these locations
3 without going through a environmental review,
4 trying to get the market established.

5 And then ultimately, once the program
6 is up and running, if you're a generator and
7 you somehow meet the generator levels but
8 you're more than 50 miles away from a viable
9 receiver of that, then you can get a waiver.
10 And there's also other waivers that can be
11 given through this proposed package that
12 we're putting together that if it's not
13 financially viable for you to do organic
14 recycling, that you can get a waiver.

15 So I think the program we're trying to
16 create is one where we foster a sustainable
17 flow of materials to various sources -- food
18 banks, anaerobic digestion, reuse. But we're
19 certainly open to creating a program that
20 brings in as many actors as possible and
21 incentivizes behavior.

22 ASSEMBLYMAN OAKS: Thank you.

23 CHAIRMAN FARRELL: Thank you.

24 CHAIRWOMAN YOUNG: Thank you.

1 Senator O'Mara.

2 SENATOR O'MARA: Thank you,
3 Commissioner. Back again with a few more
4 questions to finish up. I thank you for your
5 patience and diligence here in answering all
6 these questions.

7 COMMISSIONER SEGGOS: Thank you.

8 SENATOR O'MARA: I share Senator
9 Ortt's concerns over the fisheries in
10 Lake Ontario and the stocking programs, and
11 want to keep a close eye on that going
12 forward. But another outdoor sportsman
13 activity is deer hunting, where we have
14 arguably the finest whitetail deer hunting in
15 the country here, particularly in the
16 Southern Tier of New York, where I am
17 fortunate to represent.

18 That we have concerns over antler
19 restrictions and really the lack of
20 motivation from the department in pursuing
21 stronger antler restrictions so that we have
22 more quantity of trophy bucks. You know,
23 whitetail deer hunting I think has the
24 largest impact economically of any outdoor

1 activity in the state. And having those
2 trophies available is something that drives
3 certainly tourism from out-of-state hunters
4 into the state to do that.

5 The DEC has worked in years past with
6 Cornell in doing surveys in regions where you
7 have instituted antler restrictions. And
8 those surveys have shown, from the
9 information I've received from Cornell,
10 somewhere in the range of 80 to 90 percent
11 favorability of hunters in those programs to
12 get the trophy bucks and avoid shooting the
13 yearling bucks.

14 Why isn't the program looking to
15 expand on those programs in other regions
16 throughout the state?

17 COMMISSIONER SEGGOS: Senator, I think
18 what we learned is that you're right, there
19 is support for antler restrictions. There's
20 support for passing on a buck. But --
21 passing on a buck.

22 (Laughter.)

23 COMMISSIONER SEGGOS: There's support
24 for enabling deer to get larger and have more

1 impressive antlers. But I think what we also
2 heard very loud and clear is that hunters
3 want choice. The majority of hunters that we
4 caucused, through Cornell and through our
5 stakeholder meetings, voiced to us that they
6 supported that but wanted to be able to
7 choose and wanted the hunters out there to be
8 able to make that choice themselves.

9 So what DEC has decided to do is pull
10 back on mandatory antler restrictions and
11 favor a more encouraging approach where we
12 incentivize hunters to go after older bucks
13 but do not require them to.

14 So it's certainly obviously a very
15 passionate debate that's raged within the
16 hunting community for many, many years. We
17 are now in I think year one and a half of
18 this voluntary approach, and it's something I
19 believe in and I believe will work, because
20 my team has been telling me this is the right
21 path forward.

22 SENATOR O'MARA: Can you explain to me
23 how you incentivize passing on an antlerless
24 buck to the hunting community if they have

1 the choice to do it or not do it? What's the
2 incentive for them?

3 COMMISSIONER SEGGOS: Well, part of it
4 I think is messaging, Senator. I think, you
5 know, that we -- we do believe we've got some
6 of the best hunting in North America. I
7 think the numbers show that out. We've got a
8 significant amount of cash flowing into the
9 state from the hunting community.

10 And within the Adventure NY package,
11 and what we're talking about now with I Love
12 NY this year, is in doing really targeted
13 marketing to hunters to bring more hunters
14 into the state, to retain hunters and to
15 attract hunters back into the market. I
16 think part of that messaging is going to
17 include some of the voluntary encouragement
18 for going after some of the larger bucks and
19 enjoying the experience of just getting out
20 there.

21 SENATOR O'MARA: Thank you on that.

22 To follow up on Assemblyman Oaks's
23 questions on the food waste mandate -- which
24 is a solid effort, I think, in looking to

1 reuse, repurpose or appropriately recycle the
2 food waste. But I haven't seen any
3 information from the department on what the
4 cost of that will be to a producer of this
5 waste. You're setting an activation level
6 of, I believe, two tons a week for that.
7 What will it cost a restaurant to dispose of
8 two tons of waste?

9 COMMISSIONER SEGGOS: Well, I think
10 part of what we're doing is trying to make a
11 market for the waste so it's actually a net
12 benefit for them in going after organics
13 reuse, as opposed to just landfilling.
14 Because right now they've got to pay for that
15 waste anyway. They've got to dispose of it
16 anyway. So there's an inherent cost in it
17 now. What we want to do is make the cost in
18 fact a benefit on the organics reuse side.

19 And we're in the middle of a study
20 right now, we're waiting to see results of
21 it, to see what the net benefit to the state
22 will be of an organics program. And once we
23 get that information, we'll be happy to share
24 it with you.

SENATOR O'MARA: But we don't know what the cost will be to a producer, a generator of this waste. And that concerns me, in coming out with a mandate on business in this state not knowing what the cost of that will be to the generator of that waste. And as you have stated, you're trying to create a market for this recycling of food waste.

It seems to me that we should create the market before we mandate the use of a market that doesn't exist, not knowing what the cost and the impacts to the business owners are going to be. We're 49th or 50th in business climate in this state, year in and year out. It's a major concern to me on, again, raising the cost to a certain segment of business, not to mention what the impacts of this will be to our school districts, our hospitals and other public institutions that generate this waste as well.

So I have great reservations on moving forward on this without having any real detail on the cost. I know there's a few

1 other states that have embarked on this prior
2 to New York. Can you tell us what you're
3 seeing in those states, or is it too early to
4 tell? Why don't we watch what happens there
5 and see what the costs are before we impose
6 this mandate here in New York?

7 COMMISSIONER SEGGOS: Well, I'm going
8 to let Julie provide some details because
9 she's been hatching this, effectively,
10 working with our staffs, taking the lead on
11 it for a couple of years now.

12 But I will say this. Again, our goal
13 is to build the market. It's to build the
14 market over the next four years, while
15 there's the incentive of a regulatory
16 deadline out there. To provide funding, to
17 provide regulatory relief on the creation of
18 structures that can use this material, like
19 anaerobic digesters. Build the market,
20 ensure that we're providing an option for
21 businesses when the regulations come into
22 effect. And if they don't, there are
23 fail-safes built into the proposal that give
24 businesses an out who would be otherwise

1 negatively impacted.

2 And just to clarify one thing. The
3 school districts -- school districts are
4 not -- would not be part of this. It would
5 be just larger institutions.

6 But I'll let Julie provide some color
7 on this, because she's spent a lot of time
8 thinking about other states and what we can
9 do here in New York.

10 ASST. COMMISSIONER TIGHE: So we're
11 actually already undertaking a number of
12 initiatives associated with this program. In
13 2015, we had a food waste study or a food
14 waste roundtable at Wegmans, actually, in
15 Rochester. And we announced at that point in
16 time that there was going to be funding for
17 the Pollution Prevention Institute to
18 undertake food waste audits at large
19 generators. And they've been doing those
20 projects now to evaluate opportunities for
21 smarter purchasing policies by these
22 generators, ways for them to help reduce
23 their costs overall of their programs, and
24 identify what needs they might have if they

1 were to have to comply with such a
2 regulation.

3 We are building in the four-year
4 period, as Basil indicated, to allow time for
5 us to get those audits implemented. There's
6 additional funding -- I think \$2 million over
7 three years -- through the ESD, the secondary
8 marketing materials line of the Environmental
9 Protection Fund, that will be available to
10 implement some of these capital needs
11 associated with that. For example, if a
12 generator needs bins in order to sort the
13 food waste, similar to what they do for
14 normal recyclables. It will also allow time
15 for contracts for waste management to be
16 addressed.

17 We think that having this time will
18 allow for prices to come down. I think when
19 we've looked at some other states -- and
20 again, as the commissioner indicated, we have
21 a study ongoing now that we're expecting to
22 come out very shortly that will characterize
23 this more specifically -- but it really
24 varies, what the costs will be. From looking

1 at Massachusetts, for example, in some cases
2 it's pretty cost-neutral. In other cases it
3 can be more expensive. Which is why, again,
4 we've built in a limiting factor of distance
5 to a recycler that has capacity to take that
6 waste, as well as the opportunity for waivers
7 if there are cost exceedances.

8 SENATOR O'MARA: Thank you. My time
9 is up.

10 CHAIRWOMAN YOUNG: Thank you.

11 CHAIRMAN FARRELL: Thank you.

12 Assemblyman Kavanagh.

13 ASSEMBLYMAN KAVANAGH: Thank you,
14 Mr. Chairman.

15 Like several folks before me, some of
16 the questions that I came into the room with
17 have been addressed. So I'm going to sort of
18 do a hodgepodge of following up on a couple
19 of things, and maybe a couple of new issues.

20 First, I just want to -- I'm not going
21 to -- we've discussed the organics waste
22 program with several folks today. I would
23 just say that we'll be looking at the
24 details, but that is a program, as you know,

1 that we had some roundtables on, the
2 Environmental Conservation Law, the
3 Agriculture Committee, and the Commission on
4 Government Administration, which I was
5 chairing at the time.

6 And I think it's a very important and
7 fruitful area to reduce waste -- again, no
8 pun intended. And, you know, the approach
9 you're taking where you both create
10 incentives and create a regulation, a
11 prospective regulation, so you're actually
12 creating a market -- because people know they
13 need to start thinking about it
14 differently -- does seem like a good approach
15 and has been productive in other states.

16 But we'll be -- without judging the
17 specifics of what you're proposing, I think
18 it's something we'd like to work with you on.

19 COMMISSIONER SEGGOS: Great.

20 ASSEMBLYMAN KAVANAGH: I want to
21 follow up on just this -- the 1,4-dioxane
22 issue has been covered by a couple of
23 different participants, but I just want to --
24 the Governor over the weekend said that he

1 was calling on the EPA to do standards, and
2 if the EPA doesn't, he will -- the state will
3 act.

4 Can you just talk about what that
5 would entail? You'd have to create some sort
6 of advisory panel to set the standard and
7 then promulgate it in a rule, or how does
8 that work?

9 COMMISSIONER SEGGOS: Exactly right.
10 So we've given the federal government I think
11 three months to get back to us on this. If
12 they do not, then we would -- yes, we would
13 convene a scientific advisory panel to bring
14 in the best minds so that we could set an
15 enforceable guideline for New York State.

16 ASSEMBLYMAN KAVANAGH: And that would
17 be specific to that substance.

18 COMMISSIONER SEGGOS: Yes.

19 ASSEMBLYMAN KAVANAGH: Okay. Are
20 there other candidates for -- I mean, you
21 know, I think this is one of these issues
22 that although we've known about this
23 substance for a long time, its level of
24 carcinogenicity has kind of become a greater

1 issue for people recently. Are there other
2 substances that are sort of on the list of
3 things that we might want to be looking at
4 for a greater concern?

5 COMMISSIONER SEGGOS: Well, let me say
6 this. The sort of the prevalence, the
7 widespread nature of this right now, and the
8 fact that it doesn't have good controls at
9 the federal level, mandates that we take a
10 unique approach to it in a short period of
11 time. Plus the fact that EPA came out with
12 their studies last year finding that it was,
13 you know, in certain water districts. So the
14 time is now to obviously take action on that,
15 now that we have that information.

16 I would defer to DOH on other types of
17 chemicals that might be of concern in
18 drinking water. Again, we work very well
19 together, but their jurisdictions are
20 slightly different than ours on the drinking
21 water side.

22 ASSEMBLYMAN KAVANAGH: How long of a
23 process would it take if -- in three months,
24 if the EPA decides not to act, you convene

1 the panel. How long would it take to get to
2 the point where it's actually an enforceable
3 standard in New York?

4 COMMISSIONER SEGGOS: I couldn't tell
5 you, honestly. I have not convened an
6 advisory panel on a drinking water standard
7 before, and I'm not sure that the DEC has.
8 That would be something, again, that's a DOH
9 matter. But I don't think the intent of this
10 is to have it drag on forever. I think we
11 want some certainty now. I think the
12 Governor has shown that we're there on
13 generating knowledge of potential treatment
14 systems, we're providing money for that,
15 we're providing science on that side. DEC,
16 we're running after potential causes of it in
17 groundwater.

18 So we want a comprehensive approach,
19 we want it fast, and I don't think, you know,
20 a long process would be acceptable to
21 anybody.

22 ASSEMBLYMAN KAVANAGH: And just one
23 more question.

24 We had this conversation in the summer

1 during the water quality hearings. But I
2 think a lot of us were surprised to fully
3 understand that systems that serve fewer than
4 10,000 people are essentially untested
5 throughout New York, and that that might
6 account for as much as a third of all the
7 water customers in the state.

8 The Governor mentioned specifically in
9 his remarks that -- he called that a loophole
10 at the federal level. And in calling on the
11 EPA to add this chemical, presumably this
12 chemical and many others would not be
13 adequately addressed by the EPA even if they
14 decided to add it to the list.

15 Has there been any discussion at the
16 state level of strengthening the testing
17 requirements for smaller water systems and
18 what that would cost and who would be
19 responsible for it?

20 COMMISSIONER SEGGOS: Right. Well,
21 again, DOH is in charge of water testing,
22 testing of drinking water at the state level.
23 But I think the plan that the Governor put
24 out there to require UCMR-like testing for

1 all public drinking water sources is going to
2 give us that level of understanding of what's
3 in drinking water. And if you look at the
4 reports that larger drinking water operators
5 generate, you know, they test for a suite of
6 chemicals. Those are generally effective.
7 But occasionally new chemicals are put on the
8 list. Over time, these are -- it's the Safe
9 Drinking Water Act, again, that EPA is
10 charged with and, on the state level, that
11 DOH is in charge of.

12 So that's -- you know, the universe of
13 tests that those municipalities will have to
14 go through will cover a lot of what we're
15 talking about.

16 ASST. COMMISSIONER TIGHE: And to be
17 clear, there is a proposal in the budget, in
18 the health and mental hygiene budget, to do
19 just that.

20 ASSEMBLYMAN KAVANAGH: That has made
21 it into the budget document itself.

22 Just briefly, the EPF, we are
23 proposing a \$300 million allocation for that,
24 but allocating about \$216 million of it in

1 the current year. And that number gradually
2 rises over the next couple of years to
3 \$250 million. If we're allocating
4 \$300 million a year -- which is, you know, I
5 think something we had had disputes over in
6 the past -- why does the actual disbursement
7 number not rise to \$300 million more rapidly?

8 And also, is there an issue with the
9 sustainability of that, given I think some of
10 the revenue sources for the EPF have declined
11 in recent years?

12 COMMISSIONER SEGGOS: I think I'm
13 going to ask Jeff, who is my deputy
14 commissioner for administration, Jeff
15 Stefanko, to answer some of the cash flow and
16 allocation figures.

17 DEP. COMMISSIONER STEFANKO: Yeah, I
18 think the main reason could be that any time
19 you put that kind of money out in a fiscal
20 year, it takes several years for it to flow.
21 A lot of it's procurement issues. You go to
22 RFP, by the time you got to contract it could
23 be, you know, two, three years. A lot of
24 these grants are reimbursement-based, so by

1 the time your municipality spends the money,
2 it's -- and finishes their side of the
3 project, it could be a couple of years. Land
4 acquisition takes several years to go from
5 the very beginning stages through the end of
6 the stage, where we're closing on the
7 project. So last year's \$300 million, the
8 spending associated with that is going to
9 take several years to actually get out the
10 door.

11 ASSEMBLYMAN KAVANAGH: But am I
12 correct that --

13 CHAIRMAN FARRELL: Thank you.

14 ASSEMBLYMAN KAVANAGH: Just one quick
15 follow-up. Am I correct that the level only
16 gets to \$250 million in the fiscal 2022
17 budget? It would be six years after we
18 raised it to \$300 million.

19 DEP. COMMISSIONER STEFANKO: That
20 sounds about right. I mean, I'm not --

21 ASSEMBLYMAN KAVANAGH: It just seems
22 like a very long runup to -- you know, that
23 at some point the allocation ought to -- you
24 know, you're spending money from prior years.

1 It seems like it ought to catch up to
2 \$300 million, and that seems like a very long
3 time to wait for that.

4 But thank you.

5 CHAIRMAN FARRELL: Thank you.

6 Senator?

7 CHAIRWOMAN YOUNG: Senator Kennedy.

8 SENATOR KENNEDY: Thank you again,
9 Chairwoman.

10 Thank you, Commissioner.

11 The emerald ash borer has devastated
12 New York's ash trees for years. It's
13 reaching crisis levels. Over 900 million
14 trees across the state are ash. In Erie
15 County, 20 percent of the canopy is ash
16 trees. We've talked about the invasive
17 species control measures, the \$12.5 million
18 contained in the budget.

19 My understanding is that these funds
20 would not assist local homeowners, such as
21 the Town of Cheektowaga folks that are
22 suffering. An individual I spoke to had 20
23 dead ash trees in his backyard.

24 What are we doing, what is the DEC

1 doing to help individual homeowners with the
2 costs of removing or treating infected trees
3 on their property? Do you see any sort of
4 substantive efforts to implement a tax credit
5 of sorts, or prioritizing biodiversity in
6 tree plantings at the local and municipal
7 level?

8 COMMISSIONER SEGGOS: Well, I'll tell
9 you this. Right now the grants we put out
10 obviously aren't eligible for use on private
11 property. Overall, our EAB controls are --
12 we have a statewide quarantine in effect.
13 We're working on with Ag and Markets. When
14 it gets down to the local level, no question
15 you have areas where you have ash trees that
16 are of higher concentration and it's a big
17 concern.

18 We do have funding out of the Urban
19 Forestry Program that municipalities can take
20 advantage of to address some of these local
21 concerns, like what you're talking about. So
22 perhaps what we can do is have a conversation
23 with our staff that do the Urban Forestry
24 Grant Program to see how we can target

1 specific instances out in your district where
2 you have a kind of prevalence of trees and
3 the threats associated with the new EAB
4 coming in.

5 SENATOR KENNEDY: Great. Also, I want
6 to switch gears back to Lackawanna, the
7 Bethlehem Steel site. Lackawanna is faced
8 with much higher insurance premiums due to
9 being mandated by FEMA to be included in the
10 National Flood Insurance Program, since FEMA
11 considers Smokes Creek to be subject to
12 flooding, despite the fact that there's been
13 recent mitigation efforts, including DEC
14 dredging of the sediments. They also haven't
15 seen a flood in over 60 years from Smokes
16 Creek.

17 What's the DEC doing and what's the
18 DEC willing to do to help remove Lackawanna
19 from this flood plain?

20 COMMISSIONER SEGGOS: Well, you're
21 absolutely right, I think that the dredging
22 that we took part in will help to address
23 many of the concerns about flooding in the
24 area, allow the water to flow out of there a

1 little bit easier, because it was plugged up.
2 And you and I have talked about the idea of
3 some kind of a preventative measure to keep
4 storm surge and other waters from flowing up
5 the creek.

6 But we are engaged with our federal
7 partners now in helping them understand what
8 the real flood situation is, and the fact
9 that it's probably well past time to redraw
10 those lines to provide some relief to
11 Lackawanna. So I'm hoping that this year we
12 can at least nail down a solid understanding
13 on the federal level and have them proceed to
14 make some amendments in their maps.

15 SENATOR KENNEDY: That's great to
16 hear. Is the DEC willing to construct a
17 jetty to reduce that sediment buildup?

18 COMMISSIONER SEGGOS: I will say this.
19 We are certainly interested in the dialogue
20 about it. I don't know that we can commit at
21 this time to actually building a jetty. But
22 I think what I can do is convene my team to
23 understand, you know, groundwater and surface
24 water flows and how best to prevent the kind

1 of storms that you're talking about.

2 It might be -- some options might
3 involve either, you know, jetty-type
4 construction or you could broaden the mouth
5 of the creek slightly to cut down on the
6 amount of water that flows up from one
7 particular spot.

8 So there might be ways to do this
9 through other funding sources -- source
10 control, source water control. Yeah, and
11 creating what we've done elsewhere around the
12 state, like on Long Island following
13 Superstorm Sandy, where you just had this
14 incredible surge, is actually rebuilding the
15 shoreline closer to where it was originally,
16 where you have an actual living shoreline
17 with plantings and dunes. I'm not suggesting
18 that necessarily for the property, but there
19 might be some creative thinking we can put
20 into place to create more of a living
21 shoreline, a softer shoreline that can absorb
22 more water that would be blown towards it
23 from the lake.

24 SENATOR KENNEDY: I appreciate your

1 engagement at this level, and the residents
2 of Lackawanna along Smokes Creek have been
3 suffering long enough, so that is music to my
4 ears.

5 And one last thing. For the
6 constituents -- just going back to the
7 Bethlehem Steel redevelopment, the
8 constituents are constantly asking us about
9 what is next. Can you just tell, you know,
10 next steps moving forward in the
11 revitalization of that Bethlehem Steel site?

12 COMMISSIONER SEGGOS: Well, I think
13 the next steps are going to involve getting
14 into the repurposing of the site and how it
15 may change hands -- developers coming in, the
16 county is obviously interested. We want to
17 see the site returned to productive use as
18 quickly as possible. We want to see portions
19 of it remediated more quickly. I mean, there
20 are still some hotspots that need to be
21 addressed.

22 And I'd tell your constituents that
23 now we have a very engaged state agency,
24 multiple state agencies -- CSD as well --

1 looking to get this done as quickly as
2 possible. And I think we want to take
3 advantage of what's going on in Buffalo right
4 now, the interest in construction and
5 building, to use this property in a way that
6 benefits everyone in the area.

7 SENATOR KENNEDY: Thank you very much.

8 COMMISSIONER SEGGOS: Thank you.

9 CHAIRWOMAN YOUNG: Thank you.

10 CHAIRMAN FARRELL: Thank you.

11 Assemblyman Phil Steck.

12 ASSEMBLYMAN OAKS: He's not here.

13 CHAIRMAN FARRELL: Okay. Assemblyman
14 Lopez.

15 ASSEMBLYMAN LOPEZ: Thank you,
16 Chairman.

17 Commissioner, I give you credit for
18 your perseverance, and I'm very appreciative
19 of your team's thoughtful leadership in my
20 district. They've been very helpful in many
21 different ways.

22 COMMISSIONER SEGGOS: Thank you.

23 ASSEMBLYMAN LOPEZ: You're welcome.

24 Three quick areas. On the dairy waste

1 mitigation that you spoke of in your
2 testimony, can you expand on it a little bit,
3 tell me what you're envisioning there?

4 COMMISSIONER SEGGOS: I'm sorry, which
5 waste?

6 ASSEMBLYMAN LOPEZ: The dairy waste.

7 COMMISSIONER SEGGOS: Dairy waste,
8 CAFOs, right.

9 ASSEMBLYMAN LOPEZ: Yes, page 2.

10 COMMISSIONER SEGGOS: So we -- after
11 many years of work with the ag community and
12 the environmental community as well, we put
13 out a general permit this year for CAFOs.
14 And that's meant to provide some certainty as
15 to the steps that need to be taken by a CAFO
16 to reduce discharges. It's a sort of a rare
17 example of where you have all sides coming
18 together and effectively coming up with a
19 good permit and a good path forward.

20 So that's step one, is the certainty.
21 Step two is obviously helping them reach
22 their goals. And through the EPF over the
23 last few years, and certainly moving forward,
24 we're going to be moving money out the door

1 as quickly as possible to help farms reduce
2 their overall impact to streams.

3 We have a very robust ag non-point
4 source line that's been used extensively for
5 this. That grant program will continue.
6 I've worked very closely with Ag and Markets
7 and Commissioner Ball on it, and it's proved
8 to be effective. As we're sort of seeing the
9 boom in milk production and yogurt
10 production, we want to see that the farms are
11 given the resources necessary to keep the
12 environment clean. And the program has been
13 working fairly well to this point.

14 ASSEMBLYMAN LOPEZ: Thank you. And
15 again, as we all know, dairy farmers continue
16 to struggle with the price of milk. And the
17 critical issue is incentivizing. So if we
18 can reach the environmental goals and help
19 our dairy farmers retain some profitability,
20 I think we all want that.

21 Commissioner, just quickly, back to
22 the Catskill Park, if we could. On the
23 hemlock woolly adelgid, I do know that my
24 colleagues in that region are looking for

1 your help to establish a biocontrol
2 initiative. And they're looking for funding
3 to put a beetle that preys on this parasite
4 and control the deforestation that is going
5 to occur in that region.

6 So we're asking for your help.
7 They've made a specific request. I know you
8 have invasive species all over the place, but
9 this particular one is mirroring what I saw
10 with the gypsy moth episode years ago,
11 deforesting the whole region. So I just want
12 to draw your attention to that.

13 Lastly, we had some of our colleagues
14 talk about rangers, access to rangers in the
15 Adirondack Park. Catskill Park has needs for
16 public safety.

17 And just as a point of reference, I
18 made recommendations in the past to look at
19 access to forested lands for environmental
20 thinning and other select harvest. I know
21 you folks work at it aggressively, but my
22 only premise is if we can find a way to
23 manage it sustainably, perhaps we can also
24 make sure it comes back to you for more

1 foresters and for more rangers so that we can
2 provide that safety and keep that resource
3 moving. It has many benefits.

4 So I didn't know what -- if you think
5 you're at peak with that or if you think
6 there might be some room to massage that --

7 COMMISSIONER SEGGOS: Well, I can tell
8 you on the Forest Ranger side we've worked
9 hard over the last few years to replenish
10 their force. We started out back in -- I
11 guess in 2013 we had 111 rangers. And now,
12 as you know, we just got back-to-back classes
13 last year, graduated a class. We have a
14 class that started just yesterday.

15 When this class is completed, we
16 expect to be up to 132. So we've actually
17 built the ranger force back. We've done the
18 same thing with the ECO force, same type of
19 increase.

20 So, I mean, I've made it a priority.
21 I mean, I think there's probably nothing more
22 important we do on a going forward basis than
23 the work of our rangers and ECOs, because
24 whenever they're in action, it's a

1 life-saving situation and we don't have time
2 to plan, it's time to act only. So we've
3 been giving them everything we can.

4 ASSEMBLYMAN LOPEZ: So my premise back
5 to the forested lands and opening them up
6 more aggressively is twofold. One, we can
7 generate revenue to target to the department.
8 Plus if we move that product and we give
9 local businesses access, there's a multiplier
10 effect throughout the region.

11 COMMISSIONER SEGGOS: I fully agree
12 with you. In fact, the last couple of
13 years -- I think last year we actually hit a
14 record on our harvesting from state
15 forestlands. So we continue to increase
16 those numbers and see better production out
17 of our forests.

18 ASSEMBLYMAN LOPEZ: Perfect. Thank
19 you, Commissioner.

20 COMMISSIONER SEGGOS: Thank you.

21 CHAIRWOMAN YOUNG: Senator Hoylman.

22 SENATOR HOYLMAN: First, thank you for
23 your --

24 SENATOR KRUEGER: Microphone.

1 MULTIPLE VOICES: Mic.

2 SENATOR HOYLMAN: Oh, thank you for
3 telling me about my microphone.

4 I wanted to thank you for your strong
5 words on climate change, obviously. A bitter
6 contrast to your counterpart at the federal
7 level. And I'm appreciative of everything
8 you do.

9 In particular, I wanted to also thank
10 you on your leadership involving General
11 Electric and the Hudson. Have you heard from
12 the EPA in terms of additional testing? This
13 is obviously of concern to my constituents,
14 who live downstream, but the indication may
15 be that PCBs have filtered to even as far as
16 Manhattan.

17 COMMISSIONER SEGGOS: So as you may
18 know, we're right in the middle of what's
19 called a five-year review. So General
20 Electric had finished what was required or
21 asked of them by the EPA last year. Now
22 we're reviewing that work to see whether or
23 not it actually met the goals of the original
24 Record of Decision from the early 2000s. So

1 we're an active participant in that. We go
2 to every meeting. We're in regular dialogue
3 with the EPA on it. And that's the vehicle
4 through which we are then providing our
5 technical expertise.

6 Based on everything we've seen right
7 now, we don't believe the job is done. We
8 see, you know, 60-some percent of the PCBs
9 have been removed from the river; there's
10 still that delta out there.

11 So we actually submitted our own
12 shadow report that kind of tracks where the
13 EPA will be with its five-year report -- we
14 did that back in December -- in an effort to
15 encourage them to look very objectively, use
16 the science to see whether or not the job has
17 been completed. I think what we're seeing
18 now is that it probably hasn't been.

19 We expect a draft report from the EPA
20 sometime late winter, early spring, and then
21 a final decision at some point thereafter.
22 The decision will be whether or not it's been
23 protective. If they say that it has been
24 protective, then they would issue a

1 certificate of completion. Well, I think in
2 a few months we might be in a different spot
3 on that.

4 SENATOR HOYLMAN: Thank you.

5 In terms of the \$2 billion for the
6 Clean Water Infrastructure Act, do we have a
7 breakdown of how that's going to be
8 distributed and what your priorities are with
9 that?

10 COMMISSIONER SEGGOS: We don't at this
11 time. I think what we have is an
12 understanding that about half of it is going
13 to go into the traditional water/wastewater
14 funding, the WIIA funding that we've been
15 working on for the last few years. Half of
16 it will just go right into that kind of a
17 program, and the balance of it will go into
18 some new things that we think are very high
19 priorities for the state. As I committed to
20 your colleagues earlier, we will be working
21 with you to provide some specificity to that
22 in the coming months.

23 SENATOR HOYLMAN: So a draft plan of
24 sorts of action before the budget is passed?

1 COMMISSIONER SEGGOS: We can work on
2 that, yup.

3 SENATOR HOYLMAN: And then the issue
4 of the last couple of weeks, plastic bags.
5 I'm surprised you haven't been asked about it
6 yet. Do you have thoughts on the city's bill
7 at this point and what the Governor and the
8 second floor and you, I assume, are thinking?

9 And secondly, is there a statewide
10 plan to address the scourge of plastic bags?
11 In New York alone, it's a \$8 million to
12 \$10 million a year problem involving
13 something like 10 billion, with a B, excess
14 plastic bags.

15 COMMISSIONER SEGGOS: You're right,
16 bags are a scourge. There's no doubt about
17 it. We're seeing plastic in waterways all
18 across the world; a lot of that is from
19 plastic bags.

20 So, listen, I think the Governor has
21 spoken for our position on this. And he has
22 recognized the environmental goals are
23 laudable, but there are concerns about
24 impacts to people who have to pay the fee and

1 there are also some concerns about where that
2 fee ends up.

3 SENATOR HOYLMAN: Do you have an
4 understanding of how extensive the problem is
5 statewide in terms of cost and pollution?

6 COMMISSIONER SEGGOS: I can't speak to
7 cost. The statistics I've seen are that in
8 the city it's 9 million; statewide, it's
9 23 billion bags a year. So it's obviously a
10 huge number.

11 And to my knowledge, there is no state
12 law or regulation on this. I gather
13 something has been proposed recently.

14 SENATOR HOYLMAN: Is it something your
15 agency is looking at, like you looked at
16 microbead legislation and how to address that
17 issue?

18 COMMISSIONER SEGGOS: Well, we're
19 certainly looking at the problem of plastic
20 bags. I can't get into whether or not we're
21 considering legislation on it, but we're
22 looking at the bags themselves.

23 SENATOR HOYLMAN: Thank you. And
24 thank you again for your leadership.

1 COMMISSIONER SEGGOS: Thank you.

2 Appreciate it.

3 CHAIRWOMAN YOUNG: Thank you.

4 CHAIRMAN FARRELL: Mr. McLaughlin.

5 ASSEMBLYMAN McLAUGHLIN: Thanks,

6 Commissioner. Thank you, Chairman.

7 Hoosick Falls -- of course, right?

8 The consent order with DEC between

9 Saint-Gobain and Honeywell, you can require

10 them to pay for bio and health monitoring, as

11 I understand it. Do you intend to follow

12 through and have them do that? Or where are

13 we in the process?

14 COMMISSIONER SEGGOS: I'm not certain

15 that the consent order enables us to require

16 them to do biomonitoring. I think our

17 consent order is more on the -- DEC's consent

18 order with the companies deals more with the

19 contamination, the trackdown, the

20 investigation, and the controls, the clean

21 water controls.

22 ASSEMBLYMAN McLAUGHLIN: And so it may

23 be more of a DOH question, then, I guess.

24 COMMISSIONER SEGGOS: It probably is,

1 yes.

2 ASSEMBLYMAN McLAUGHLIN: Okay. VOCs
3 just popping up there. When did they get
4 discovered? When did we know it? Is the
5 data all collected, or are we still in the
6 process of that?

7 COMMISSIONER SEGGOS: So as part of
8 our Superfund investigation and our consent
9 order with the companies, we required them to
10 characterize not just the PFOA issue but do a
11 deep dive into problems they had on their
12 properties. And there's a couple of
13 properties, as you know; there's the
14 McCaffrey site and then the John Street site.
15 And in the collection of those groundwater
16 contamination results, we got those tests and
17 recognized that there was a VOC, this TCE, in
18 one of them.

19 And we see this all across the state.
20 I'm not saying this is all across the state.
21 But whenever you have a TCE situation, you
22 have that stuff in groundwater, you want to
23 check quickly to see if it's in people's
24 homes, because VOCs do travel with the

1 groundwater, and they can volatize.

2 At this point we have no indication
3 that any of the VOCs are in anybody's home or
4 even if they're off-site from the
5 contaminated area of the property. But
6 last -- I think it was Friday, we put out an
7 announcement that we're forcing Honeywell to
8 go out there, go check out a smaller section
9 of homes, about 39 homes, see if any of them
10 have VOCs, by the installation of these
11 canisters within the homes. We'll get those
12 results quickly.

13 ASSEMBLYMAN McLAUGHLIN: Great. And
14 of course we'll get those results when they
15 come out.

16 What makes you think it's just that
17 39-home parcel?

18 COMMISSIONER SEGGOS: I think it's the
19 groundwater flow from the area. So making
20 assumptions based on where the property is
21 and who's in the path of groundwater flow
22 down towards the lowest-gravity area.

23 ASSEMBLYMAN McLAUGHLIN: Okay, great.
24 And certainly I'm getting texts from people

1 in Hoosick Falls as we speak.

2 But certainly the main filter's in, in
3 town, working. That's great. Good news. A
4 couple of questions off of that. There's
5 some concern about C6 and the changeout
6 schedule of the filters. Certainly it's
7 effective, and it's working. We're really
8 pleased with that. But there's a concern
9 that if we base it on a C8 filter changeout,
10 does the C6 at some point begin to sneak
11 through? Any thoughts on that at all? I
12 mean, as far as the possibility of that and a
13 way to prevent that.

14 COMMISSIONER SEGGOS: Right. You're
15 asking me something I don't have the
16 expertise really to answer. I think that
17 might be more appropriate for DOH. Because
18 we -- you know, we'll do the installs of the
19 POETS, for example, but DOH really has the
20 expertise in terms of when you see crossover
21 between one tank to the next and what we can
22 do to sort of facilitate better treatment
23 technology.

24 ASSEMBLYMAN McLAUGHLIN: Okay. And

1 anything -- I don't even want to ask you;
2 this is a DOH question. I was going to ask
3 you about blood testing and a second round,
4 but that's probably more DOH-specific.

5 COMMISSIONER SEGGOS: Right. Yes.

6 ASSEMBLYMAN McLAUGHLIN: In your
7 opinion -- certainly the GAC filters work.
8 I'm not convinced that they're necessarily
9 state of the art, but they do work, and the
10 water is clean. Do you think that there
11 should be a step beyond, a reverse osmosis or
12 nano, something more than GAC?

13 COMMISSIONER SEGGOS: Well, I think
14 we've seen GAC be 100 percent effective on
15 this. One of the things that the Governor
16 committed to and that we're actively doing
17 right now is the alternate water supply. And
18 I think that's really -- you know, talk about
19 clean water. Getting to clean water at the
20 source is really our long-term and top
21 priority.

22 So I would say -- I would leave the
23 discussion about, just from my perspective,
24 the technology aside and just talk quickly

1 about what we're doing to track down that
2 clean water.

3 As you know, we've spent many months
4 looking at places around the valley where you
5 might have enough flow, and found relatively
6 few locations where you had good water
7 quality and good flow. But we were lucky
8 enough to find one spot in the valley, on
9 farmland, that -- we're literally in the
10 middle of testing, I think this week, the
11 10-inch line to see how much flow can come
12 out of the ground at that point. We have
13 confirmation that the water is good. What we
14 need to know is whether or not it's
15 sufficient enough in flow to actually help
16 the village's long-term needs.

17 ASSEMBLYMAN MCLAUGHLIN: So my only --
18 I'm not a scientist. My only concern could
19 be -- because I've certainly felt we should
20 use the Tomhannock. It's about a 12-mile run
21 up there, so a lot of people to work putting
22 that line in. And we know that water is good
23 and clean. Is there any concern on your part
24 or the department's part that we put in the

1 new source -- I think it's near the school,
2 if I'm not mistaken -- and then this stuff
3 migrates, five or 10 years from now? Or do
4 we think it will be dissipated -- I'm not
5 saying that could even happen. But do you
6 have a concern that it could possibly happen?

7 COMMISSIONER SEGGOS: I think at this
8 point we don't have that concern, just the
9 prevalence of groundwater flow being in a
10 different direction. But we're obviously
11 taking everything into consideration. We've
12 been testing aggressively throughout the
13 entire village and town to find out where all
14 the sources are, using anecdotal information
15 and also just realtime testing that we're
16 doing in wells. So I think we've got a feel
17 where the right places are and where the safe
18 places are to be. This is one of them. And
19 I think if we aren't successful for other
20 reasons not related to contamination, then
21 we'll have to go to Plan B in terms of other
22 surface water, groundwater, or other
23 supplies.

24 ASSEMBLYMAN McLAUGHLIN: One last

1 question. I know I'm out of time, but it's
2 short.

3 POETS. Who's paying for the ongoing
4 maintenance of the POETS?

5 COMMISSIONER SEGGOS: DEC.

6 ASSEMBLYMAN McLAUGHLIN: DEC. And
7 ultimately Saint-Gobain and Honeywell, or --

8 COMMISSIONER SEGGOS: Well, I -- let
9 me say this. The polluter ultimately is
10 paying for everything. Right now, through
11 Superfund, we are expending monies. There
12 will be a time and a reckoning, from an
13 accounting perspective, when we go back and
14 recover our cost so the taxpayer is made
15 whole.

16 ASSEMBLYMAN McLAUGHLIN: Right. But
17 the changeouts are happening?

18 COMMISSIONER SEGGOS: Yes.

19 ASSEMBLYMAN McLAUGHLIN: Because we're
20 at that point where they've really got to
21 happen. So we're on schedule for that?

22 COMMISSIONER SEGGOS: Yes. And we
23 have a contractor, Arcadis, in addition to
24 our staff, and they're regular in the

1 community right now.

2 ASSEMBLYMAN McLAUGHLIN: Thank you.

3 I'm sorry about the rapid-fire questions --

4 COMMISSIONER SEGGOS: No, no, no.

5 thank you.

6 ASSEMBLYMAN McLAUGHLIN: Thank you.

7 CHAIRMAN FARRELL: Thank you.

8 Any more?

9 CHAIRWOMAN YOUNG: We're done.

10 CHAIRMAN FARRELL: To close,

11 Mr. Englebright. Chairman Englebright.

12 ASSEMBLYMAN ENGLEBRIGHT: Thank you,

13 Mr. Farrell.

14 My final question for the day relates
15 to the Article VII language bill on the
16 state's Superfund program. It would amend
17 the provisions of the state Superfund program
18 to remove certain procedural requirements,
19 including a determination of an imminent
20 danger of causing irreversible or irreparable
21 damage to the environment prior to the
22 development of a remedial plan.

23 So what is the rationale for making a
24 change that would apparently weaken -- what's

1 the logic behind this proposed change?

2 COMMISSIONER SEGGOS: I think it's
3 actually the opposite. It's extending our
4 ability to work on sites that don't yet meet
5 the imminent and substantial endangerment
6 threshold, so that we can address more
7 problems proactively as we see them. You
8 know, from illegal dumping sites or from
9 landfills where we don't have that
10 Superfund-level designation, we want to be
11 able to get out there and stop a problem
12 before it becomes one.

13 ASSEMBLYMAN ENGLEBRIGHT: Part 2 would
14 also add petroleum to the list of substances
15 that are hazardous to public health and the
16 safety of the environment. But petroleum is
17 already subject to cleanup and management
18 pursuant to the Oil Spill Fund.

19 Why is this change necessary?

20 COMMISSIONER SEGGOS: Well, again, I
21 think it's going to help us broaden our
22 authority to go after the kinds of
23 contaminated sites that, again, aren't maybe
24 covered by Oil Spill -- or by Superfund, but

1 nonetheless we need an ability to tap into
2 that quickly to protect water.

3 ASSEMBLYMAN ENGLEBRIGHT: Thank you,
4 Commissioner.

5 COMMISSIONER SEGGOS: Thank you.

6 CHAIRWOMAN YOUNG: Thank you.

7 Commissioner, thank you so much. And
8 I personally want to thank you and your staff
9 for their responsiveness. You've been great
10 every time we've called, so we truly
11 appreciate it.

12 COMMISSIONER SEGGOS: Thank you,
13 Senator.

14 CHAIRWOMAN YOUNG: And I also want to
15 point out something special, and that's
16 somebody who's special to me, and that's
17 Lieutenant Liza Bobseine, who as you know
18 saved a fellow officer's life, EnCon officer,
19 last November in Columbia County.
20 Unfortunately, there was a shooting.

21 But I wanted to let you know that I'll
22 be honoring her in the State Senate, and I'd
23 like to invite you to come when we do it.

24 COMMISSIONER SEGGOS: Great. I'd be

1 happy to be there. She's quite a hero.

2 CHAIRWOMAN YOUNG: She really is.

3 That's the second time she's saved someone's
4 life, so I'm really, really proud of her.

5 COMMISSIONER SEGGOS: Amazing family.

6 CHAIRWOMAN YOUNG: Yes, exactly.

7 Thank you.

8 COMMISSIONER SEGGOS: Thank you.

9 Thank you all.

10 CHAIRWOMAN YOUNG: Okay, our next
11 speaker is Commissioner Rose Harvey, from the
12 New York State Office of Parks, Recreation
13 and Historic Preservation.

14 Welcome, Commissioner.

15 COMMISSIONER HARVEY: Thank you.

16 CHAIRWOMAN YOUNG: We're very happy to
17 have you here today, and we look forward to
18 your testimony. So any time you're ready.

19 COMMISSIONER HARVEY: Okay. I'm all
20 set.

21 CHAIRWOMAN YOUNG: Could you bring the
22 mic closer, please?

23 Could we also take the conversations
24 outside, please.

1 Go ahead.

2 COMMISSIONER HARVEY: Good morning,
3 Chairwoman Young, Chairman Farrell, Senator
4 Funke, Assemblyman O'Donnell of the Tourism
5 and Parks Committees, and distinguished
6 members of the State Legislature. And thank
7 you for inviting me to discuss Governor
8 Cuomo's Executive Budget proposal.

9 And I have here with me Andy Beers,
10 executive deputy commissioner. And we both
11 together represent an amazing staff behind us
12 and also in the field.

13 As commissioner of the Office of
14 Parks, Recreation and Historic Preservation,
15 I oversee New York's outstanding system of
16 more than 250 individual state parks,
17 historic sites, boat launches and
18 recreational trails. As many of you know,
19 your constituents have a great sense of pride
20 and ownership in their park system. It is
21 one of the most esteemed institutions of our
22 state government, where New Yorkers of all
23 ages and backgrounds come together for fun
24 and friendship, learning and healing, to

1 experience New York's great outdoors and
2 history, and build mind and muscle. And as
3 Olmsted noted, our parks are America's and
4 New York State's great melting pots.

5 Thanks to all of you, and thanks to
6 Governor Cuomo's leadership, we're doing much
7 to bring people together, revitalize our
8 facilities, keep parks and historic sites
9 welcoming to all, and provide outstanding
10 experiences for residents and tourists alike.
11 The park system again has had a very busy and
12 successful year in 2016. Attendance at our
13 parks, beaches, and campgrounds continues to
14 climb. Parks hosted major events, concerts,
15 festivals and athletic competitions, which in
16 turn increase the connections, provide a
17 deeper and better experience for our visitors
18 and an economic boost to the local economies.

19 The 2017-2018 Executive Budget will
20 help us continue this success story. The
21 budget will enable us to maintain visitor
22 services and continue the progress we've made
23 renewing our facilities, while embarking on
24 several exciting new initiatives in outdoor

1 recreation and the environment.

2 The Governor proposes completing the
3 Hudson River Valley Greenway and the Erie
4 Canalway trails by 2020 to create the Empire
5 State Trail. It will be the largest state
6 multi-use trail in the nation. The state
7 will develop 350 miles of new trail to create
8 a 750-mile pathway. The trail will be an
9 exceptional new resource for recreation for
10 New Yorkers, while driving economic growth
11 and wellness in communities along its route.

12 Studies estimate that for every
13 \$1 million invested in multi-use trails,
14 nearly 10 jobs are created and every \$1
15 invested yields \$3 in direct medical
16 benefits.

17 Also, with \$120 million allocated this
18 year, the Executive Budget continues Governor
19 Cuomo's NY Parks 2020 commitment to invest
20 \$900 million in State Parks by 2020, helping
21 reverse decades and decades of decline and
22 neglect. And thank you all, each and every
23 one of you, for your support for Parks 2020.

24 Since the Governor launched NY Parks

1 2020 in 2012, we have advanced more than
2 383 improvement separate projects within 130
3 parks and historic sites to enhance, restore,
4 and repair public facilities. Last year, I
5 was happy to be out with many of you to
6 dedicate many new parks and new openings at
7 our parks. We opened the West Bathhouse at
8 Jones Beach; we toured the transformed
9 Terrapin Point at Niagara Falls; we opened
10 the Humphrey Nature Center at Letchworth; we
11 celebrated a new partnership with Major
12 League Baseball to teach and to serve 1,500
13 youth at Roberto Clemente State Park; and we
14 reviewed the future gateways to the Walkway
15 Over the Hudson. And there are many, many
16 more in each and every one of your regions.

17 The Executive Budget also continues
18 the historic \$300 million investment in the
19 Environmental Protection Fund to help enhance
20 our stewardship of the State's natural and
21 cultural resources. EPF dollars are crucial
22 to State Parks to protect and provide access
23 to the natural and cultural treasures that
24 are sheltered within our park system. This

1 includes a proposal to increase the
2 investment in the Connect Kids program, which
3 is in turn trying to increase the number of
4 kids who connect with nature and our parks
5 and, in doing so, deepen their appreciation
6 and awareness of our natural and cultural
7 resources, and in the end will be the next
8 generation of natural stewards.

9 Connect Kids provides small
10 transportation grants to underserved
11 communities for educational field trips to
12 our parks and historic sites. Schools in
13 every part of the state are taking advantage
14 of this program, and our school visitation to
15 our parks is increasing dramatically. And I
16 urge each and every one of you to reach out
17 to your schools to take part in this program.

18 Connect Kids rebuilds environmental
19 and historic education centers and programs
20 near these communities and these schools that
21 have little open space opportunities or
22 educational program opportunities. It
23 provides free Learn-to-Swim programs, adding
24 this to nearly 30 parks last summer that

1 offered lessons to thousands of children in
2 communities where free swim opportunities are
3 limited or not available.

4 It also offers a 10-month, hands-on
5 job training program in state parks and on
6 state lands, through the Empire Conservation
7 Corps program.

8 And the EPF also provides continued
9 funding for the Parks and Trail Partnership
10 Program, which with our partner, Parks and
11 Trails New York, we are providing competitive
12 grants to friends groups that then support
13 state parks, historic sites, and new trail
14 initiatives.

15 Our agency also administers one of the
16 strongest historic preservation programs in
17 the country. We continue to lead in the
18 number of listings on the State and National
19 Registers of Historic Places, which provide
20 critical protection and incentives to
21 preserve sites important to New York.
22 Notable places recognized last year included
23 the New York State Barge Canal, which, with
24 support from our partners at the National

1 Park Service and the Erie Canalway National
2 Heritage Corridor, was just designated a
3 National Historic Landmark.

4 Stonewall Inn was designated by
5 Governor Cuomo to be a State Historic Site,
6 in coordination with President Obama's
7 Stonewall National Monument designation. And
8 our historic bureau takes the lead in the
9 nation in designating LGBT sites.

10 The Woodstock Festival site was
11 nominated to the National Registers, another
12 sign that we remain a progressive leader in
13 advancing the recognition of diverse sites.

14 Last year, the State Historic
15 Preservation Office reviewed 18,000
16 submissions, representing almost 8,900
17 publicly funded, licensed, or permitted
18 projects, for their potential impacts to
19 cultural resources. It's in response to the
20 growing number of projects reviewed that the
21 office recently introduced the Cultural
22 Resource Information System, an online
23 database which has enabled us to greatly
24 expedite our consultation process, with

1 average review times dropping significantly.
2 We believe it in itself will be a great
3 example and a model for the historic
4 preservation world.

5 And make no mistake, New York's
6 embrace of historic preservation is improving
7 the economy. Federal and State Historic
8 Rehabilitation Tax Credit programs have grown
9 exponentially, with steady increases in the
10 number of historic buildings revitalized with
11 the incentive each year of these tax credits.
12 Based on recent figures, in fiscal year 2016
13 our office approved nearly \$1.5 billion of
14 investment in the past fiscal year, roughly
15 half of which has been invested in upstate
16 communities, demonstrating that the program
17 has emerged as one of New York's signature
18 economic development, job creation, and
19 community renewal tools.

20 So thank you all very much for your
21 commitment to our magnificent State Park
22 system and our historic preservation
23 programs. As always, I always appreciate the
24 support, the participation that each and

1 every one of you provide our agency, and I
2 welcome your questions.

3 CHAIRWOMAN YOUNG: Thank you very
4 much, Commissioner.

5 CHAIRMAN FARRELL: Thank you very
6 much. Sorry I wasn't here, but welcome
7 again.

8 COMMISSIONER HARVEY: Thank you.

9 CHAIRWOMAN YOUNG: So I have a
10 question. The Governor recommends an
11 increase of \$54 million, for a total of
12 \$208.7 million in total capital funding for
13 the park system. And in recent years, we
14 have done significant increases. You talked
15 about a lot of the openings, which I think
16 were absolutely fantastic.

17 But can you provide a list of the
18 projects that are planned for this coming
19 year? The Legislature always likes to know
20 what we're voting on, so it would be helpful
21 if we got that list.

22 COMMISSIONER HARVEY: Happy to provide
23 it.

24 CHAIRWOMAN YOUNG: Before the budget

1 is passed?

2 COMMISSIONER HARVEY: As soon as we
3 have it.

4 CHAIRWOMAN YOUNG: That would be
5 great, Commissioner. Thank you so much.

6 CHAIRMAN FARRELL: Mr. O'Donnell.

7 ASSEMBLYMAN O'DONNELL: Thank you,
8 Mr. Farrell.

9 It's always a pleasure to see you. As
10 you know, I'm new to this committee, so I
11 have a whole bunch of acronyms to learn. And
12 I reviewed what you submitted and was happily
13 but also kind of shockingly surprised about
14 your \$200 million commitment to the trails
15 plan. Happy because this is an underfunded
16 agency for the entire time I've been an
17 elected official, but shocked because the
18 second floor, the Governor seems to love
19 RFPs, because RFPs -- if you control the
20 inputs, you control the outputs, so you can
21 dictate where the money goes. Or if there's
22 not an RFP available, he loves competition.
23 So he loves for cities to compete and regions
24 to compete. It's all one big giant football

1 game when it comes to spending.

2 And yet, all of a sudden, you're
3 dropping \$200 million in capital money for
4 just one thing. Now, it seems to me that the
5 parks across the state have major capital
6 needs and that that \$200 million may be
7 better spent if it was divided between the
8 beaches of Long Island, the Adirondacks, the
9 Finger Lakes, the Thousand Islands -- I
10 didn't forget you, Addie -- none of which are
11 places I represent, I want to be very clear,
12 but they're all places that are in desperate
13 need of some capital infusion because of what
14 has gone on.

15 So my first question for you is, is
16 there some sort of cost-benefit analysis that
17 is done before the decision is made to say
18 let's spend \$200 million on bike trails?

19 COMMISSIONER HARVEY: Well, first of
20 all, the \$200 million actually does not come
21 out of our budget. And it is coming out of
22 a -- but the budget, and it will be allocated
23 between the various agencies that will be
24 building the trail.

1 And the way to think about it is it's
2 a trail that will be built over three,
3 three and a half years, so it's about
4 \$50 million a year, and it's the completion
5 of the Erie Canal Trail. And it's the
6 completion of the Greenway Trail, the Hudson
7 River Greenway.

8 And the trail goes through 27
9 counties, and it touches dozens and dozens
10 and dozens of towns. And it is a -- in every
11 place it is completed, the individual towns
12 have been trying to complete it but unable to
13 do so because maybe it crossed jurisdiction.

14 And it also goes to many, many
15 historic and park and destination points that
16 also will be both great for the economy but
17 also an actual literal connection in the Path
18 through History or the Path to the
19 Environment.

20 So it's -- and paths of this size,
21 because we're finishing what's 50 percent
22 already done in the Hudson River Greenway --
23 and the Hudson River Greenway will do that
24 portion; the Canalway will do the other

1 portion. And you will never finish trails
2 like this in this day and age unless you
3 compress it and do it all at one time.

4 So I am also -- it keeps intact all of
5 our other money that we are using out of
6 Parks 2020 to do all the other improvements
7 and all the trail money that is available, so
8 it doesn't siphon out --

9 ASSEMBLYMAN O'DONNELL: Well, no, but
10 it's a choice. It doesn't siphon out. You
11 could choose -- one could choose to do it
12 somewhat differently.

13 And I had the bike and trail people in
14 my office, and they gave me the same exact
15 presentation. But the reality is there are
16 capital needs throughout the state in the
17 parks, and some of those places may in fact
18 be better multipliers of money than this
19 particular one.

20 One of the complaints that was raised
21 in the meeting was that Amtrak, for example,
22 doesn't allow bikes on their trains, and they
23 allow the bikes on the trains in California.
24 Well, okay, that's a federal thing. We can't

1 fix the Amtrak problem. But in the end, is
2 the spending of one dollar of capital on this
3 project versus one dollar on capital to help
4 Robert Moses State Park, just as an example
5 -- and what does that mean in terms of the
6 fees that it generates and the interest that
7 it generates in other places in the state?

8 And so I don't think we can look at it
9 just as is this a good or a bad idea. I
10 think we have to look at it from the
11 perspective of is the whole -- is that the
12 best use of every dollar that's committed to
13 it, regardless of where the money comes from.

14 As you probably know, I'm very
15 concerned and supportive of historic
16 preservation. I want to publicly thank you
17 and your office for helping me trying to get,
18 finally, a historic district where I live,
19 Morningside Heights. I had a staffer who
20 spent many, many hours working with your
21 staff to help get us further down the path,
22 and I think it's very important.

23 I also think it's very important that
24 we continue to create more historic sites

1 throughout the state, because New York has
2 great history. There are some right here in
3 Albany, there are some in Hudson, there are
4 some north in Washington County which have
5 been brought to my attention. And I'd like
6 to work closely with you about that.

7 Let me ask a provincial question here,
8 because everyone seems to do it. I want to
9 talk about funding for Riverbank State Park.
10 It's technically not in my district, it is
11 20 blocks outside of my district, but it's
12 unique because it wasn't built for its
13 beauty, it was built because -- in exchange
14 for a sewage treatment plant that was put
15 beneath it.

16 And so I would like you to talk a
17 little bit about the funding problems that
18 you've had and get your commitment to address
19 those funding commitments, because in
20 contrast to everywhere else, it's not just
21 there, it's there because the community has
22 the negative health impacts of living with a
23 sewage treatment plant in their neighborhood.

24 COMMISSIONER HARVEY: Riverbank State

1 Park is a flagship for the New York State
2 park system and actually was the first park
3 that we went in to improve when the first
4 \$90 million was made available. And it was
5 the first time in 40 years that State Parks
6 had ever been in the capital budget in a
7 regular and consistent fashion.

8 And I think as Chairman Farrell knows,
9 it was a mess. You know the track, the
10 field, the gym, everything was closed.

11 So it was the first investment. We
12 fixed the gym, the floor, we've opened the
13 track, we fixed the fields, we fixed the ice
14 skating rink that was inaccessible. And
15 we're this year fixing the entrances, the
16 chiller -- which is the infrastructure to the
17 ice skating rink -- for future years, many,
18 many years. We're building a greenhouse for
19 a community garden program with the kids in
20 the community. And it's a pleasure to see
21 the difference. And there's more to go, but
22 a lot has been done.

23 ASSEMBLYMAN O'DONNELL: And I
24 appreciate that. I want you to continue

1 that --

2 COMMISSIONER HARVEY: Thank you.

3 ASSEMBLYMAN O'DONNELL: -- even though
4 it's not in my district.

5 COMMISSIONER HARVEY: Okay.

6 ASSEMBLYMAN O'DONNELL: The last
7 question, the last area, is something that
8 I've raised with you before. As you're
9 aware, there was a massacre of gay and
10 lesbian people in Orlando. Apparently that
11 message never got to Washington, D.C., they
12 think it happened in Bowling Green, but
13 that's okay. It happened in Orlando. And
14 the Governor pledged to build a memorial to
15 do that.

16 So my first question is, were any of
17 the LGBT state elected officials asked to
18 serve on the board of this memorial?

19 COMMISSIONER HARVEY: The -- the
20 commission -- I came in the -- I don't know
21 the background of the selection of the
22 commission. But there are not -- the main
23 representatives are from the not-for-profits
24 and community representatives.

1 ASSEMBLYMAN O'DONNELL: Did you make
2 those decisions, or did somebody else make
3 those decisions, who would serve in that
4 capacity?

5 COMMISSIONER HARVEY: I think that it
6 was with the Governor and Alphonso David,
7 who's the chair and very well could have
8 talked to the electeds. But I have also met
9 with many and talked to many of the electeds
10 as we progress with this memorial.

11 ASSEMBLYMAN O'DONNELL: And what is
12 the status of that memorial, if you know?

13 COMMISSIONER HARVEY: The status of
14 the memorial is that we have a potential
15 site, which is in the Hudson River Park.
16 It's between Bethune and 12th. And we had a
17 competition, a very public competition, and
18 about 40 contestants who submitted. And the
19 commission reviewed all of the submissions
20 and made recommendations to the Governor, and
21 there's a report to the Governor at this
22 point.

23 ASSEMBLYMAN O'DONNELL: When will that
24 become public?

1 COMMISSIONER HARVEY: That will be
2 public probably when he makes a decision and
3 decides on what the next steps are. And the
4 next steps, whatever they are, will include,
5 you know, full community participation.

6 ASSEMBLYMAN O'DONNELL: I loathe to go
7 over my time. Thank you very much.

8 COMMISSIONER HARVEY: Thank you.

9 CHAIRWOMAN YOUNG: I loathe it too, so
10 thank you very much.

11 (Laughter.)

12 CHAIRWOMAN YOUNG: Just kidding.

13 Our next speaker is Senator Kaminsky.

14 SENATOR KAMINSKY: Good afternoon,
15 Commissioner. I'm from the South Shore of
16 Long Island, and the vast majority of my
17 constituents will be visiting Jones Beach
18 State Park for one reason or another. And
19 one of the families in my district had a
20 terrible tragedy in 2015 where a gentleman
21 named Mr. Mullady left a concert at Jones
22 Beach, was on the parkway leaving, and
23 suffered a heart attack. His wife called
24 911, and an ambulance responded 18 minutes

1 later. And he had passed in that duration.

2 And so people in my district and the
3 surrounding areas are very troubled about
4 what they see as a lack of emergency response
5 in that area. I've taken the opportunity to
6 show you, in a map, this area. And what you
7 can see is that on the bottom, where Jones
8 Beach is, is a good approximately six miles
9 from the volunteer ambulance services that
10 are supposed to service the routes in and out
11 of Jones Beach State Park.

12 And, you know, my personal opinion is
13 that that is, you know, just completely
14 hazardous for the people that we invite
15 there. I certainly know that we have many of
16 my colleagues from around the state who have
17 miles and miles to travel before, you know,
18 the nearest fire department or hospital. But
19 we're inviting tens of thousands of people to
20 come to Jones Beach State Park for the air
21 show, for concerts, for weekends on the
22 beach. So to know that we may not have
23 enough Park Police to service the area is
24 obviously troubling. And I wanted to know if

1 you were aware of this issue and what you
2 might be doing to help address the lack of
3 emergency personnel in that area.

4 COMMISSIONER HARVEY: I am aware of
5 that tragic situation, and we have looked
6 into our emergency medical responses. And,
7 you know, we have and have trained-- we have
8 232 lifeguards that are trained, and many on
9 duty in and around that time, and we have
10 about 25 emergency technicians. And we have
11 20 AEDs, automated external defibrillators.
12 But really what's most important is that then
13 we have a partnership with Nassau County and
14 its fire and its ambulance department.

15 And so when we looked at all of this,
16 we have begun conversations with
17 Nassau County about keeping more ambulances
18 and more personnel on-site, particularly at a
19 concert, because right now they're there from
20 7:00 to 7:00, but I think it would be better
21 if they were there from 10:00 to 10:00, when
22 the concert gets out.

23 So we are talking to them about it.
24 There are contractual issues. But we are

1 really looking into this to make sure that
2 we've got enough coverage.

3 SENATOR KAMINSKY: Okay. Well, I
4 definitely appreciate that. I think you
5 focused in on the right issue, which is what
6 do we do after 7:00 when we're inviting
7 people to come for concerts and yet the
8 lifeguards and a lot of the safety personnel
9 you have there have left for the day.

10 I am a state elected official, and I
11 don't have control over the county. But I am
12 under the understanding that, you know, we
13 shouldn't sleep on this thinking that the
14 county is just going to take over on this.

15 So I would really appreciate you
16 focusing in on this. And if there's any way
17 to divert resources, you know, especially
18 during peak times, it would be appreciated.
19 You know, I don't think that this was a freak
20 thing. I think when you're going to invite
21 tens of thousands of people to come to a
22 concert and there are major roadways that you
23 could see in and out, it's going to be hard
24 to get to them if we're waiting for a

1 volunteer corps six miles away. And the
2 volunteer firefighters I've talked to would
3 love to help.

4 So I appreciate you looking to Nassau,
5 but I would love if we can get aggressive on
6 this and see what we could do.

7 COMMISSIONER HARVEY: Okay. Thank
8 you. We will do.

9 SENATOR KAMINSKY: Thanks for looking
10 into it.

11 CHAIRWOMAN YOUNG: Thank you.
12 Chairman?

13 CHAIRMAN FARRELL: Assemblyman
14 Englebright.

15 ASSEMBLYMAN ENGLEBRIGHT: Thank you,
16 Mr. Chairman.

17 Commissioner, how are you?

18 COMMISSIONER HARVEY: Good. Good.

19 ASSEMBLYMAN ENGLEBRIGHT: It's nice to
20 see you.

21 I have a question about the Empire
22 State Trail. Does it include any part of
23 coastal New York, Long Island in particular?

24 COMMISSIONER HARVEY: It does not.

1 ASSEMBLYMAN ENGLEBRIGHT: We're part
2 of the Empire State, and we would like to be
3 included in the trail system, which is
4 otherwise a really wonderful idea.

5 COMMISSIONER HARVEY: So we are -- I
6 believe that this trail will be great
7 momentum for other trails, certainly those
8 that connect, those that cross. And we will
9 look into the trail system there, because it
10 starts in the Battery, and see what we can do
11 in terms of connecting.

12 The connections will be -- won't be
13 covered in the current appropriation, but we
14 still have our trail dollars available. So
15 they haven't all been siphoned off for this
16 trail.

17 So we look forward to make more
18 connections, because if we can, it will have
19 a real impact at every part and every point
20 and every part of the state.

21 ASSEMBLYMAN ENGLEBRIGHT: In the first
22 part of his second term, President Washington
23 left from Lower Manhattan and journeyed to
24 visit, among others, the spies on Long Island

1 who had saved his life and saved the
2 revolution. We have a Spy Trail -- that's
3 just one of many of our trails on Long
4 Island -- that would make sense to be
5 connected back to Manhattan.

6 So please put us in your planning now,
7 rather than say someday we'll get around to
8 remembering about Long Island. I don't see
9 any reason not to include our existing
10 Greenway Trails. We have a Long Island
11 Greenbelt Trail Conference. We have
12 ready-made not-for-profits who have been
13 manicuring trails and telling people to go
14 take a hike for a long time.

15 But please don't tell Long Island
16 generally to go take a hike in the adverse
17 sense of the use of that phrase.

18 COMMISSIONER HARVEY: Right. No.
19 We'll encourage to hike forward, yes.

20 ASSEMBLYMAN ENGLEBRIGHT: So further
21 to that, we also I think have the potential
22 to add to the diversity of experiences that a
23 trail would have. We have a couple of
24 thousand miles of shoreline. If you add all

1 the crenellations in, it's really extensive.
2 We could have blue trails with kayaks and
3 canoes into some of our inner harbors. And I
4 think it would add an exciting dimension to
5 your wonderful vision and the Governor's
6 wonderful vision for the Empire State Trail.

7 I also have a question about the
8 offloading that we're seeing in the EPF this
9 year. I was encouraged to ask you this
10 question when I posed it to Commissioner
11 Seggos. One of the more notable offloads is
12 certain local Navigation Law expenses that
13 are, in this proposed budget, being placed
14 into the EPF as a capital expenditure.

15 Now, this is very difficult for me,
16 because we have a 2 percent cap that affects
17 all of our local governments. They are not
18 allowed to offload into capital anything
19 that's part of their ordinary operational
20 budget. Is this part of what the state is
21 doing, however? The state doesn't have the
22 same restrictions with the 2 percent cap.

23 What the impact is, though, of not
24 being able to get any relief for capital is

1 that we're seeing a lot of capital
2 investments at the local municipal level not
3 being made. Because they have a terrible
4 choice now, in a tight budget, to either fund
5 personnel and basic operations or maybe put
6 off for another year the investment for the
7 new motor over at the sewer treatment plant.
8 And so we're getting a lot of deferred
9 maintenance impact on our local budgets
10 that -- you know, we receive the complaints
11 on that, but then we turn around and say,
12 well, you know, just hope you don't notice,
13 but we're offloading into capital because we
14 can.

15 And that's what this Navigation Law
16 offload looks like. It looks like something
17 that the state can do because it doesn't
18 follow the same rules that it has imposed
19 upon local municipalities.

20 COMMISSIONER HARVEY: I see these
21 dollars -- as you know, our agency --

22 CHAIRWOMAN YOUNG: Commissioner --
23 Commissioner, could you use the mic, please?

24 COMMISSIONER HARVEY: Oh, I leaned

1 back. Sorry.

2 CHAIRWOMAN YOUNG: Thank you.

3 COMMISSIONER HARVEY: We oversee
4 boater safety, security, and also monitoring
5 of environmental regulations in the natural
6 resources. And we work closely with all of
7 our local partners to do so.

8 So I feel that this is an appropriate
9 part of our responsibility, to go forward and
10 to help with the local -- the localities that
11 are patrolling the waters for us, and
12 patrolling the natural resources, and who are
13 our eyes and ears to stop dumping and to see
14 if there are any environmental infractions.
15 So I think it's appropriate.

16 ASSEMBLYMAN ENGLEBRIGHT: It's
17 appropriate to be done. It's just a question
18 of whether it's appropriate to place it into
19 the Environmental Protection Fund. But thank
20 you for your response.

21 Mr. Chairman.

22 CHAIRMAN FARRELL: Thank you.

23 Assemblywoman Woerner.

24 ASSEMBLYWOMAN WOERNER: Thank you,

1 Mr. Chairman.

2 Thank you, Commissioner.

3 I have a variety of questions. As you
4 pointed outside out in your testimony, you've
5 got an expanding number of historic sites,
6 you've got an increasing number of National
7 Register and State Register listings, you've
8 got a very successful tax credit program that
9 requires extensive review from your office.
10 And certainly for all of these projects, a
11 timely review is important. And so my
12 question has to do with the staffing levels
13 in your historic preservation group, both in
14 the technical services and historic sites
15 bureau.

16 Can you talk to me about the current
17 staffing levels, how many slots you have that
18 are empty, and what your plans are for
19 filling them?

20 COMMISSIONER HARVEY: Any slots that
21 are empty, we're filling, that have been
22 vacated. And that's just a matter of time
23 and finding the right people.

24 And, you know, with parks and historic

1 preservation, great growth requires also
2 great ingenuity. In the bureau launch of
3 CRIS, the automated digital review system has
4 greatly reduced the time frame and the
5 efficiency of the department to review all of
6 the applications that are coming in.

7 We use partnerships with many of the
8 not-for-profits that help us in terms of
9 review and in terms of, with the parks, with
10 you know, park programs, we're also
11 automating across the parks too, with
12 entrances and online reservations. We're
13 also trying to reduce costs, energy costs,
14 because they're a big piece of our operating
15 budget, and that's feeding into the
16 Governor's alternative energy and climate
17 change programs. So that to the extent that
18 we can introduce solar and wind on our roofs
19 and in our parking lots, we can reduce the
20 energy costs that each bureau has to pay.

21 And then our staff is amazingly
22 innovative in terms of efficiency. And we're
23 pooling resources between regions, we're
24 trying to close down silos. And so far so

1 good. So --

2 ASSEMBLYWOMAN WOERNER: I appreciate
3 that. I'll just conclude that statement by
4 saying that historic preservation takes some
5 particular skills.

6 COMMISSIONER HARVEY: Yes.

7 ASSEMBLYWOMAN WOERNER: And while
8 automation can help facilitate efficiency,
9 making sure that you've got the right skills
10 in that bureau I think is really important to
11 ensure that we continue to have a successful
12 historic sites program.

13 My next question is more parochial.
14 The Saratoga Spa State Park is really a gem
15 in the Capital Region and throughout the
16 state. And I know you've been making
17 investments or plan to make investments in
18 upgrading the Peerless Pool Bathhouse. But
19 the Victoria Pool continues to be a source of
20 some amount of concern in my district that,
21 as a historic building, it requires a more
22 regular investment to maintain it in an
23 appropriate manner.

24 So in the capital plan do you have

1 plans to make investments in upgrading the
2 Victoria Pool?

3 COMMISSIONER HARVEY: We do. We
4 actually made \$500,000 available last year,
5 and then we added another \$400,000 to that.
6 So \$900,000.

7 And we have invested in the pool and
8 the pool area. The actual appropriations
9 said for the pool area. And it's -- some of
10 the historic masonry needed to be fixed. The
11 pool actually also, before this, we had
12 already fixed. And also the restaurant was
13 not in code, and the roof was leaking, which
14 then, you know, caused painting problems on
15 all the walls that surround the pool.

16 So we fixed all of that and actually
17 invested about -- we're just finishing some
18 final touches, but we invested close to a
19 million, and we think we've really gotten
20 into the infrastructure and solved some of
21 the source problems.

22 ASSEMBLYWOMAN WOERNER: Thank you.
23 And then finally I'd just like to thank you
24 for your support of the Resident Curator

1 Program, particularly with respect to the
2 Susan B. Anthony House in Washington County.
3 We're very excited to move forward with that.

4 COMMISSIONER HARVEY: Thank you for
5 your support. We really appreciate it.

6 CHAIRMAN FARRELL: Pat Fahy.

7 ASSEMBLYWOMAN FAHY: Thank you. Thank
8 you, Mr. Chairman.

9 Thank you, Commissioner. Thank you
10 for your testimony. It's always good to have
11 you back.

12 Just a couple of questions, and I want
13 to start with the EPF funding. And I should
14 start by saying it's been great since last
15 year. It was wonderful to see that increase
16 that is being held this year to that
17 \$300 million. A couple of concerns on it. I
18 know a couple were mentioned. But one is the
19 land acquisition, the cut of \$7 million in
20 reduction from the previous year.

21 Can you talk about why the land
22 acquisition part -- what's the rationale
23 behind that proposed cut? That's been very
24 popular up here, particularly in a number of

1 my towns. Our land conservancy folks have
2 really worked with a number of my towns in
3 some smart growth initiatives, and that's
4 been just a critical piece of it. If you
5 could explain the rationale for the
6 \$7 million reduction.

7 COMMISSIONER HARVEY: Well, the first
8 thing I want to assure you is that we had a
9 very robust pipeline this year and we have a
10 very robust pipeline next year, and that
11 reduction will not affect any of our land
12 acquisitions. And as you know, land
13 acquisitions, they take about a year or more.
14 And so now we're building the pipeline. And
15 that number was reduced this year, and it
16 won't affect what we have planned for
17 acquisition for this year.

18 And that number, when you think about
19 the EPF, of \$300 million in those categories,
20 it can kind of wax and wane as the needs
21 occur. And we split that fund with DEC, and
22 DEC and Parks are fine. We will complete our
23 planned acquisitions this year. And then if
24 we need more next year, it may, you know,

1 return.

2 ASSEMBLYWOMAN FAHY: Okay. I may want
3 to follow up with you a little bit more on
4 that. But thank you, Commissioner.
5 Appreciate your attention to that.

6 Tax credits, the historic tax credits
7 that you mentioned. And it's great to see
8 how popular it is. It certainly is really
9 helping just even in our warehouse district
10 here in Albany. It's been critical to
11 helping to bring that neighborhood back and
12 really assist a number of small businesses.

13 You mentioned that about \$1.5 billion
14 has been used in credits very successfully.
15 Is there more? Is there something more that
16 we could be doing there to encourage even
17 more historic renovation and --

18 COMMISSIONER HARVEY: I think -- well,
19 there's a bigger federal issue --

20 ASSEMBLYWOMAN FAHY: Sure, yeah. A
21 concern.

22 COMMISSIONER HARVEY: -- which, if
23 that does occur and it is eliminated, then
24 that will affect our state credit law because

1 the two are tied.

2 ASSEMBLYWOMAN FAHY: Yes.

3 COMMISSIONER HARVEY: But presuming
4 that the status quo stays as it is right now,
5 it's really basically educating communities
6 as to all the benefits. And we're out there
7 talking it up and explaining it. So anything
8 that you can do to encourage people to come
9 in, we welcome them with open arms.

10 ASSEMBLYWOMAN FAHY: Thank you.

11 COMMISSIONER HARVEY: And the state
12 tax credit law does sunset in 2019, which
13 means that soon we should be able to look at
14 it and evaluate it for the future.

15 ASSEMBLYWOMAN FAHY: Thank you. Yeah,
16 we're watching what the feds do on that and a
17 number of areas.

18 One more question, and just a quick
19 comment. I want to commend the Governor for
20 the proposal on our trailways, the Erie Canal
21 and the overall Empire Trail. Despite some
22 of the questions of our new esteemed chairman
23 of the Parks and Tourism Committee --

24 ASSEMBLYMAN O'DONNELL: Just

1 questions.

2 ASSEMBLYWOMAN FAHY: Just questions,
3 that's right. I had benefit of learning a
4 lot about the Erie Canal this year, but I
5 also -- while the Erie Canal does not -- the
6 trailway does not actually touch into my
7 district, the 109th, the multiplier effect in
8 terms of what that would bring in tourism I
9 think is rather extraordinary. And as you
10 said, often for every dollar invested,
11 there's a \$10 multiplier effect.

12 So I do think it is -- particularly
13 the Erie Canal, which I'm much more familiar
14 with, the fact that there's so little left to
15 finish that trail and what that could do for
16 tourism, which is already in the hundreds of
17 millions.

18 And I will say I learned a lot along
19 the trail this year in terms of some of the
20 pockets of extraordinary poverty in some of
21 those towns that do abut the canal. So I
22 just want to commend you.

23 Last question, also related to parks
24 and trailways. You've been very responsive

1 in the past, including through the Connect
2 Kids, for access for youth, particularly
3 low-income and urban youth, to get to our
4 state parks, which are often in more rural
5 areas and not as accessible. And as I
6 mentioned earlier this morning, between the
7 cuts in the recession and what had been the
8 overtesting of our students, we've seen a
9 plummeting of field trips in our schools, and
10 particularly, again, in our urban areas.

11 Can you talk -- you mentioned the
12 success. I'm thrilled to see that you are
13 trying to double that this year. Can you
14 give us any numbers behind that in terms of
15 how many low-income students you have been
16 able to introduce to our park system? Again,
17 it bears repeating, I believe we make good
18 stewards of our parks for the future the more
19 we introduce all youth and families to our
20 extraordinary park system.

21 COMMISSIONER HARVEY: Well, first of
22 all, this was not funded by the EPF. But we
23 also launched, in partnership with the
24 National Park Service, Every Kid In a Park,

1 which was free entry for all fourth-graders
2 and their families.

3 ASSEMBLYWOMAN FAHY: That's right.

4 COMMISSIONER HARVEY: So we saw about
5 7,000 fourth-graders come in. And then we
6 launched the transportation programs with a
7 particular emphasis on Title I schools. And
8 we have about 200 applications, 200 schools.
9 And just so you also know, that -- I mean,
10 this goes back some, and we've been working
11 on it, but we had only about 75,000 school
12 kids about five years ago. And it's up to
13 250,000 now. Or 230,000, hopefully, to 250.

14 And we also -- we mapped all the areas
15 of high poverty, obesity, diabetes, you know,
16 health-related. And so many schools are from
17 those, so those are the places that we're
18 building our nature centers and our nature
19 programs. So the teachers don't have to
20 teach, they're not scared to come, we have
21 the programs. Or recreational programs to
22 keep the kids --

23 ASSEMBLYMAN OAKS: Thank you very
24 much.

1 Assemblywoman Jenne.

2 ASSEMBLYWOMAN FAHY: Thank you.

3 ASSEMBLYWOMAN JENNE: Thank you very
4 much.

5 Hello, Commissioner, how are you?

6 COMMISSIONER HARVEY: Hi, how are you?

7 ASSEMBLYWOMAN JENNE: First I'll just
8 start by saying that I'm happy to see that
9 the free swim lessons are looking to expand
10 throughout the state. I appreciated you
11 coming up to highlight the free lessons that
12 are offered in one of the parks in my
13 district. And also I'm happy about the field
14 trips and the efforts that you're taking to
15 get more people and students into our parks.

16 COMMISSIONER HARVEY: And thank you
17 for all your support and participation in
18 that. We appreciate it.

19 ASSEMBLYWOMAN JENNE: But now I'm
20 going to move really parochially on something
21 that, you know, has given me quite a bit of
22 concern. In last year's budget the Canal
23 Corporation, the responsibility for that
24 corporation -- which loses about a hundred

1 million dollars a year -- was moved to the
2 Power Authority, the New York Power
3 Authority. And I objected to the movement at
4 that time as essentially now a constant drain
5 on the Power Authority to make up this
6 revenue.

7 And so now I see in this year's
8 budget, in addition to the long-term sweep,
9 if you will, of \$100 million to support the
10 Canal Corporation, we are now sweeping
11 \$77 million from the Power Authority to fund
12 what appears to be investments in the Canal
13 Corporation and the trail along the
14 Erie Canal.

15 And so that troubles me greatly,
16 particularly when I have had projects in the
17 queue. I host one of the Power Authority's
18 biggest generators, up in Massena. I have
19 communities that have been in desperate need
20 of investments in their communities that are
21 directly impacted by the Power Authority,
22 that really could use \$77 million worth of
23 investment. And to add insult to injury,
24 this trail, this proposed Empire State Trail,

1 just like my colleague from Long Island,
2 completely leaves out the North Country, the
3 St. Lawrence River Valley, and the Thousand
4 Islands region. Even though one of the power
5 dams that is funding the Empire State Trail
6 is located in the Thousand Islands region.
7 And, like I said, we've had a backlog of
8 projects that my communities feel the Power
9 Authority should have funded years ago.

10 And so, you know, we have the Seaway
11 Trail, which has struggled for many years,
12 that could use some investment in its
13 technology and its attractions and what it
14 has to offer. You know, just because a
15 fantastic champion for that trail passes away
16 doesn't mean that the trail should just fade
17 into oblivion. And so, you know, I have --
18 you know, I could submit to your office and I
19 know the Power Authority has already received
20 all of these requests for funding for
21 projects that I think are far more
22 appropriate when we're spending \$77 million
23 of the Power Authority's money. You know, we
24 should be funding the projects in the

1 North Country or the trail should be skewed
2 to serve the communities that host
3 Power Authority projects.

4 I find it extremely unfair. And, you
5 know, we had to swallow a nasty pill of
6 absorbing \$100 million worth of operating
7 expenses for the Canal Corporation -- and I'm
8 sure that somebody is going to tweet out that
9 I'm -- that we need to make this \$77 million
10 of investment in the Canal Corporation's
11 trail that goes along it. But frankly, it's
12 appalling to me that we would be using this
13 amount of funds to continue to prop it up.
14 And the argument is going to be made that
15 it's going to enhance tourism. Well,
16 investing in projects in Waddington, New
17 York, is going to enhance tourism in the
18 North Country.

19 And so I am being absolutely
20 parochial. But after we've swept
21 \$100 million a year, moving forward, to
22 support the Canal Corporation, to add another
23 \$77 million is really more than I can handle
24 at this point.

1 So I would ask us to seriously rethink
2 this proposal, because it is bad for the
3 North Country. And we should be investing in
4 the communities impacted by NYPA with NYPA's
5 money.

6 COMMISSIONER HARVEY: So I think I
7 have to defer to NYPA and the Power Authority
8 to talk about this specifically.

9 But one thing I do want to clarify is
10 the Empire Trail, any money for that is not
11 out of those sweeps, it's extra dollars
12 coming in.

13 ASSEMBLYWOMAN JENNE: Right. That's
14 my point. It's 77 on top of \$100 million.

15 COMMISSIONER HARVEY: It's not 77 from
16 the Empire --

17 ASSEMBLYWOMAN JENNE: It says right
18 here, \$77 million in the New York Power
19 Authority to cover Empire State Trail.

20 EX. DEP. COMMISSIONER BEERS: Those
21 are general capital dollars that are
22 appropriated to NYPA and to the
23 Canal Authority for the construction of the
24 Empire Trail. So they are state capital

1 dollars appropriated to NYPA and to the
2 Canal Authority. They are not from NYPA to
3 the trail.

4 CHAIRWOMAN YOUNG: Thank you.

5 CHAIRMAN FARRELL: Thank you.

6 CHAIRWOMAN YOUNG: Thank you,
7 Commissioner, for your service to the state.
8 And thank you for all that you do. And I
9 would urge you to continue to pay close
10 attention to Midway State Park, Lake Erie
11 State Park, Long Point State Park,
12 Allegany State Park, Letchworth State Park,
13 and Stony Brook State Park.

14 COMMISSIONER HARVEY: Will do. Thank
15 you.

16 CHAIRMAN FARRELL: Thank you.

17 CHAIRWOMAN YOUNG: Our next speaker is
18 Commissioner Richard A. Ball, from the
19 New York State Department of Agriculture and
20 Markets.

21 There he is. Hi, Commissioner.
22 Welcome.

23 COMMISSIONER BALL: Good to see you.

24 CHAIRWOMAN YOUNG: Thank you for being

1 here. Good to see you also. Look forward to
2 your testimony.

3 COMMISSIONER BALL: Well, thank you.
4 Thank you so much. I was going to say good
5 morning, I think I'll say good afternoon --

6 CHAIRWOMAN YOUNG: At least it's not
7 good night.

8 COMMISSIONER BALL: -- Chairwoman
9 Young, Chairman Farrell, Senator Ritchie,
10 Assemblyman Magee, members of the
11 agricultural committees, and elected
12 officials. I am pleased to offer my
13 testimony on the 2017-2018 Executive Budget
14 for the Department of Agriculture and
15 Markets.

16 The Executive Budget recommends
17 \$207 million for the department, a nearly
18 \$37 million increase from last year. This
19 budget will allow us to maintain our core
20 functions while implementing strategic new
21 initiatives to support the agricultural
22 industry.

23 New York State has nearly 36,000 farms
24 that produce some of the best food and

1 beverage products in the world. Our
2 producers rank high among the major
3 agricultural states in the nation, ranking in
4 the top 10 in about 30 different commodities.
5 Despite the challenges the industry has faced
6 recently, both weather and market-related,
7 and because of Governor Cuomo's commitment to
8 this sector of the economy and close
9 partnerships with all of you, we continue to
10 reach new milestones and move in a very
11 positive direction.

12 I am proud to say there is no other
13 program in the country like New York State
14 Grown & Certified, the program launched in
15 August by the Governor, with me, in the
16 South Bronx. Grown & Certified helps
17 consumers identify New York agricultural
18 producers who are certified for safe food
19 handling practices of food and for best
20 practices in environmental farm management.

21 The department, working with Empire
22 State Development, recently launched a
23 marketing campaign highlighting the program
24 and our partnerships with retail stores such

1 as Tops Friendly Markets to promote New York
2 State Grown & Certified products.

3 The Governor proposes a \$5 million
4 grant program to help agricultural producers
5 with capital costs needed to meet the
6 program's requirements. In 2017, the
7 department will continue to expand
8 participation and plans to reach new
9 commodity groups like maple, horticulture,
10 and dairy, helping them also meet the high
11 standards of the New York Grown & Certified
12 program.

13 Taste NY also continues to grow.
14 Sales have almost tripled, from \$4.5 million
15 in 2015 to more than \$13 million in 2016.
16 Taste NY products are now available in more
17 than 60 retail locations statewide. The
18 Executive Budget proposes to build on the
19 success of the program and support Taste NY
20 through new welcome centers.

21 The industrial hemp industry has great
22 potential also in New York State. Governor
23 Cuomo proposes to build on our pilot program
24 this year, opening the program to more

1 farmers who will work with us to research,
2 grow, and process hemp as an agricultural
3 commodity.

4 The Governor will also host the
5 first-ever Industrial Hemp Summit in the
6 Southern Tier to bring together
7 manufacturers, farmers, researchers and
8 stakeholders to identify the challenges and
9 opportunities in the industry.

10 The transformation of the Great
11 New York State Fair will get a boost with a
12 proposed investment of \$70 million to finance
13 Phase 2 of the State Fair modernization
14 effort. This includes \$50 million to develop
15 a multi-use expo building and exciting new
16 transportation options for visitors and
17 concertgoers. An additional \$20 million will
18 be used for parking and highway improvements,
19 establishing the State Fair as a major,
20 year-round tourism attraction and economic
21 driver for the region.

22 I am very proud of our Farm-to-School
23 Program in New York. We continue to increase
24 the amount of fresh, local foods served in

1 schools and to connect our farmers to new
2 markets. Since 2015, the state has invested
3 \$850,000 for Farm-to-School projects,
4 benefiting tens of thousands of students in
5 New York. With \$750,000 proposed in the
6 budget for the Farm-to-School program this
7 year -- triple last year's budget -- we will
8 predict extraordinary success in getting more
9 good foods to our schoolchildren.

10 The Governor is also once again
11 proposing a \$300 million investment in the
12 Environmental Protection Fund, which funds
13 several vital agricultural programs.
14 Additionally, the proposed \$2 billion Clean
15 Water Infrastructure Fund provides
16 \$50 million for on-farm source water quality
17 protection projects.

18 We at the department focus on
19 agricultural education and our next
20 generation of farmers. The Executive Budget
21 includes funding to increase the number of
22 FFA chapters in the state, and funding to
23 increase the capacity of the New York
24 Association of Agricultural Educators to hire

1 and train certified teachers to meet the
2 backlog demand for new agricultural education
3 programs.

4 This year's budget is great news for
5 our farmers, our farm communities, and the
6 next generation of farmers, as well as for
7 our specialty food and craft beverage
8 producers. I am confident that all of the
9 proposals laid out today will leverage the
10 good work of the industry, building an even
11 stronger agricultural economy.

12 As the development of a state budget
13 is a partnership with the Legislature, I look
14 forward to hearing what your priorities will
15 be. Thank you very much.

16 CHAIRMAN FARRELL: Thank you.

17 CHAIRWOMAN YOUNG: Thank you.

18 We'd like to hear from Senator
19 Ritchie, who is chair of the Senate Standing
20 Committee on Agriculture.

21 SENATOR RITCHIE: Thank you, Senator
22 Young.

23 Commissioner, I want to start off
24 first by saying I very much appreciate the

1 great working relationship that we have,
2 appreciate how responsive your staff has
3 been, and look forward to continuing to work
4 with you on a number of projects that
5 certainly will be beneficial to the ag
6 industry in the state.

7 My first question is, of course, on
8 the local assistance programs. I know both
9 yourself and the Executive are supportive of
10 our number-one industry. But each year when
11 the budget comes out, the first thing I look
12 at is the local assistance programs. And
13 once again, most of them are either wiped
14 out, zeroed out, or they've been greatly
15 reduced.

16 Can you explain what causes that to
17 happen?

18 COMMISSIONER BALL: Sure. You know, I
19 had a chance, once the Governor outlined his
20 budget to us, to move around the state and
21 talk about the budget highlights to various
22 groups around the state. And the budget is
23 really a process. It became very clear to
24 me, anyway, as I was doing that. The

1 Governor has an opportunity in his budget to
2 make a fiscal statement but also to outline
3 priorities that he has for what he sees as
4 necessary in the State Budget.

5 So the funding of this budget this
6 year is the exact same budget as it was last
7 year in his Executive Budget, with a few
8 exceptions where more money was added. You,
9 all of you, represent constituencies and have
10 changing needs and demands in those regions
11 that you represent, and I think the process
12 is correct for you to adjust that. We look
13 forward to working with you on that to
14 increase those lines that you see are
15 important, so we can have the best possible
16 budget for agriculture going forward.

17 SENATOR RITCHIE: So I would assume
18 that means yourself and the Executive would
19 be supportive in trying to restore these
20 funds, that you believe that this is a good
21 use of taxpayers' money to try to make sure
22 that we're up-to-date and continuing when it
23 comes to cutting-edge research and a number
24 of different programs that we've heard from

1 the ag community that they believe are
2 important?

3 COMMISSIONER BALL: Look forward to
4 working with you on that, exactly. Very much
5 so.

6 SENATOR RITCHIE: One of the items
7 that didn't get cut and there is extra money
8 for is, of course, the FFA program that you
9 were speaking of. You know, we've had an
10 opportunity to talk about the language, and
11 I'm concerned that the language looks like
12 it's written so that it will be a competitive
13 grant program. And I've heard that there are
14 over 70 potential groups looking to start up
15 new FFA programs. I think that's wonderful.
16 Each and every time the FFA students come in,
17 so many of them come from outside normal farm
18 families. This is a great way to generate
19 interest for those that are looking for a
20 career in agriculture in the future.

21 But my concern is that those programs
22 that have been in place and manage to make it
23 through tough years with education funding,
24 that they wouldn't necessarily be the

1 programs that would have continued funding.
2 So I'd just like to hear how you think that's
3 going to take place.

4 COMMISSIONER BALL: Sure. Well, I
5 think a couple of things about that. One,
6 actually looking at the language, it's
7 noncompetitive with regards to the funding.

8 Secondly, over the last few years the
9 Legislature has graciously added a
10 substantial amount of money to help the FFA
11 program go on.

12 But in speaking about the need there,
13 in speaking about the overall need to
14 increase the number of jobs and the quality
15 of workers that we have in our pipeline for
16 agriculture, the Governor wanted to underline
17 very much and incentivize the growth in FFA
18 chapters. We did hear from over 70 different
19 schools that they would like to increase
20 that, that they would like to have FFA
21 chapters in their schools. And some of them
22 had chapters but lost them.

23 And so I think the goal here is to
24 incentivize that. We would hope to work with

1 you on the balance of the funding in FFA,
2 certainly.

3 SENATOR RITCHIE: So the increase
4 would just be for new chapters that were
5 going into -- that were going to actually
6 take part in the program, not exclude those
7 schools that have already been holding FFA
8 chapters and meetings.

9 COMMISSIONER BALL: Correct. It would
10 be to incentivize new chapters, perhaps
11 schools that lost a chapter years ago through
12 lack of funding. Exactly.

13 SENATOR RITCHIE: This past summer I
14 appreciate you taking the tour in several
15 different areas of the state with regards to
16 the issues we were having with drought. Just
17 wondering, as we go forward, there are still
18 some farmers across the state who are dealing
19 with losses because of the drought. Any
20 ideas that you might have that would help us
21 address the drought losses with those
22 farmers, whether it be in the North Country,
23 Western New York, Finger Lakes?

24 COMMISSIONER BALL: You know, the

1 irony is not lost on me that you and I
2 visited in Schoharie Valley in 2011, in
3 September, after Hurricane Irene came through
4 and devastated our community. And then last
5 summer we were in your neighborhood -- and
6 indeed I was all across the state -- looking
7 at the effects of drought.

8 So clearly we're facing some
9 challenges in agriculture. I think in our --
10 we have a line now of climate resiliency. We
11 have \$2.5 million dedicated there. There's
12 three tracks there. One of them is for
13 manure management, nutrient management on
14 farms; another one of them is -- you know,
15 three of the tracks deal with water
16 management and drought resiliency as well as
17 flood mitigation. So I think there's a
18 source of funds there where we could look at
19 developing irrigation systems and things like
20 that for farms that had a tough time with the
21 drought this year.

22 SENATOR RITCHIE: I think it would be
23 helpful, given some of the feedback that I
24 had received from farmers, if we could find

1 ways to use some of that money to look at
2 alternative water sources if we get into that
3 situation again. Besides the additional
4 costs for hauling water, it was very
5 difficult for them to find additional water
6 sources. So that would be helpful.

7 Then moving on, you did address the
8 State Fair. But as far as the capital last
9 year for our local fairs, there was
10 \$5 million that was included in the budget.
11 And I know there was just a release about
12 that. Could you give me an update on where
13 we're at with the local fair capital funding?

14 COMMISSIONER BALL: Sure. It was a
15 \$5 million investment in county fairs.
16 Letters have gone out to all of the ones that
17 qualify, all of the county fair organizations
18 around the state.

19 I would expect that by this spring --
20 we should have shovels in the ground this
21 spring. They're submitting their plans, and
22 they're under review this winter. I think by
23 this spring we should have shovels in the
24 ground. If they have an aggressive plan, I

1 think they have up to five years to spend all
2 of the money.

3 SENATOR RITCHIE: And my last question
4 would be on the minimum wage. That's just
5 taken effect, the increase. Just wondering,
6 since I have heard from a number of farmers
7 across the state on the negative impact that
8 it's having on their business, just wondering
9 on your end what have you heard from farmers
10 across the state on the increase in minimum
11 wage?

12 COMMISSIONER BALL: Well, of course
13 anecdotally I hear from time to time about
14 it. You know, our farmers are incredibly
15 resilient. They had a heck of a year last
16 year. The minimum wage just did go up on
17 December 31st, up 70 cents.

18 We do have, I would point out, two
19 credits there. We have a farmworker tax
20 credit that farms can apply for for workers
21 that work more than 500 hours in the year.

22 We were also successful, in my
23 conversations with the commissioner of the
24 Department of Labor, in getting a New York

1 Youth Jobs tax credit to help young people
2 get positions on farms. There's a credit
3 there as well.

4 I think that as we go forward, from my
5 standpoint, our farmers deal with fixed costs
6 every year, and sometimes those change. The
7 cost of energy and the cost of labor
8 certainly are significant there, the cost of
9 infrastructure needs and replacements. And
10 then the double whammy last year, for
11 example, of market and weather affects them.
12 But they're incredibly resilient. Every year
13 we figure out how to juggle things and how to
14 make it all work.

15 So I think, keeping in the context of
16 all of this, I know farmers across the state,
17 the vast majority of them far exceed the
18 minimum wage in their pay to their workers,
19 with the average wage on farms today being
20 close to \$12 an hour. So I think they
21 understand that investment in their workers
22 is an investment well made, and they want to
23 keep them.

24 But for me, at the Department of Ag

1 and Markets, our efforts have to be focused
2 on what we can do to increase our market
3 share, to increase our market opportunities
4 in the city and around the country, and also
5 promoting New York Grown & Certified, so
6 hopefully we establish a preference for our
7 products and a better margin there.

8 So that's what our focus is going to
9 be on in helping our farmers become more
10 profitable.

11 Thank you.

12 SENATOR RITCHIE: Thank you,
13 Commissioner. And just once again, I do
14 appreciate the responsiveness from yourself
15 and your office, and certainly appreciate the
16 time you spent going out and visiting farms
17 across the state who are dealing with the
18 drought conditions.

19 COMMISSIONER BALL: Thank you very
20 much, Senator. Great to work with you.

21 CHAIRMAN FARRELL: Thank you.

22 Chairman Magee.

23 ASSEMBLYMAN MAGEE: Yes.

24 Commissioner, great to see you.

1 COMMISSIONER BALL: Assemblyman, great
2 to see you.

3 CHAIRMAN FARRELL: Bring up your
4 microphone.

5 ASSEMBLYMAN MAGEE: A couple or three
6 questions, maybe, here. What are the
7 department's priorities in agricultural
8 education, marketing and research?

9 COMMISSIONER BALL: Well, of course
10 our efforts with FFA are really notable.
11 This was the 100th anniversary of the
12 legislation that enabled FFAs to really take
13 off and grow in ag education in the country.
14 I had the opportunity to speak to the FFA
15 group here this week as they celebrated that
16 hundredth-year anniversary.

17 So getting, I think, more young people
18 into the pipelines, more ag educators, and
19 more young people thinking about selecting
20 agriculture as a viable career path I think
21 is clearly a priority this year.

22 Also, with regards to marketing, the
23 New York Grown & Certified program. You
24 know, I've been pretty excited about

1 marketing. You know, that is the key for us
2 selling more products in the marketplace. I
3 think this one touches a nerve in the
4 marketplace, because we've seen an increase
5 in the desire for local food, an interest in
6 understanding where the food came from, how
7 it was grown, an interest in food safety and
8 transparency and also, in the vein of knowing
9 who we are, what our environmental
10 responsibilities look like on the farm.

11 So I think with this program we tie
12 all those three together -- local food and
13 food safety as well as environmental
14 stewardship -- and I think it's a winner.
15 And it's off to a great start, so I'm very
16 excited about that opportunity.

17 ASSEMBLYMAN MAGEE: Now, on the
18 education program proposal that the Governor
19 has put forth, there's \$380,000 for Ag in the
20 Classroom, an increase of 300,000 over
21 2016-2017. Can you describe this program?

22 COMMISSIONER BALL: Well, we're
23 developing the guidelines as we speak. I
24 think we're all somewhat familiar with the

1 potential for ag in the classroom. But we're
2 going to work with Cornell, who runs that
3 program. Obviously we'll await the budget
4 being passed, develop the guidelines.

5 But I think what we're hoping to do is
6 connect, again, with school-age children,
7 which very much dovetails with our
8 Farm-to-School Program, to let people
9 understand at an early age the importance of
10 eating healthy and eating locally, and that
11 there are opportunities in agriculture. And
12 certainly we hope along the way to have
13 better health outcomes. So I think making ag
14 in the classroom a little more vital,
15 especially to our schoolchildren, is the way
16 to go.

17 ASSEMBLYMAN MAGEE: The FFA funding is
18 going to be used to help schools create a
19 program?

20 COMMISSIONER BALL: Yeah, we've had, I
21 think, at least 70 requests from schools who
22 had possibly had a program in the past and
23 lost it, or never had one, who have an
24 interest in establishing one.

1 So again, that planting of the seed of
2 the opportunity for a career in agriculture
3 is so important. And as I get around the
4 state and I visit our agricultural
5 businesses, our processing facilities, the
6 need for more workers, more skilled workers,
7 a higher level of training -- you know, we do
8 an excellent job when we get people at our
9 land grant system -- we get them at Cornell,
10 we get them at SUNY Cobleskill, et cetera.
11 We do a great job educating them and
12 preparing them for a career in agriculture.
13 But we need to get more of these young people
14 in the pipeline choosing this option.

15 ASSEMBLYMAN MAGEE: Okay. The farm
16 viability, the Governor proposed a cut. Do
17 you have any feeling for what kind of impact
18 that might have?

19 COMMISSIONER BALL: Well, he's
20 proposing the same level of funding as he did
21 in last year's Executive Budget. You
22 graciously added a substantial amount. I was
23 able to find some federal funding also to add
24 to that.

1 I think it's a great program. I like
2 it especially because it's farmer-managed.
3 They work in close contact with and
4 partnership with our land grant universities
5 to look at the right kinds of research that
6 we need on a farm to help farms be viable.
7 So I think it's a good program.

8 ASSEMBLYMAN MAGEE: Another area, the
9 Cornell rabies program, was reduced from
10 \$610,000 to \$50,000, and North Country
11 low-cost rabies was reduced entirely. What
12 effect will reductions in rabies funding have
13 on the amount of research and testing done,
14 and what effect will it have on rabies safety
15 across the state?

16 COMMISSIONER BALL: Well, clearly
17 rabies is a concern not just for farmers but
18 for everyone. So, you know, the Governor put
19 in the same amount of monies in that
20 direction as he did last year. You were
21 wonderful, the Legislature, in adding to it.
22 I would hope we'd have conversations about
23 that as we go through the budget process.

24 ASSEMBLYMAN MAGEE: One other area

1 that the Governor has cut is the migrant
2 workers program. Childcare for migrant
3 workers was reduced by \$1 million from last
4 year. What impact will reducing funding for
5 childcare for migrant workers have on the
6 agriculture sector? Does the department feel
7 that the program does not need to be
8 additionally funded?

9 COMMISSIONER BALL: The funding for
10 ABCD is continued at \$9 million. You added a
11 million dollars. And some of their funding
12 also comes from the Office of Children and
13 Families.

14 But again, the Governor has lined it
15 out at the same amount, and we would hope to
16 have a conversation about that as we go
17 through the process.

18 ASSEMBLYMAN MAGEE: Thank you,
19 Commissioner.

20 COMMISSIONER BALL: Thank you,
21 Assemblyman.

22 CHAIRMAN FARRELL: Thank you.
23 Senator?

24 SENATOR O'MARA: Senator Kaminsky.

1 SENATOR KAMINSKY: Good afternoon,
2 Commissioner.

3 On the South Shore of Long Island
4 there was a pretty notorious scandal recently
5 involving animal abuse, where there was a dog
6 trainer who someone took an undercover video
7 of him aggressively jabbing a caged dog. I
8 actually have a picture of it here so you
9 could see what people were seeing on their
10 televisions at night, and it really brought
11 shock and awe to a lot of people in the area.

12 And a lot of them came to me with the
13 question, how is it that people hold
14 themselves out as professional dog trainers
15 if there is no such licensing scheme? And
16 when I began to talk to people about this,
17 you know, obviously people's pets are
18 extensions of their families, if not outright
19 parts of their families. And they thought
20 that they were giving loved ones over to
21 people who had some type of professional
22 training or had some type of oversight where
23 someone was looking to make sure that they
24 were compliant with some type of standard.

1 And they were shocked to see none existed.

2 So I've put in legislation that would
3 have Ag and Markets do that. But certainly
4 there's a lot that you could do, short of
5 legislation, in terms of getting involved in
6 this area and whatever that may mean to you
7 in terms of making sure that this is not
8 happening.

9 So I just wanted to ask if you were
10 aware of it and see if you had any ideas that
11 would be able to protect our beloved pets.

12 COMMISSIONER BALL: Yeah, nothing will
13 strike at somebody's heart quicker than
14 watching that. You know, no animal, no dog,
15 certainly, or any animal, deserves to be
16 treated cruelly. And we do have laws to that
17 effect.

18 Currently our jurisdiction doesn't
19 cover obedience training facilities unless
20 they board the animals. Or grooming
21 facilities, for that matter. So I'm not sure
22 whether the jurisdiction would lie with the
23 Secretary of State or not. I'd have to look
24 into that.

1 We do monitor shelters and breeders,
2 and we do work with that population to make
3 sure there is sanitation and appropriate
4 safety measures, et cetera, in place there.

5 Enforcement of any challenges is done
6 by local law enforcement or local ASPCA. I'd
7 be happy to speak with you about that,
8 because one of our efforts that we have
9 ongoing is working with the ASPCA as well as
10 criminal justice to help identify what the
11 standards should be, what they look like, and
12 educating them on when they see animal
13 cruelty. But I'd be happy to speak with you
14 further about that.

15 SENATOR KAMINSKY: No, I appreciate
16 that. And I think the whole idea behind any
17 regulatory scheme would be to do something so
18 we're not at the point where the ASPCA and
19 animal cruelty is being discussed, so that
20 people know, you know, where the line is and
21 who has met some sort of rigor that they are
22 allowed to be given your animal.

23 So I'd love you to explore the
24 boundaries of your jurisdiction and what you

1 think could be done all in the name of
2 protecting our pets.

3 COMMISSIONER BALL: Understood. Thank
4 you, sir.

5 SENATOR KAMINSKY: Thank you for your
6 time.

7 CHAIRMAN FARRELL: Thank you.
8 Assemblywoman Jenne.

9 ASSEMBLYWOMAN JENNE: Good afternoon,
10 Commissioner. How are you?

11 COMMISSIONER BALL: Good afternoon.
12 Great to see you.

13 ASSEMBLYWOMAN JENNE: I have a quick
14 question about Taste NY before I get into the
15 meat of what I want to talk about. That's a
16 \$1.1 million line item. Is that for capital
17 or to start up new stores, or is that to
18 cover operating expenses of these stores?

19 COMMISSIONER BALL: Generally,
20 operating expenses, up and getting the
21 program working and facilitated in the area.

22 ASSEMBLYWOMAN JENNE: All right. I
23 assume we're looking at these stores to make
24 sure that they at least break even, or else

1 they wouldn't make sense to be operating it.
2 I drive by one on the Thruway every week
3 that's closed, has closed signs on it. So
4 I'm just wondering, you know, if that program
5 is working optimally at this point or if we
6 should take a look at that.

7 COMMISSIONER BALL: You know, it's
8 working exceedingly well. I'm not sure what
9 you're driving by. We should talk about
10 that.

11 ASSEMBLYWOMAN JENNE: It's at a lock.

12 COMMISSIONER BALL: Okay. E-13?
13 That's seasonal. Yeah, that one is seasonal.
14 That -- that's a new one. It's actually kind
15 of a nice story because that's operated by
16 the Montgomery County ARC. It's a
17 heartwarming story. They're doing a
18 marvelous job there.

19 But it's located next to the lock on
20 the Erie Canal. And that's why, there's a
21 seasonality there.

22 ASSEMBLYWOMAN JENNE: Okay. All
23 right, thank you.

24 I'd also like to join the concern of

1 my colleague Senator Ritchie about the local
2 assistance programs being lined out. We have
3 the North Country Farm-to-School program,
4 which I thought is a perfect complement to
5 the Governor's Farm-to-School Program. He
6 pays for training and equipment, primarily,
7 in your budget. But this actually gets money
8 to the schools so that they can purchase food
9 from farmers. So I hope that we'll be able
10 to have a discussion about increasing the
11 role of that type of program to ensure that
12 farmers are able to sell to the markets at
13 our schools.

14 But the bulk of what I really would
15 like to talk about is -- oh, I also have a
16 little note here that the Jefferson County
17 Fair is the longest continuously operating
18 fair, and they're celebrating their 200th
19 anniversary this year. So I'd like to give a
20 little shout-out for the local fair funding
21 and also for Jefferson County. Maybe you'll
22 be able to make your way up this summer.

23 COMMISSIONER BALL: Yup. Love to.

24 ASSEMBLYWOMAN JENNE: But my biggest

1 concern right now is the plight of our dairy
2 farmers. I know that there are some
3 proposals out there for farm investment tax
4 credits and for enhancing the minimum wage
5 tax credit. But at its base, my concern is
6 that the price of milk is so low that my
7 farmers can't even hire a minimum wage worker
8 that they probably desperately could use, and
9 I'm not sure how they're going to be able to
10 make a tremendous amount of investment in
11 their farm with the price of milk being so
12 low without having to essentially be run by a
13 bank.

14 And so, you know, as we talk about
15 helping our farmers get to market and
16 certifying New York's foods and those types
17 of things, and also looking at the Regional
18 Economic Development Councils' less than
19 super stellar record of trying to reboot the
20 upstate economy, I'd like our dairy farmers
21 to win the regional competition. I'd like
22 them to be able to win the \$100 million or so
23 of economic development funds. I'd like us
24 to fund a state premium payment to our

1 farmers for the quality of their milk, to
2 help adjust for the fact that they do not get
3 paid anywhere close to what it costs to
4 produce milk, that we know is a very
5 important part of anyone's diet.

6 I think we should be looking at a
7 quality premium that allows our farmers to
8 compete. I can't expect them to be able to
9 invest in their farms or to be sustainable
10 moving forward and pass their farms on to the
11 next generation of students that Chairman
12 Magee and you just had a discussion about, if
13 we don't do something to stabilize our dairy
14 farmers' bottom line.

15 We're at a crisis point. And, you
16 know, I think we've been searching for
17 something that will actually move the dial on
18 the upstate economy. When our dairy economy
19 is doing well, our communities are doing
20 well.

21 And I'm just wondering what your
22 thoughts are on looking at, you know, using
23 quality measures to invest in our farms.

24 COMMISSIONER BALL: Interesting

1 concept. Of course, we've used quality as a
2 measure through the co-ops for many, many
3 years. You know, it's a perplexing problem.
4 It's a difficult one. And it was certainly a
5 double whammy for our dairy farmers last
6 year, adding weather to the issue.

7 The dairy issue is not just a New York
8 issue, it's not just a Northeast issue, it's
9 a national issue and, in fact, even a global
10 issue. And, you know, they had a couple of
11 years ago the biggest year we'd ever seen,
12 the most amount of milk, the highest prices,
13 better margins. And it was followed by a
14 period where our exports dropped by a couple
15 of percents. China bought less milk, the EU
16 had a big year, New Zealand had a good year,
17 and suddenly we had an oversupply of milk,
18 which has led us into this difficult time
19 that we're in right now.

20 I talk to dairy farmers every day,
21 seven days a week. I come from a dairy
22 farmer family. And it's very challenging for
23 them right now.

24 We've taken on a couple of

1 initiatives. One is -- I meet with the
2 co-ops every year on a regular basis now. We
3 reformed the Milk Marketing Advisory
4 Committee, where we brought in not just the
5 co-ops, not just the processors, but also the
6 dairy farmers -- Cornell, experts in the
7 area, and consumers -- and talked about this
8 issue.

9 I have to say that, you know, the
10 general consensus of opinion is that we're
11 still in a good place in New York. We're
12 still in the right geography. We have good
13 land, we have good farmers, we have access to
14 water. And there's something about the
15 ingredients, the way we mix them together,
16 that we make awesome milk.

17 Surprisingly, the number of cows has
18 actually been very stable over the last four
19 or five years. It's actually that our
20 farmers are getting more milk from each one
21 of the cows.

22 So we have a crossroads. We do have a
23 challenge here. That Milk Marketing Advisory
24 Committee, we're going to keep meeting. We

1 met last fall. You know, and one of the
2 takeaways from that was we need continued
3 investment in the processing capacity inside
4 New York State to help utilize the milk that
5 we produce here in New York State. I
6 couldn't agree more.

7 And I think we have an opportunity
8 with the REDCs, as you brought them up. And
9 we have had some success in that regard. We
10 have invested a few hundred million dollars
11 over the last few years towards agricultural
12 products, through the REDC process. But it's
13 something I talk to Commissioner Zemsky about
14 on a regular basis. There are some pretty
15 interesting opportunities about to befall us
16 here with regards to processing. But we need
17 more opportunities to process the milk that
18 we have here in New York State.

19 We have the advantage of being next to
20 the biggest, most diverse marvelous
21 marketplace in the world. We need to take
22 better advantage of that. That's investment.
23 And I've told all our co-ops that, you know,
24 when they're ready to do something, we're

1 ready to assist them. And again, I'm
2 optimistic that we're going to get out of
3 this.

4 We do see the price of milk increasing
5 here as we go into this year. It's not going
6 to be anything stellar. It will get a little
7 above the cost of production for people. I
8 just think the glut worldwide and the trade
9 issues now -- we have additional concerns
10 about trade. You know, 25 percent of all our
11 dairy exports in the United States go to
12 Mexico, and now we have a question mark on
13 that trade arrangement. Last October, I
14 visited with the Tri-National Accord. I
15 represented New York State there, with the
16 rest of the commissioners from the country,
17 in conversations about NAFTA with Canada and
18 Mexico. Canada is seeking to exclude some of
19 our products through a new class system to
20 try to protect their dairy farmers. We spoke
21 very strongly about that. The Governor sent
22 a very strong letter to the prime minister in
23 that regard. You know, we don't need one
24 less place to go with our milk in New York.

1 And that alone is worth \$60 million worth of
2 milk just to New York State, that trade
3 situation there.

4 So we're watching all of these things
5 very closely, as you know. You have dairy
6 farmers in your neighborhood. But I think
7 long term we're going to be okay, and I'm
8 hopeful that we can invest in processing
9 capacity here in the state as the price
10 improves and our market conditions improve.

11 ASSEMBLYWOMAN JENNE: Well, I think
12 looking at quality and taking advantage of
13 our gold standard in quality in this state is
14 one sure way to ensure that our export
15 markets remain strong.

16 Thank you.

17 CHAIRMAN FARRELL: Thank you.

18 COMMISSIONER BALL: Thank you,
19 Assemblywoman.

20 SENATOR O'MARA: Senator Krueger.

21 SENATOR KRUEGER: Good afternoon,
22 Commissioner.

23 COMMISSIONER BALL: Great to see you.

24 SENATOR KRUEGER: So as I frequently

1 say, New York City residents, where I live,
2 love to eat the food grown in the rest of
3 New York State. So I'm always very
4 interested in what we're doing to expand the
5 opportunities.

6 So I think at the beginning of 2016,
7 the Governor announced the \$20 million for
8 the South Bronx Food Hub, to build a building
9 to support greater quantities of farm produce
10 and products coming into New York City for
11 both institutional sale and smaller-store
12 sale. How is that project going, and where
13 are we in the timeline?

14 COMMISSIONER BALL: Contracts, land
15 negotiations, plans being drawn up. It's a
16 very exciting project. It was really
17 heartwarming to be a part of that. I was
18 with the Governor in August in the South
19 Bronx, literally in view of the property.
20 It's been talked about for many, many years.
21 It was a project outlined in the Regional
22 Food Hub Task Force, which was co-chaired by
23 me and the deputy mayor of New York City.

24 And this is a 120,000 square-foot

1 facility, a refrigerated space, home for a
2 wholesale farmer's market, and really a great
3 destination for New York Grown & Certified
4 product to be found by restaurants and by
5 consumers alike.

6 But I think the thing that excites me
7 the most about that is, frankly, that
8 Greenmarket Co. last year, through their food
9 box program in the South Bronx, in parts of
10 Brooklyn, parts of Harlem, was able to move
11 350,000 tons of food. And that could easily
12 be a million if they had the capacity, and
13 here's the capacity.

14 SENATOR KRUEGER: Right. So what's
15 your estimated time for getting your new hub
16 up and running? Which I agree could increase
17 dramatically the quantity of food.

18 COMMISSIONER BALL: Sure. I think
19 we're going to look at getting the contracts
20 and the work done on the plans and being
21 ready to start building here late this fall,
22 early next spring.

23 SENATOR KRUEGER: And copackaging
24 facilities and other farm hubs to help

1 farmers aggregate their food for movement
2 around the state -- I know there's a number
3 of them that have started. Have those been
4 successful, and can those be replicated?

5 COMMISSIONER BALL: Sure. And
6 actually that Regional Food Hub Task Force
7 was kind of tasked with that mission. You
8 know, what are the market opportunities in
9 the city, whether it be Manhattan or Brooklyn
10 or the South Bronx or Queens, and how do they
11 need the product, what kind of product do
12 they need.

13 And then, looking upstate, where do we
14 have the capacity to produce that, what are
15 the obstacles to actually connecting the
16 dots? In many cases it's transportation. It
17 may be infrastructure, loading docks. And so
18 the food hub in the South Bronx is one
19 example of the infrastructure needed there to
20 distribute.

21 But also we're going to need it
22 upstate. We have a number of new food hubs
23 that have come online here in the last few
24 years. A lot of enthusiasm about food hubs.

1 We had a terminal market system all over the
2 state and all over the country for many
3 years, and I think reinventing those, making
4 them more efficient, learning where the
5 production is coming from but, more
6 importantly, who's the customer, is going to
7 be critical to the success of those food
8 hubs.

9 But I'm excited about the
10 opportunities, I really am.

11 SENATOR KRUEGER: And we talked about
12 a while ago my belief that the incredible
13 cultural diversity of people eating foods in
14 New York City called for New York State to be
15 more innovative in helping farmers know what
16 products would be successfully sold
17 downstate.

18 So one of the examples I gave you was
19 the fact that there are not enough
20 slaughterhouses in upstate New York that
21 actually do kosher or halal meats, and that
22 when I surveyed in the city, we're importing
23 our halal meats and our kosher meats from
24 other states. And it seems to me we're

1 really missing an opportunity for New York
2 State producers. So I'm wondering whether
3 you've had any success in expanding on that
4 program.

5 COMMISSIONER BALL: We certainly have
6 talked about it. I had a great conversation
7 with you, as you recall, on more than one
8 occasion. I think you're absolutely correct,
9 there's markets there that we have not
10 traditionally sought out or understood.

11 And that was one of the goals of the
12 upstate-downstate summit, was to come
13 face-to-face and build those relationships.
14 We like to think of food as being a food in
15 box business, but it's actually a
16 relationship business. You actually have to
17 have eye contact with people and build a
18 relationship and understand the quality.
19 They need to know that they don't have to
20 look in every single container to make sure
21 it's what it says it is, and a farmer doesn't
22 need to worry about whether or not he's going
23 to get paid for his product. Those are
24 relationship things.

1 And so largely our effort has been
2 connecting the dots by building those
3 relationships, helping our farmers that
4 produce, for example, beef upstate to know
5 what the opportunities are, not just
6 accepting an auction price.

7 SENATOR KRUEGER: And then quickly,
8 because I'm at zero, we had also talked at
9 one time about the state's pollination
10 protection plan and that there was a joint
11 task force, I guess between you and DEC. I'm
12 curious what kind of progress has been made
13 to ensure we're protecting our bees and
14 butterflies so that they can continue to
15 pollinate and our farmers can continue to
16 grow.

17 COMMISSIONER BALL: Yeah. Well, I'm
18 pretty happy to tell you that I think
19 New York State has one of the best pollinator
20 protection plans in the country. And I've
21 heard so from several other states and one
22 foreign country. We met, we came together
23 with a plan. I think we got you a copy of
24 that plan.

1 We outlined a couple of things, best
2 management practices for our farmers, best
3 management practices for our landowners, best
4 management practices for state-owned lands
5 and agencies, and best management practices
6 for beekeepers. Also we put some money
7 behind it last year, and we got some research
8 underway at Cornell. I got a briefing on the
9 extent of the research they've done so far,
10 and it's as we suspected. It's not just one
11 thing that's causing the issues, it's a
12 variety of things.

13 And one of the other benefits to the
14 funding was we were able to invest in tech
15 teams, Cornell Extension people going out,
16 visiting with beekeepers, commercial
17 beekeepers, analyzing their hives, helping
18 them understand exactly what's going on with
19 their hives and making some improvements
20 there. That was a \$500,000 investment in the
21 EPF. Some of that was money spent by DEC,
22 some of it with us.

23 But I'm excited at the progress. A
24 few eyebrows raised at what they're finding.

1 They haven't compiled all of the research
2 data yet, but it shows that there's far more
3 going on than what some people expected was
4 going on. It's very good research, it's
5 cutting-edge research, it's going to be
6 nationally recognized research. So it was an
7 effort well spent, and I think we're going to
8 have excellent results to show.

9 SENATOR KRUEGER: Thank you.

10 COMMISSIONER BALL: Thank you,
11 Senator.

12 CHAIRMAN FARRELL: Thank you.

13 Assemblywoman Woerner.

14 ASSEMBLYWOMAN WOERNER: Thank you,
15 Mr. Chairman.

16 Thank you, Commissioner. It's always
17 a pleasure to see you.

18 COMMISSIONER BALL: Great to see you.

19 ASSEMBLYWOMAN WOERNER: I've got a
20 number of questions, and I'll start with -- I
21 noticed that the Governor has included new
22 language in his budget related to beginning
23 farmers and connecting farmers looking for
24 land with non-farming landowners. Will you

1 need additional staff and resources to carry
2 out these initiatives?

3 COMMISSIONER BALL: I don't think so.
4 We've looked at our staffing and the people
5 who were already dealing with the issues in
6 the office, and I think between what we have
7 here in Albany and what we have in Western
8 New York and with the additional personnel we
9 have in our New York City office, that we can
10 be effectively kind of a one-stop shop.

11 With that regard, we identified the
12 challenges there as access to land, access to
13 capital, access to training in some cases,
14 but also more importantly, I think for me,
15 was the opportunity to navigate through those
16 systems. Who's got what, where am I entering
17 the system, you know, I have money I don't
18 have land, et cetera.

19 So I think we're going to be able to
20 accomplish that and help connect the dots
21 much faster without additional funding.

22 ASSEMBLYWOMAN WOERNER: Would you work
23 with organizations like Cornell or farm
24 groups or land trusts that are already sort

1 of in this space to aid you in this effort?

2 COMMISSIONER BALL: Oh, absolutely.

3 Absolutely. We need the land trusts in a
4 very big way, because they have a very good
5 pulse on some of the land that's available.
6 They're very good at land acquisitions. As
7 you know, you've got some very active land
8 trusts in your neighborhood in the
9 Hudson Valley, and statewide with American
10 Farmland Trust.

11 We've also taken on a practice of
12 every year bringing in all the stakeholders
13 that are in that sphere and sitting down and
14 talking about the process, the system, what
15 we can do to help it work better. But the
16 biggest thing is to have a consistent source
17 of funding, make it a regular program, and
18 the Governor has once again put \$20 million
19 in our budget for that.

20 I know everybody would like it to work
21 a little faster. I agree, but I think the
22 most important thing is to have consistent
23 funding and dedication to it so that it
24 becomes easier for the land trusts, easier

1 for us, but more importantly becomes a tool
2 that's in a farmer's mind so that when they
3 enter into the process, they're kind of ready
4 to go into it.

5 ASSEMBLYWOMAN WOERNER: Thank you.

6 My next question, I'll turn my
7 attention to the Taste NY program. How many
8 producers are currently participating in the
9 program, and what are your plans for
10 expanding the number of producers?

11 COMMISSIONER BALL: Over 1100
12 producers last year participated in Taste NY,
13 which I think is amazing. And they're local
14 to the Taste NY store that they're working
15 out of. Some of them are big enough to be
16 statewide, but many of them are local to
17 where that particular Taste opportunity is.
18 So we want to continue doing that.

19 The Governor's excited about welcome
20 centers. I don't know if you had a chance to
21 get to Long Island to see the Long Island
22 Welcome Center, but it's absolutely amazing.
23 That's a tourism and an agricultural
24 touchstone right there. And that kind of

1 contact with that many people is just
2 extraordinary.

3 ASSEMBLYWOMAN WOERNER: I think it's
4 terrific. The question is how many -- how do
5 the producers connect with the program so
6 that more producers can participate?

7 COMMISSIONER BALL: Sure. Typically
8 in this -- our banner Taste NY operations --
9 Todd Hill for example, the first one that I
10 got to cut a ribbon on, there's over 50
11 producers in that area. Dutchess County
12 Cooperative Extension manages that. They
13 have a relationship with the grower
14 community, and they're local to that grower
15 area. So I think that's the best vehicle to
16 do that.

17 We've had great success with Cornell
18 Cooperative Extension because they are in
19 every county and they have the relationships
20 with the growers. Couple that with the
21 New York Grown & Certified and our contact
22 with producers that meet those criteria, and
23 I think we're able to find the producers.
24 And again, over 1100 of them last year. We

1 sold over \$13 million worth of product.

2 ASSEMBLYWOMAN WOERNER: Terrific.

3 Thank you.

4 Different topic: hops and barley. We
5 have an explosion of the farm brewery
6 licenses, and the increase in the local
7 contents requirement will increase over the
8 next several years. We continue to have a
9 dearth of hops and barley grown in this
10 state, and I -- can you speak to incentives
11 or supports to farmers to make the investment
12 in those crops and then, on the other side,
13 the enforcement to ensure that the licensees
14 are in fact meeting their requirement to buy
15 local?

16 COMMISSIONER BALL: Sure. It's
17 exciting to be a part of this. For me, since
18 I walked in the door on my Day One, I think
19 the industry has grown 178 percent. It's
20 just mind-blowing. And we have no idea where
21 the top of that market is, except that we
22 haven't seen it yet.

23 It's wonderful, but it does create
24 some challenges -- but some wonderful

1 opportunities -- for our growers. I had a
2 distiller come to me and say he wanted me to
3 find him 1,000 acres of rye to keep his
4 distilling business going. And we have
5 certainly producers who grow rye. We have
6 double the acreage in hops, but we're still
7 just scratching the surface of what we need.
8 And with regards to barley, we need
9 significantly more investment in barley
10 acres. So it's a little bit of a learning
11 curve for a lot of our growers.

12 We've been working very closely with a
13 craft beverage group, bringing in, for
14 example, maltsters and brewers and Cornell,
15 looking at varieties and evaluating
16 varieties. Before Cornell is comfortable
17 with endorsing a variety, they need to see
18 about three years of research to feel
19 comfortable.

20 So we're advancing all of those things
21 just as fast as we can. It is creating a
22 real challenge for us to meet the demand of
23 this growing industry, but we're feeling
24 pretty good about it. Of course, throw in

1 weather, throw in all the other things that
2 come at you -- but I think we're in a good
3 place.

4 ASSEMBLYWOMAN WOERNER: I'll just
5 quickly echo my colleague Senator Ritchie on
6 expanding the minimum wage tax credit to help
7 farmers meet their rising labor costs.

8 And I will conclude by saying thank
9 you so much for highlighting the importance
10 of the equine industry in my district this
11 summer, and supporting the thoroughbred
12 industry. It's a big part of our
13 agricultural economy, and I appreciate your
14 bringing attention to it and your support for
15 that. Thank you.

16 COMMISSIONER BALL: Thank you so much.

17 SENATOR O'MARA: Thank you.

18 I guess I'm next.

19 Commissioner, thank you for being here
20 this afternoon. It's a pleasure to be with
21 you.

22 COMMISSIONER BALL: It's great to see
23 you.

24 SENATOR O'MARA: I want to assure

1 Senator Krueger that we are leading the way
2 in New York State in our pollinator
3 protection. The work being done at Cornell,
4 which we're fortunate to have in the Senate
5 district I represent, is leading the way
6 globally on this issue. And the resources
7 devoted last year, a half a million dollars,
8 are going a long way to do that. So I thank
9 your department's involvement in that process
10 as well as Cornell University, and I get
11 regular updates on that as well.

12 I also want to thank you for coming
13 out and touring the drought in the Southern
14 Tier and Finger Lakes region this summer. I
15 am disappointed in the budget to not have any
16 direct relief in there for our farmers that
17 sustained these severe drought conditions
18 over this summer, and I'm wondering if you
19 can shed some light, Commissioner, on where
20 you stand in evaluating what losses there
21 were by a variety of farmers throughout that
22 region last year. I know it impacted dairy
23 farmers differently than it impacted crop
24 farmers. Some crops made out okay, some did

1 not.

2 Where are we in evaluating what that
3 loss was, and how come there are no
4 recommendations in the budget to provide
5 direct relief to the farmers for those
6 impacts?

7 COMMISSIONER BALL: Sure.

8 Well, I'm sorry to say that I dug out
9 some potatoes in your neighborhood and then
10 went back to my farm and saw the same size
11 potatoes. You know, potato yields across the
12 state, for example, in many cases were about
13 a third of what they should have been, a
14 third to a half. Size was off in the hot and
15 dry.

16 For dairy farmers, I know it was a
17 double whammy. In many cases forages were
18 25, 30 percent of what they should have been
19 at each cutting. We saw a lot of grain corn
20 cut. I don't have exact numbers on all those
21 things; those are things that our partners at
22 NAS -- Ag Statistics -- accumulate, and we'll
23 have some information on that shortly. But
24 there was no question that it was a real

1 challenge.

2 I know that virtually every county in
3 the state was impacted by the hot and dry
4 weather last year. Many of them declared
5 disaster areas. And even in the wintertime,
6 we're still experiencing drought situations
7 of low groundwater tables, et cetera. But
8 we're down to where as recently as a month
9 ago, 40 percent of our counties were
10 suffering and still had some sort of drought
11 effect. It's now down to 25 percent that are
12 affected, and we're getting up to normal
13 snowfall in this area. So I don't have the
14 exact numbers for you.

15 I can't date it exactly correctly, but
16 we will work with NAS, we will work with
17 Farm Credit on accumulating that information.
18 Clearly we don't want to do that again.

19 Going forward, you know, we do have in
20 our climate resiliency budget -- there's
21 \$2.5 million there to help with the water
22 management, irrigation systems, and whatnot.
23 And our CS has got some funding available to
24 locate and allocate water sources, resources

1 on farms. We'll just have to look in all
2 those areas as we can.

3 FSA basically can't do much other than
4 the low-interest loans. Or if a farm lost
5 some livestock, there's some indemnification.
6 But it clearly shows some gaps in our crop
7 insurance system, especially for the
8 vegetable industry.

9 SENATOR O'MARA: Wouldn't it be wise
10 on our part in this budget process to
11 allocate some resources for that? Once we
12 get through the budget, there won't be a
13 mechanism for us to do that until a year from
14 now.

15 COMMISSIONER BALL: Yeah.

16 SENATOR O'MARA: So, you know, I guess
17 I'm looking to you for some kind of input.

18 COMMISSIONER BALL: Yeah.

19 SENATOR O'MARA: I don't know whether
20 that's a wise direction to take or how to
21 quantify what would be a reasonable amount to
22 set aside to provide some relief.

23 COMMISSIONER BALL: Sure. You know,
24 I've heard some discussion. I'd be happy to

1 explore it with you further. I've heard some
2 discussion about loan guarantees, you know,
3 some farms just need a little bit of funding
4 to get through, to get over the hump and get
5 back into production. They're having a hard
6 time paying their bills, whether they be
7 dairy farmers or crop production farmers, and
8 some guarantee function -- that's been talked
9 about, discussed.

10 I haven't seen any formal proposal on
11 that, but guaranteeing a loan to help tide a
12 farmer through is something that's been
13 suggested, and it's certainly an available
14 tool for beginning farmers with their
15 existing banks. Sometimes it's been
16 guaranteed by the Farm Service Agency. I'd
17 be happy to discuss the idea of the state
18 doing that, and it would take a little bit of
19 funding. But as I think our investment
20 through our soil and water districts and
21 climate resiliency and our efforts with
22 promotion that our soil and water guys are
23 doing so well is our best current avenue.

24 SENATOR O'MARA: Thank you.

1 With regards to a couple lines in the
2 budget relative to agritourism, I believe
3 there's a line in general for agritourism for
4 \$1.45 million, and another line for marketing
5 and advertising expenses related to
6 agritourism for \$850,000. Can you describe
7 what those two lines are expected to support?

8 COMMISSIONER BALL: Okay. That's in
9 the state operations budget.

10 SENATOR O'MARA: I have --

11 COMMISSIONER BALL: Okay, that's a --

12 SENATOR O'MARA: I don't have them
13 broken out here in front of me, but I've
14 got -- there was two different lines.

15 COMMISSIONER BALL: Okay. The
16 \$850,000 one is Taste NY promotion.
17 Actually, they're both Taste NY and tourism
18 intertwined there.

19 So Empire State Development, of
20 course, our colleagues over there, handle I
21 Love NY and the promotion of tourism. And
22 the synergy between what we're doing in Taste
23 NY and what they're doing to promote tourism
24 around our state -- we actually have some

1 funding coming from three different lines for
2 Taste NY. We have some in our budget to help
3 facilitate getting stores up and running, but
4 the bulk of the money comes through Empire
5 State Development, with the tourism angle and
6 the idea of getting more people moving around
7 the state. And to help with marketing.

8 SENATOR O'MARA: No specific criteria
9 or programs you're looking at funding with
10 those dollars?

11 COMMISSIONER BALL: Development of the
12 welcome centers is certainly a big part of
13 that for Empire State Development. That
14 \$850,000 would largely be directed towards
15 the welcome center component.

16 SENATOR O'MARA: Are those uses of the
17 welcome centers something that's permitted by
18 the federal government and the issue that
19 we've run into with the signage along the
20 interstates and certain functions at the rest
21 areas?

22 COMMISSIONER BALL: Yes. There are
23 some challenges with the Federal Highway
24 Administration currently about some of that.

1 Actually, the Federal Highway Administration
2 asked for comments about that existing
3 statute, which has been on the books for 40
4 or 50 years, I think.

5 And, you know, the intentions
6 originally for the statute as it exists were
7 to make sure that federal highways didn't
8 steal business from main streets. But I
9 think we're having quite the opposite effect
10 with our Taste and welcome centers. We're
11 actually driving people to main streets by
12 giving people a taste.

13 And so we did comment, and many other
14 states in the country did as well. I raised
15 it with all the commissioners around the
16 country about updating that. In the
17 meantime, we will comply with the federal
18 highway rules about it, but certainly
19 promoting products wherever we have a chance
20 to interact with people, and in many cases
21 that's not on a federal highway system. We
22 need to do it, and we need to do more of it.

23 SENATOR O'MARA: One last area I'd
24 like to ask you about, and that's with

1 regards to the State Fair and an allocation
2 of \$50 million in capital fund appropriations
3 this year.

4 Over the last couple of years we've
5 invested a lot into the state fairgrounds,
6 and that's been important work that's been
7 done. What is the need for this additional
8 \$50 million? And, you know, where do we
9 stand on what's left or hasn't been spent
10 from the prior allocations that we've done in
11 the last couple of years?

12 COMMISSIONER BALL: Yes. Well, it was
13 great to be with you at the State Fair. And
14 I think you saw from the Governor and from
15 some of your colleagues that day that there
16 was a lot of enthusiasm about the changes at
17 the State Fair. By all accounts, it was a
18 successful investment. As you know, we fixed
19 up the front gate and overall changed the
20 appearance and feel of the fair. There was a
21 lot of enthusiasm that day, and he was
22 encouraged by some of your colleagues that we
23 should do more. And he turned around and
24 looked at me and looked at the county

1 executive and some of your colleagues and
2 said, "Well, if we were going to do more,
3 tell me what it would be. If you had another
4 bite at the apple, if you had another source
5 of funds, what would you do differently going
6 forward?"

7 And so we put together a task force
8 and we brought in some experts and we looked
9 at it and we gave him, the Governor, a report
10 right about Christmastime. And he said if he
11 liked the plan, he would put in the budget
12 another \$50 million.

13 He liked what he saw. We wanted to
14 continue some of the projects that we had
15 thought about, dreamed about in the first
16 phase, which included moving people around
17 inside the fairground from one end to the
18 other end, developing more of the New York
19 experience with the hybrid building where we
20 could hold horse shows, where we could hold
21 trade shows, meetings, the opportunity for an
22 approximately 80,000-square-foot building
23 that could meet lots of needs, and overall to
24 have the fair be a resource for Central

1 New York, more than just 12 or 13 days out of
2 the year when the fair was going on.

3 He liked that very much, and then a
4 very exciting idea of a gondola connecting
5 the amphitheater, which is up near the orange
6 lot, to the fairgrounds. Something that --
7 not just to move people around at fair time,
8 but something that would become a destination
9 and an exciting attraction for Central
10 New York.

11 So coupled with that, our Department
12 of Transportation came up with some thinking
13 about alleviating some of the traffic
14 concerns. When you attract 1.1 million
15 people to come visit you in a short period of
16 time, it creates some concerns, and on 690
17 those are backups, parking, et cetera. They
18 were able to come in with some reappropriated
19 funds to help alleviate some of those things.

20 So overall, over the last couple of
21 years, we're looking at a pretty substantial
22 investment in Central New York. I think it
23 serves as a platform for the growth of
24 upstate New York and kind of a metaphor for

1 what upstate investment should look like.

2 SENATOR O'MARA: What portion of that
3 \$50 million is for the proposed gondola?

4 COMMISSIONER BALL: I think
5 approximately \$16 million.

6 SENATOR O'MARA: How do attendees get
7 from the fairgrounds to the amphitheater at
8 this point in time?

9 COMMISSIONER BALL: That's a good
10 question. They can walk. They have put
11 together shuttle buses to get people up to
12 the orange lot. I don't know if you've
13 parked in the orange lot, but it's gravel,
14 it's a little bit uneven. When it rains,
15 there's a loss of parking areas.

16 The amphitheater is clearly a great
17 asset to the region, and clearly there's an
18 opportunity for a continued synergy between
19 the fair and the amphitheater, and I think we
20 need to capitalize on that. But currently
21 it's a little awkward to get back and forth.
22 We need to make it easy for people so that
23 it's an enjoyable experience.

24 SENATOR O'MARA: Yeah, because you

1 pretty much have to cross a four-lane road,
2 correct?

3 COMMISSIONER BALL: You're crossing
4 690, and it's a hike. It's over a mile.

5 SENATOR O'MARA: Yup.

6 Have you benchmarked this type of
7 spending against other states in the country
8 on their fairground premises, and where do we
9 stand in where other investments -- states
10 are making in their state fairs?

11 COMMISSIONER BALL: We have.
12 Actually, we have one of the top five state
13 fairs in the country. I visited three other
14 state fairs in my history as a farmer. And
15 we did bring in a consultant who has worked
16 with many other state fairs.

17 Some of the fairs have taken the same
18 tack of trying to expand the use of their
19 fairgrounds like we are doing, and we are
20 right in line with the kind of investment
21 that they're doing. Some states have done a
22 little less, some have done a little bit
23 more. But from my standpoint, to have
24 invested \$120 million in that region is

1 unbelievable.

2 SENATOR O'MARA: Thank you,
3 Commissioner. It continues to be a pleasure
4 to work with you and your hands-on approach,
5 getting around the state very frequently. We
6 do appreciate that.

7 COMMISSIONER BALL: Oh, thank you for
8 your hospitality.

9 CHAIRMAN FARRELL: Assemblywoman
10 Paulin.

11 ASSEMBLYWOMAN PAULIN: Does this work?
12 Is it working?

13 UNIDENTIFIED MALE VOICE: Yes, we've
14 got you.

15 ASSEMBLYWOMAN PAULIN: Welcome. I'm
16 happy to be here to listen to your
17 presentation.

18 I have just one question regarding the
19 Fuel NY program. In the past that program
20 was funded by NYSERDA, and this year we saw a
21 transfer of \$150,000 to your department. And
22 I wondered, is that a new responsibility?
23 And why -- why the transfer occurred this
24 year, if not.

1 COMMISSIONER BALL: Yes, thank you for
2 the question. That's been since, obviously,
3 Hurricane Irene and Sandy. The needs down
4 there are unbelievable. It's been a
5 partnership since the beginning with NYSERDA
6 to try to find stations, get them the
7 transfer switches and the generators that
8 they need to be able to service the
9 population down there.

10 So the relationship with NYSERDA is
11 not new at all. The transfer of funds is
12 just to help us facilitate the generators and
13 the switches, getting them in place, and
14 working with the gas stations that are
15 participating, that have been identified. I
16 believe now we're over 900 stations in that
17 area that are successfully ready to go.

18 ASSEMBLYWOMAN PAULIN: So did the
19 department bear that cost before? You know,
20 what is the -- is there any -- you're saying
21 that the relationship has been ongoing and
22 the work has been ongoing, so what's the
23 rationale for the transfer?

24 COMMISSIONER BALL: I'd have to dive

1 into that.

2 Lisa? Sorry.

3 The funding has not come through the
4 department traditionally. It was intended to
5 be short term, thought it would be
6 short term, but because it's been ongoing and
7 there've been more stations involved -- and,
8 you know, then additional funding needed to
9 be transferred. But it hasn't been our
10 responsibility for the funding.

11 ASSEMBLYWOMAN PAULIN: Thank you.

12 COMMISSIONER BALL: Thank you.

13 SENATOR O'MARA: Senator Krueger with
14 one more question.

15 SENATOR KRUEGER: Thank you.

16 I ran out of time before. Sorry, let
17 me just read this one sentence to you.

18 Excuse me. Well, actually I lost it now.

19 But a recent report by the National
20 Farm Bureau Institute said that there are
21 between 1.5 to 2 million farmworkers in this
22 country, of which 50 to 70 percent don't have
23 legal status. Do you -- I have no reason to
24 believe it's any different in New York than

1 the national data. So what's the potential
2 impact on New York State agriculture if we
3 start to see massive deportation of
4 undocumented people, a disproportionate
5 number of them working in the farm sector?

6 COMMISSIONER BALL: The potential
7 impact is very significant. I believe
8 New York is probably representative of the
9 same numbers that you have quoted there.

10 Unfortunately, because of the failure
11 of our national government to develop a guest
12 worker program, we're essentially enabling a
13 black market in moving people illegally into
14 the country. Things are very tough in
15 South America. People don't have a source of
16 income. Five dollars a day is a wage that
17 people have gotten used to in some areas
18 there, and there's threats to their families
19 from some of the corruption and the crimes
20 that are going on.

21 So this is a real concern. People are
22 looking to find a job, any kind of job, to
23 feed their families. And so there's an
24 opportunity to buy a driver's license, buy a

1 Social Security number, and come into the
2 country illegally and find a job. We know
3 that that's the case around much of
4 agriculture. Agriculture's actually the
5 poster child for this, but it's actually
6 largely employment in construction,
7 restaurants, and hospitality where the
8 biggest numbers of people are.

9 So we need to wrestle with this, and
10 there needs to be -- and the Governor has
11 pointed this out on numerous occasions -- a
12 pathway to legal status for people who are
13 here, in many cases who came here as children
14 and have gone to our high schools and gone to
15 our colleges and are now making a living.

16 It's a concern, something that the
17 country has got to come to grips with. I
18 know the new administration has come in, I
19 know the Prime Minister from Canada is
20 talking today with him. Canada has put
21 together a program and figured this out. But
22 we need more workers in our businesses in the
23 country. We need skilled labor, and it's a
24 problem on a national level that we need to

1 reconcile.

2 SENATOR KRUEGER: But you agree that
3 if we were to lose a mass number of the
4 farmworkers in this state, farmers would have
5 a crisis with this. They would have no one
6 to pick their crops and get them to market.

7 COMMISSIONER BALL: Sure. It would be
8 very challenging.

9 There's a couple of odd things that
10 juxtaposition here. You know, one is that
11 it's suspected up to 50 percent of the
12 workers may not have legal papers to be here.
13 So if they were suddenly not here, that would
14 mean half the workforce was not here.

15 The second thing is the level of
16 unemployment between 18- and 24-year-olds is
17 18 percent, and to me that's intolerable. We
18 need to get our young people working, which
19 is why the FFA conversation, the Ag in the
20 Classroom conversation, the continuing
21 education, getting those people in our
22 pipeline to find careers in agriculture is so
23 critical. So we need to wait and see what
24 our national posture will be. But I'm

1 hopeful that we have an opportunity in the
2 face of this crisis to go forward.

3 SENATOR KRUEGER: Thank you. Thank
4 you, Commissioner.

5 COMMISSIONER BALL: Thank you.

6 CHAIRMAN FARRELL: Thank you.

7 SENATOR O'MARA: Thank you,
8 Commissioner. We're all set.

9 COMMISSIONER BALL: Oh. I appreciate
10 all your work. Thank you so much.

11 SENATOR O'MARA: Next up, we have our
12 12:30 p.m. agenda witness.

13 (Laughter.)

14 SENATOR O'MARA: Chairwoman of the
15 New York State Public Service Commission,
16 Audrey Zibelman.

17 (Conversation off the record.)

18 CHAIRWOMAN ZIBELMAN: I brought lunch.

19 SENATOR O'MARA: Should we say, "Good
20 day, mate"?

21 CHAIRWOMAN ZIBELMAN: Good day. Good
22 day.

23 SENATOR O'MARA: You may proceed when
24 you're ready.

1 CHAIRWOMAN ZIBELMAN: It could be
2 worse. It 4:30 in the a.m. somewhere.

3 SENATOR O'MARA: Right.

4 (Laughter.)

5 CHAIRWOMAN ZIBELMAN: Good afternoon,
6 Senator Young, Chair Farrell, and the other
7 distinguished members of the committee. My
8 name is Audrey Zibelman, and I'm CEO of the
9 Department of Public Service and chair of the
10 Public Service Commission.

11 The department, as you know, ensures
12 the safe, reliable, and affordable access to
13 electric, gas, steam, telecommunications, and
14 water services for all New York consumers,
15 and advises the PSC on a wide range of
16 decisions, ranging from setting rates and
17 protecting consumers to siting infrastructure
18 and reviewing mergers.

19 Our top priorities this year will be
20 to continue Governor Cuomo's efforts to
21 modernize our utility systems. We are
22 implementing the Clean Energy Standard to
23 meet 50 percent of our electricity needs from
24 renewable resources by 2030, and value the

1 carbon-free benefits of the upstate nuclear
2 fleet. Our utilities are investing in their
3 networks so we can use distributed energy
4 resources like solar and storage better to
5 reduce consumer costs and improve resiliency.

6 Our utilities are working with
7 municipalities to make street lighting more
8 efficient, support community-based
9 distributed generation and energy supply
10 options, thereby lowering municipal costs and
11 setting the stage for smarter cities. We've
12 adopted the state's first ever Energy
13 Affordability Policy, which will provide
14 nearly 2 million low-income New Yorkers with
15 utility discounts. And we are targeting
16 clean energy solutions to low-income
17 households, demonstrating that clean energy
18 and affordability go hand-in-hand.

19 That is the essence of the Governor's
20 Reforming the Energy Vision, or REV: Using
21 demand reduction and clean energy solutions
22 as a core strategy to meeting energy needs.
23 Past approaches resulted in an inefficient
24 system. REV will introduce cutting-edge,

1 modern technology in our utility system,
2 which will result in more customer choice, a
3 cleaner and more resilient grid, and a more
4 cost-effective means to achieve our
5 reliability and climate change objectives.

6 REV principles have been and will
7 continue to be folded into utility rate cases
8 as a means to stabilize rates. In 2016,
9 there were seven major rate cases decided by
10 the PSC. The utilities requested rate
11 increases totaling nearly \$685 million, but
12 through the department's rigorous review
13 process, the PSC reduced those requests by
14 \$245 million, a 35 percent reduction. We
15 will also represent New Yorkers at the
16 Federal Communications Commission and the
17 Federal Energy Regulatory Commission, where
18 decisions can have profound impact on
19 New York consumers. Last month, for example,
20 we secured a victory at FERC that reduced
21 energy costs in New York by \$160 million per
22 year.

23 The state budget will also provide
24 rate relief. In 2014, the enacted budget

1 included a three-year phase out of the
2 Temporary Utility Assessment, saving
3 ratepayers \$775 million through the current
4 fiscal year. On March 31, 2017, the
5 assessment will expire, and save ratepayers
6 \$122 million in fiscal year 2018.

7 We will continue to focus on gas
8 safety, among our most important
9 responsibilities. We've strengthened our gas
10 safety regulations, accelerated the
11 replacement of older pipelines, and will
12 continue our vigorous oversight of gas
13 utilities.

14 As a result of Governor Cuomo's Clean
15 Energy Standard initiative, applications to
16 construct renewable energy facilities have
17 accelerated. As of January 2017, there were
18 17 wind farm proposals totaling nearly 30,000
19 megawatts pending before the Board on
20 Electric Generation Siting and the
21 Environment, which I chair. This development
22 activity will spur clean energy jobs, provide
23 new revenues to local governments -- but not
24 all projects, as you know, are being greeted

1 with open arms. Our process gives local
2 communities opportunities to be heard, and
3 our siting rules ensure negative siting
4 impacts are addressed.

5 In the telecommunications sector, we
6 will oversee substantial investment in
7 broadband buildout, helping achieve the
8 Governor's vision for universally available
9 broadband. As part of our recent approval of
10 cable mergers, we required substantial
11 investment in broadband infrastructure,
12 increasing broadband speeds, and new
13 low-income broadband programs throughout
14 New York.

15 Next year, reforming the ESCO market
16 will be a priority. As many of you know,
17 utility customers can sign up with energy
18 service companies, or ESCOs, to supply them
19 with energy. We have heard complaints from
20 many consumers and their representatives
21 about ESCOs grossly overcharging and using
22 deceptive marketing practices.

23 Our focus will be in three areas. We
24 are prohibiting ESCOs from serving low-income

1 customers in New York; we are thoroughly
2 exploring larger ESCO market reforms to
3 better define what services are of value to
4 consumers, give consumers more information to
5 make better choices, and remove opportunities
6 for ESCO abuses; and third, we will hold
7 individual ESCOs accountable if existing
8 rules are violated.

9 Last year we secured \$4 million in
10 consumer refunds from ESCOs. We have
11 revitalized our complaint-handling process
12 and our public outreach efforts to maximize
13 public involvement in our proceedings. Last
14 year our agency answered more than
15 60,000 complaints, including more than
16 53,000 calls. We received and reviewed
17 nearly 32,000 written public comments, more
18 than 600 a week on average. We held
19 84 public statement hearings that were
20 attended by thousands of people.
21 Transparency and public involvement remain an
22 integral component of our work.

23 The fiscal year 2017-2018 Executive
24 Budget continues support of \$87.1 million for

1 operations, \$3.04 million for cable TV,
2 \$5.75 million for intervenor funding, and
3 \$5.5 million for federal funds, or
4 \$101.4 million in total. The full-time
5 equivalent position count is expected to
6 remain at 520, the same as the current state
7 fiscal year. We are well-positioned to
8 deliver our core mission and continue the
9 Governor's ambitious agenda.

10 This concludes my brief overview of
11 the key initiatives and budget drivers for
12 the upcoming year. I welcome your questions.

13 Thank you.

14 SENATOR O'MARA: Thank you,
15 Chairwoman.

16 (Interruption by protestors.)

17 SENATOR O'MARA: Thank you.

18 Senator Krueger has a question.

19 SENATOR KRUEGER: Hi.

20 CHAIRWOMAN ZIBELMAN: Good afternoon.

21 SENATOR KRUEGER: It's nice to see
22 you. Our loss will be Australia's gain. I
23 don't know if you're going to like it down
24 there.

1 CHAIRWOMAN ZIBELMAN: It's hot, I
2 understand.

3 SENATOR KRUEGER: So I'm delighted to
4 hear you're continuing your focus, or PSC
5 will continue their focus, on reining in and
6 limiting ESCOs, because, as you know, that
7 has been one of my issues for many years.
8 They're ripping off people and increasing
9 rates, even as they claim that they're not.

10 I know that they have countered with a
11 lawsuit or two. Can you tell me what the
12 status of those cases are and where we are?

13 CHAIRWOMAN ZIBELMAN: Sure. So there
14 are -- there have been a couple of lawsuits.
15 So this is what's going on. So there's one
16 set of lawsuits that is looking into the
17 commission's authority to rein in rates.
18 That's on appeal, and we're pursuing that.

19 The second set of litigation was
20 concerning -- and this is not sort of legally
21 specific, but one of the things that the
22 commission did was we said that we really
23 don't want ESCOs to serve low-income
24 consumers who are on some form of either

1 ratepayer assistance from the utilities or
2 federal assistance, because it made
3 absolutely no sense to us for low-income
4 folks to pay more for electricity than they
5 would pay for the utilities because that just
6 ate into the subsidy that was otherwise
7 available.

8 They sued on that, and they're -- and
9 what -- that suit was on a procedural issue
10 in terms of SAPA. The commission just went
11 ahead and reissued the SAPA and had
12 additional proceedings and ruled on it in
13 December, but the ESCOs are claiming that was
14 also inappropriate for us to act, so we're
15 litigating that.

16 In the meantime, we've started our own
17 administrative proceeding on the portion of
18 the order about just what are the rules. And
19 here's the crux of it. When the commission
20 looked at deregulation in the 1990s, the
21 expectation was that ESCOs would come in and
22 they would offer services in addition to just
23 electricity and gas services, things like
24 energy efficiency or pricing schemes that

1 would give people some budget guarantees or
2 certainty. And we just weren't seeing that
3 develop.

4 We also have the real concern to make
5 sure that customers, when they're buying from
6 ESCOs, have the ability to say, Is this a
7 fair price or not? So we have to look at
8 what's a fair reference price.

9 I mean, think about it, we're all
10 consumers, we go to the drugstore, we see
11 10 different versions of ibuprofen, we see
12 the various prices, we can make a decision:
13 Do we want to buy the brand, do we want to
14 buy this, do we want to buy that? But
15 everything's there. It's transparent.

16 If we go buy a car, we go online now,
17 we take a look at the car prices, we see what
18 different people are charging for the car.

19 That's where we want to drive this
20 market, so that we have consumers with energy
21 literacy, they know what they're looking for,
22 and we're ensuring as the regulator that what
23 people are telling people they're charging is
24 what they're going to charge.

1 So the proceeding at the commission is
2 really to try to get the rules right around
3 how to manage these markets.

4 In the meantime, we've been very
5 aggressively looking at all the ESCOs to see
6 ones that have complaints, to review those.
7 And we've also been reviewing all of them to
8 see their procedures. So we're -- it's sort
9 of a three-pronged attack. We're defending
10 ourselves in court, we're continuing to work
11 to try to get the rules right, and we're
12 aggressively going after ESCOs for
13 misbehavior.

14 I want to say, too, that there are a
15 number of --

16 SENATOR KRUEGER: You know what, I'm
17 actually going to stop you, only because I
18 only have five minutes.

19 CHAIRWOMAN ZIBELMAN: Yeah, yeah, I'm
20 sorry. Okay. All right.

21 SENATOR KRUEGER: And I have more
22 questions.

23 CHAIRWOMAN ZIBELMAN: That's it. All
24 right.

1 SENATOR KRUEGER: In a second round,
2 we might go back to ESCOs.

3 So in your testimony -- I'm shifting
4 gears -- you talk about that the state budget
5 will provide rate relief, an assessment will
6 expire from previous years and save
7 ratepayers \$122 million in the next state
8 fiscal year. But because of the subsidy
9 being provided nuclear energy plants in the
10 state, if it's \$7.6 billion over 12 years,
11 that's a subsidy of \$633 million a year.

12 So wouldn't you agree that while one
13 assessment is disappearing, a new assessment
14 will come that will significantly increase
15 the rate for ratepayers?

16 CHAIRWOMAN ZIBELMAN: I don't agree
17 with that.

18 SENATOR KRUEGER: Okay.

19 CHAIRWOMAN ZIBELMAN: And let me
20 explain.

21 The ZEC program -- first of all, the
22 dollar amount over 12 years is -- there's
23 different -- there's sort of various
24 estimates, so I like to look at near term.

1 Because if in fact prices of gas go up, that
2 dollar amount will go down.

3 But the point of the matter is that
4 the CES, the ZEC program was developed by the
5 commission, because we thought it was
6 absolutely essential that we have a
7 transition for the upstate nuclear plants.
8 We knew that those upstate nuclear plants
9 were going to close because gas prices are so
10 low.

11 If those upstate plants close, the
12 energy would have to be replaced most likely
13 by fossil fuel, and most likely what would
14 happen in the markets is prices would go up
15 because you would have a scarcity of supply,
16 and so that the replacement energy would be
17 more expensive than the nuclear energy
18 themselves.

19 So that the issue is this, and I think
20 this is the challenge. The gas and fossil
21 units, as you know, are suing us. They're
22 suing us because they're saying this program
23 is actually suppressing prices. They would
24 like to get rid of this program so prices

1 would go up and they would have higher
2 profits and they could put more gas in.

3 Other folks are concerned -- the
4 environmental folks, of course, are very --
5 are okay with the program because they
6 understand this is the way we can get to our
7 20 by '30 goals around emission reduction
8 without having to increase fossil fuel in the
9 state.

10 And then there are people who don't
11 like the program. But the concern I have
12 there is that there's no -- is that they're
13 worried about the environment, but there's
14 absolutely no way to replace these nuclear
15 units with energy efficiency and renewables
16 in this timeframe. What we saw in Germany,
17 what we saw in England and every other
18 country or place where they've done very
19 quick closure of nuclear, is we just increase
20 fossil fuels.

21 And so this program is really, in my
22 way of thinking, the least-cost way we can go
23 to get where we want in the environment.
24 Right? And also I think it's just -- it's

1 just a false assumption to assume that you
2 could close this amount of megawatts and lose
3 it in the market and not see a price
4 increase, because it's the law of supply and
5 demand.

6 SENATOR KRUEGER: And given the
7 rapidity by which renewables are coming to
8 the market at lower and lower cost, do you
9 think it's possible we could do all of this
10 in less than the 12 years laid out in the
11 plan that's started?

12 CHAIRWOMAN ZIBELMAN: I think that the
13 goal we have to get to 50 percent renewables
14 by 2030 is a very significant goal. You
15 know, and one never says never on what could
16 happen in the future, but on the other hand,
17 if we don't -- the way we constructed this,
18 if we didn't have the 12-year arrangements,
19 the problem we would have had is the nuclear
20 plants, because they're under a long time
21 cycle, would likely have closed because of
22 the uncertainties.

23 So I think that -- that if -- getting
24 the plan around 2030 to 50 percent renewables

1 is a very significant lift for the state.
2 It's going to take everything that we're
3 doing under REV, under energy efficiency,
4 under offshore wind. And in my view, in this
5 timeframe, the ability then to be able to
6 close those plants at the end of the contract
7 period and know that we're still achieving
8 where we want to be on emissions is really a
9 positive outcome for the state. And I would
10 suggest we just try to focus on achieving
11 that goal.

12 SENATOR KRUEGER: I've run out of
13 time, so perhaps I will ask for a second
14 round. Thank you.

15 CHAIRWOMAN ZIBELMAN: Thank you.

16 ASSEMBLYMAN OAKS: Assemblywoman
17 Paulin.

18 ASSEMBLYWOMAN PAULIN: Thank you.
19 Thank you so much.

20 So just to -- I find it a little
21 curious, I just have to say, that -- and I'm
22 not expecting a comment -- that we would
23 close Indian Point for 2,000 megawatts and
24 there's no expectation of rates rising, but

1 if we closed the three other nuclear plants,
2 we would. I just mention that, you don't
3 have to comment.

4 I think that we're going to have a
5 hearing specific to Indian Point, and we can
6 talk about rates. And I understand, I've
7 been briefed why you don't believe that might
8 be the case.

9 To follow up on what Senator Krueger
10 was saying on ESCOs, I'm curious about -- you
11 know, there's a lot of ESCOs. And it's very
12 difficult to monitor everything that each of
13 them are doing, and so many of the abuses
14 come down to the way they solicit business.

15 And myself, I've been solicited, so I
16 know firsthand how inappropriate they can be
17 and how much inaccurate information that they
18 give to potential consumers. So part of the
19 problem with having so many is that most --
20 you know, I told you about my issue, my
21 solicitations. I don't think most people do.
22 And therefore, how -- you know, if it's an
23 expense -- if it's solely based on hearing
24 people making complaints, if it's a

1 complaint-driven system, what are some of the
2 other things that can be done or that you're
3 looking at specifically during the upcoming
4 different processes that you're going through
5 that are going to be able to address in a
6 more uniform way, so we don't rely on a
7 complaint-driven system solely to fix some of
8 those abuses?

9 CHAIRWOMAN ZIBELMAN: So there are a
10 number of things that we're going to be
11 looking at through this process. One of the
12 areas is in terms of credit posting. So when
13 we looked at -- when we did -- so in other
14 words, if you put people -- have companies
15 put up money, that will help, because then
16 you will have better-funded companies who are
17 actually investing and will be more concerned
18 about losing their license. That would be
19 one piece.

20 The other elements that we're looking
21 at is in terms of products and services. And
22 the third element we're looking at is some
23 way of doing reference pricing for fixed
24 products. All of these should allow us --

1 and that's what we'd seen as a lot of
2 fly-by-night companies who don't have a big
3 investment.

4 And one of the things I was going to
5 mention to Senator Krueger, I'll answer it
6 now, is that we're -- you know, there's like
7 the bad actors, and then there a number
8 companies who have made major investments in
9 this space. And what we need to do, like in
10 any other situation, is sort of get the rules
11 right so the bad actors really can't play.
12 And then folks who are really interested in
13 creating legitimate businesses will be here.

14 The other element we did -- you know,
15 and you encouraged it -- was community
16 aggregation. Because then at least, like
17 you're seeing in Sustainable Westchester, you
18 have a third party between the consumer and
19 the ESCOs, and they're doing a more
20 competitive process. So it allows another
21 level of protection for consumers.

22 So those are various pieces. But
23 you're absolutely right, we have to have the
24 rules right, we have to be able to act

1 quickly, we have to have significant
2 penalties, and we need to think about making
3 sure that the licensing essentially --
4 practices are such that we weed out the bad
5 actors.

6 ASSEMBLYWOMAN PAULIN: And you brought
7 in, you know, the link that I was going to
8 make next. And community aggregation has a
9 lot to do with it. You know, they use an
10 ESCO, and some of the products that they
11 offer are 100 percent renewable. And so
12 they're struggling to explain to their
13 constituency that, you know, this is of good
14 sound mind, you know, to pay more to help the
15 environment. And people are doing it. They
16 actually have, in some communities, no
17 choice, because the community has actually
18 opted to do a 100 percent renewable product.

19 But they're now feeling the extra
20 burden of the ZECs. And I wondered if
21 there's going to be any accommodation made
22 for either 100 percent renewable offered by
23 an ESCO to an individual, or through the
24 community aggregation program, so that we

1 encourage or further encourage, you know, the
2 goal 50 by 2030.

3 CHAIRWOMAN ZIBELMAN: Thanks for the
4 question.

5 And one of the things that the
6 commission did in the Clean Energy Standard
7 program is identify that if in fact we had a
8 community who was willing to go 100 percent
9 renewable -- but we didn't want it to be just
10 RECs, but actually develop new in-state
11 renewables -- we would look at granting an
12 exemption for the REC program because the
13 goal is only 50 percent.

14 So if you had communities who were
15 interested in actually developing 100 percent
16 renewable, that would be helpful, because
17 then we would meet our goal and over time we
18 would expect the REC program to be more
19 expensive than the ZEC program, so everyone
20 would benefit.

21 So to the extent -- and these programs
22 I know are more about buying RECs. But if we
23 could morph them into developing solar and
24 wind or things like that, I think that

1 there's a definite win/win around those, both
2 from the community choice aspect and thinking
3 about how to reduce the overall cost of the
4 CES program.

5 ASSEMBLYWOMAN PAULIN: So there's no
6 consideration to -- because X is based on
7 load, there's no consideration to looking at
8 that as well?

9 CHAIRWOMAN ZIBELMAN: Well, it would
10 be the load, but it -- you know, and again,
11 it would be the ESCO, because it's the ESCO's
12 responsibility if they offer 100 percent
13 green, but they can tie it back to actual
14 renewables developed in this state. As
15 opposed to, you know, just buying wind from
16 Vermont or something like that.

17 ASSEMBLYWOMAN PAULIN: Understood.

18 So I was curious. You know, the
19 Buffalo -- you know, is that related to ZECs,
20 or is that related to a rate case? You know,
21 the group that came and did their little --

22 CHAIRWOMAN ZIBELMAN: Oh, oh, oh,
23 there's a pending rate case in front of us
24 with National Fuel Gas, and so there's a

1 concern about their proposed rate increase.

2 ASSEMBLYWOMAN PAULIN: Okay. And
3 there was an article today, a lot of
4 curiosity in the Daily News, about the
5 transfer of decommissioned funds in the case
6 of Fitzpatrick and in the case of
7 Indian Point to Entergy. Or I guess to
8 Exelon in one case and Entergy in the other
9 case.

10 So not knowing a lot yet about how the
11 decommissioning process works, the concern
12 that was voiced by some of the consumer
13 groups had to do with losing some control.
14 And I wonder if you could just address how --
15 you know, what -- whether or not we would
16 lose control and what that control would look
17 like.

18 CHAIRWOMAN ZIBELMAN: Yeah, I saw the
19 article as well.

20 Typically, in my experience, nuclear
21 decommissioning funds are administered by the
22 owner of the facility. Our case was unique
23 in New York because NYPA owned the facility.
24 But transferring it to Exelon to manage it

1 because they manage their own funds would
2 make sense.

3 And secondly, the NRC heavily
4 regulates the use of those funds. And so the
5 idea that somehow or another those funds
6 could be put to some other use I think is
7 wrong. And that's one of the things the NRC
8 will look -- so I was -- I don't think there
9 should be a concern that somehow there's
10 going to be a misuse of funds and that -- and
11 we wouldn't oversee the spending anyway, it
12 would be the NRC.

13 ASSEMBLYWOMAN PAULIN: Well, and I
14 just want to add, we're going to miss you,
15 and we wish you well. And that concludes my
16 questions.

17 CHAIRWOMAN ZIBELMAN: You're all
18 invited to visit. My husband keeps saying
19 that's going to be a little crazy, but --

20 (Laughter.)

21 SENATOR O'MARA: All expenses paid?

22 CHAIRWOMAN ZIBELMAN: No.

23 SENATOR O'MARA: Senator Murphy.

24 SENATOR MURPHY: Madam Chairwoman, how

1 are you? I'm Senator Murphy, I represent
2 Buchanan, where Indian Point is supposed to
3 be closing. A few quick questions that maybe
4 you could help me out on.

5 Was your agency, or anything that
6 your -- you guys had involved or any notice
7 was given to you about the closing of Indian
8 Point so suddenly?

9 CHAIRWOMAN ZIBELMAN: Well, we were
10 certainly involved in the discussions. Not
11 directly in terms of the closure, but we were
12 asked as part of -- by the Governor to
13 understand what the implications of the
14 closure would be on local reliability.

15 And as you know, beginning -- even
16 before I arrived in 2013, the commission was
17 looking at developing a no-regrets policy so
18 that we could support the closure of the
19 plant without compromising reliability, and
20 issued a number of decisions with respect to
21 that.

22 So we've been heavily engaged in
23 understanding and helping advise the
24 administration on the implications of the

1 closure. But obviously the discussions were
2 part of the litigation which we were not a
3 party to.

4 SENATOR MURPHY: Okay. So 2030,
5 50 percent renewables. That's the goal,
6 correct?

7 CHAIRWOMAN ZIBELMAN: Correct.

8 SENATOR MURPHY: And we're saying that
9 it's extremely difficult -- like you just
10 said previously, it's going to be very
11 difficult to do.

12 What is our plan, or is there a
13 plan -- because I haven't heard anything --
14 about getting the 25 percent to Westchester,
15 New York City -- where is this energy
16 miraculously going to come from?

17 CHAIRWOMAN ZIBELMAN: Sure.

18 SENATOR MURPHY: Because I haven't
19 heard anything about it.

20 CHAIRWOMAN ZIBELMAN: I can help you
21 with that.

22 So in 2013, the commission issued an
23 order where we tried -- we looked at what
24 would be the implications of a closure and to

1 put the state in what we call a "no-regrets"
2 policy. Out of that, we approved four
3 separate transmission projects which have now
4 been completed. They're called the TOTS
5 project, and they provided about
6 600 megawatts more transfer capability for
7 the region.

8 In addition, we improved a number of
9 demand response programs in Con Edison which
10 also reduced demand.

11 So that, together, has already been
12 done, and we're close to about 900 megawatts,
13 almost half has been completed already in
14 terms of transfer capability.

15 We also approved what has been known
16 as the AC transmission, which is
17 1,000 megawatts of transfer capability, so we
18 can take advantage of generation already
19 located in upstate New York, the nuclear
20 plants, as well as Western New York, and move
21 that energy into the region. That project is
22 well underway.

23 We've been working with the New York
24 Independent System Operator, we used a

1 competitive process. We've been able to
2 really arrive at, I think, some really good
3 solutions, and we'll be going through a
4 siting process on that. But that also helps.

5 We also have 1,000 megawatts of
6 proposed transmission which we've already
7 approved for -- it's certificated to move
8 1,000 megawatts of hydro from Hydro-Québec
9 directly into the city, under a DC
10 transmission project that's going to be
11 merchant -- so ratepayers don't have to pay
12 for it. But it's essentially the equivalent
13 of taking 1,000 megawatts of hydro and
14 putting it in the middle of New York City
15 once it gets done.

16 We also have about 1700 megawatts of
17 generation that's been fully certified, and a
18 number are under construction. Because once
19 we announced that we are looking at the
20 closure, the market responded, and we're
21 seeing these merchant generators -- again,
22 ratepayers won't pay for them, which is
23 partly why we're saying the difference and
24 why we're doing this Clean Energy Standard --

1 because in Indian Point, we planned for this.
2 And as a result of planning for it, we have
3 solutions that are not going to cost
4 ratepayers money.

5 In the case of the upstate nukes, we
6 hadn't planned for it, and our concern was in
7 the absence of a plan we were going to cost
8 ourselves and not to get to our goals.

9 So this is all part of when we look at
10 REV, when we look at emissions, knowing that
11 we weren't going to rely on Indian Point
12 anymore and that we needed to start looking
13 at the alternatives and do it in an effective
14 way that was really -- looked out to the
15 future. Because these things obviously, as
16 you know, can't happen overnight.

17 SENATOR MURPHY: How can you guarantee
18 me that these rates aren't going up? Because
19 I -- this is -- after some of these other
20 nuclear facilities have closed, that hasn't
21 been the case. They've actually quadrupled,
22 and in Westchester County it's one of the top
23 five highest tax brackets in the United
24 States of America. And people are living

1 by -- check by check, and having their energy
2 costs skyrocket, which are already some of
3 the highest in the country. I need help. I
4 need some answers.

5 CHAIRWOMAN ZIBELMAN: So let me tell
6 you a few things that allowed me to make the
7 decision.

8 One is I have to say I don't think we
9 want to lose sight of the fact that the
10 difference between Indian Point and the
11 upstate nukes was about safety. And so --

12 SENATOR MURPHY: I -- we can't all
13 agree more.

14 CHAIRWOMAN ZIBELMAN: Okay.

15 SENATOR MURPHY: Safety is of utmost
16 importance. I get that.

17 CHAIRWOMAN ZIBELMAN: So the question
18 then is how do we know. Well, one is because
19 gas prices are lower and we have these plants
20 coming in; the second is because we're
21 looking at building the transmission and
22 looking at additional assets; and the third
23 is that if the Hydro-Québec facility goes in,
24 that's 1,000 megawatts that could be under an

1 agreement which would then reduce the demand
2 on the other parts of the state.

3 So all of these in combination -- and
4 I'm happy to -- because it's hard to do this
5 very quickly -- is really what allows us to
6 say that in contrast to an immediate closure
7 of three nuclear plants that we weren't
8 counting on, a planned closure where the
9 market has a chance to respond allows us to
10 get there in a much more economically
11 efficient way.

12 SENATOR MURPHY: So there'll be no
13 environmental factors of taking that hydro
14 from Quebec and bringing it down to New York
15 City? Through the Hudson River, through
16 upstate New York, there's going to be no
17 environmental impact on any of the other
18 counties in the state?

19 CHAIRWOMAN ZIBELMAN: We've looked at
20 that --

21 SENATOR MURPHY: No other lawsuits, or
22 the environmental part of it, or anything
23 like that?

24 CHAIRWOMAN ZIBELMAN: It's been

1 permitted, and it's also received the federal
2 permit. And Hydro-Québec has a lot of excess
3 energy that it's able to send down to the
4 states and really wants to, without new
5 entailments.

6 SENATOR MURPHY: So will some of my
7 colleagues that live in that upper area up
8 there, will they be able to tap into it?

9 CHAIRWOMAN ZIBELMAN: Well, it will be
10 a DC tie, so whether they -- but there's
11 other transmission that's under consideration
12 where NYPA's working with Hydro-Québec so
13 that it could be imported through typical
14 imports. DC is -- it's just a direct --
15 think about it as an extension cord.

16 SENATOR MURPHY: Right. That will
17 come from Quebec, all the way down.

18 CHAIRWOMAN ZIBELMAN: Right. But
19 there's other transmission that we're looking
20 at to allow for energy to be moved into the
21 state through normal means.

22 SENATOR MURPHY: Okay, I know my time
23 has run out. Would you mind -- could I get a
24 copy of those reports that you -- what was

1 that, the TOTS project or something?

2 CHAIRWOMAN ZIBELMAN: Oh, yeah.

3 Absolutely.

4 SENATOR MURPHY: Would you mind having
5 that sent --

6 CHAIRWOMAN ZIBELMAN: Yes.

7 SENATOR MURPHY: Thank you.

8 CHAIRWOMAN ZIBELMAN: Sure.

9 SENATOR MURPHY: Appreciate your time.

10 CHAIRMAN FARRELL: Assemblywoman
11 Jenne.

12 ASSEMBLYWOMAN JENNE: Thank you.

13 Good afternoon. How are you?

14 CHAIRWOMAN ZIBELMAN: Good. How are
15 you?

16 ASSEMBLYWOMAN JENNE: Good.

17 I just want to start off by saying
18 that I appreciate all of the time and effort
19 that you've put into trying to balance all of
20 the energy issues and demands of a very
21 diverse state with an aging infrastructure.
22 And so you've talked about upgrading the AC
23 types of lines. Are you getting at the major
24 congestion points that prevent electricity

1 that's generated up in my neck of the woods
2 to get down to the suburbs and the city? Is
3 that what you were referring to?

4 CHAIRWOMAN ZIBELMAN: There were some
5 limiting factors, and that was addressed by
6 these TOTS projects, to improve that.

7 The AC is more west to east, and it's
8 really what we call the Marcy. But it's not
9 so much the north to south at this point.

10 ASSEMBLYWOMAN JENNE: All righty.

11 One of the concerns I have about the
12 ZEC program is -- you probably can recall I
13 represent three munis, I've lived in two,
14 currently still live in one. And I wondered
15 if there -- you know, whether we're going to
16 take into account the fact that the majority
17 of their electric usage is hydro, it's a
18 long-standing contract, and they're not
19 typically subject to a lot of these fees and
20 assessments in the state. And they also
21 don't receive benefits of these types of fees
22 and surcharges sometimes, you know, like
23 energy efficiency types of programs and
24 things like that. We've traditionally carved

1 out munis.

2 And also the dramatic impact -- I
3 mean, is there some sort of equity that's
4 built into the ZEC program for munis?

5 CHAIRWOMAN ZIBELMAN: So the way the
6 commission made a decision on this -- and
7 you're correct, historically these programs
8 were not placed on munis when we looked at
9 things like the system benefit charges
10 because of the NYPA relationship.

11 But in this case, what the commission
12 was looking at is the fact that the closure
13 of the nuclear power plants would result in
14 an increase in carbon emissions of millions
15 of tons a year throughout the state, and that
16 it would have been inequitable because we're
17 really talking about the ability to maintain
18 a portfolio to not have -- because all state
19 users contributed to that -- to not spread
20 the costs throughout the state.

21 And so that's why we asked NYPA and
22 LIPA as well as the munis to do their fair
23 share so that all state consumers, since all
24 state consumers get the environmental

1 benefit, all state consumers should pay their
2 fair share.

3 ASSEMBLYWOMAN JENNE: But just like
4 Chairwoman Paulin said, there are some
5 communities that made a historical decision
6 to be green and to organize themselves in a
7 way to save their customers money. And I'm
8 very concerned that the amount that our munis'
9 customers are going to be expected to pick up
10 will double or triple what their bill is. We
11 have people that have chosen to live in these
12 communities and to pay taxes there based on
13 the fact that there is a municipal electric
14 utility there. And is there a limiting that
15 the bill can't go up more than a certain
16 percentage?

17 CHAIRWOMAN ZIBELMAN: The way we're
18 looking to moderate this is actually through
19 the REC program. And so we have designed the
20 REC program so that in terms of renewables
21 themselves, we take advantage of what we see
22 as continuing to decline in costs and look at
23 the creation of a voluntary market.

24 In terms of the ZEC program, I

1 appreciate the concern. The issue is is that
2 it's hard not to allocate those, because if
3 not, then you're going to have other
4 constituents in the state who are paying more
5 than their fair share.

6 The other piece, I would say, is that
7 a lot of municipals that did take the
8 advantage of having low-cost NYPA power --
9 and so to ask consumers who didn't have
10 access to that power to now pay for the ZEC
11 program seemed to us another equity issue.

12 So these are challenging issues. But
13 it really comes down to -- and as you know, a
14 lot of people downstate said: Why should we
15 be paying for it? And our answer is because
16 we're talking about a statewide environmental
17 benefit, and it just seemed the most
18 equitable for us to say since everyone in the
19 state's going to be benefiting from the
20 reduction in carbon, everybody should pay
21 their fair share.

22 ASSEMBLYWOMAN JENNE: Well, I would
23 respectfully suggest that we carve out munis
24 because of the huge impact that it's going to

1 have on people's budgets, and people do live
2 on fixed incomes upstate. A lot of these
3 munis are very small, they would have a very
4 negligible impact on the distribution of the
5 entire amount of money that is needed to be
6 recouped, and they shouldn't be penalized for
7 making a smart decision many years ago.

8 And I would also like to make sure
9 that I talk about my concern that hydro,
10 existing hydro, really has been given no
11 place at the table in terms of being able to
12 invest in themselves, receive incentives to
13 be able to update their equipment and to
14 generate more zero carbon energy in this
15 state. It is very upsetting to me.

16 We produce a lot of hydroelectric
17 energy in the North Country in particular,
18 and we are not seeing any state investment
19 really flow their way, that I can see, to
20 help them to solve our problems of 50 percent
21 renewable by 2030.

22 CHAIRWOMAN ZIBELMAN: Assemblywoman
23 Jenne, you know, the issue that is
24 confronting the nukes is the same issue

1 that's confronting existing hydro and almost
2 every generator, frankly, in the state. And
3 one of the things that the commission did in
4 the Clean Energy Standard order that we
5 issued in December, the rehearing order, we
6 acknowledged the fact that we need to have a
7 program that to the extent we have existing
8 resources -- who are hydro, biomass, who are
9 struggling economically, and that to replace
10 them would be more expensive than to maintain
11 them -- that we needed a program so that they
12 can continue to invest and we can retain
13 them, because it made no sense to pay more to
14 replace them than to maintain them.

15 So the staff is working with NYSERDA
16 to develop that program because we heard
17 them, that there was a concern, and we agreed
18 that it makes no sense to lose these assets.

19 ASSEMBLYWOMAN JENNE: And as we lose
20 you to Australia, I just want your staff to
21 know that I'll be watching for that program.

22 CHAIRWOMAN ZIBELMAN: Okay.

23 ASSEMBLYWOMAN JENNE: And
24 congratulations, and good luck.

1 CHAIRWOMAN ZIBELMAN: Thank you.

2 CHAIRWOMAN YOUNG: Thank you very
3 much.

4 CHAIRWOMAN ZIBELMAN: Senator Young,
5 hello.

6 CHAIRWOMAN YOUNG: It's so great to
7 see you, Chairwoman.

8 CHAIRWOMAN ZIBELMAN: Good to see you.

9 CHAIRWOMAN YOUNG: Thank you so much
10 for being here. And I know that this is
11 probably one of your last official acts
12 before you leave us, and I just wanted to
13 say, first of all, congratulations. You will
14 be missed.

15 CHAIRWOMAN ZIBELMAN: Thank you.

16 CHAIRWOMAN YOUNG: And we wish you
17 well in your new endeavors, so thank you for
18 everything that you've done.

19 I just wanted to ask, real quickly,
20 could you give us a quick update on the Clean
21 Energy Standard and REV? I know you talked
22 about REV, I think a little bit. You touched
23 on it earlier. But could you give us a
24 briefing on that?

1 CHAIRWOMAN ZIBELMAN: On the Clean
2 Energy Standard?

3 CHAIRWOMAN YOUNG: And REV.

4 CHAIRWOMAN ZIBELMAN: And REV?

5 CHAIRWOMAN YOUNG: Yes.

6 CHAIRWOMAN ZIBELMAN: We are
7 proceeding in REV. We just -- right now,
8 we're at a point now where the commission has
9 issued its policy decisions and is in the
10 process of implementing them through the
11 various rate cases -- we just decided the
12 Con Ed rate cases -- where there are a number
13 of programs that were put in place to
14 implement that.

15 We've also done, as you know, a number
16 of demonstration projects that are underway
17 to show how consumers can gauge more. We
18 also have an ongoing process to look at how
19 we price-distributed energy resources better,
20 that should be decided this year.

21 So I feel very good about where we are
22 in the state in terms of implementing the
23 future. I mean, New York is clearly leading
24 in terms of recognizing that moving into the

1 21st century, the power system is not just
2 going to be around large central station
3 power plants -- they'll still have a role,
4 but it will also include distributed
5 resources such as distributed solar, fuel
6 cells, CHP, as well as renewable-type
7 resources so that demand itself can be made
8 more efficient.

9 And that's a lot of what we're seeing,
10 is sort of that coming together. I feel like
11 the state has certainly set the policy and
12 now the market is moving forward very quickly
13 to help us implement it.

14 CHAIRWOMAN YOUNG: Thank you.

15 Is there any kind of written document
16 or report out there, kind of like a status
17 update, with that? That might be something
18 that would be helpful to the Legislature.

19 CHAIRWOMAN ZIBELMAN: Okay. I think
20 that's something we'll take back and -- to
21 develop a report on sort of ongoing
22 activities. That's a good idea.

23 CHAIRWOMAN YOUNG: Thank you. Now --

24 CHAIRWOMAN ZIBELMAN: I can promise a

1 lot now.

2 CHAIRWOMAN YOUNG: I know you can. I
3 know you can.

4 And speaking of that, you know, now
5 that you're leaving and Commissioner Acampora
6 is looking to retire from the five-member
7 board, we are concerned that the board may be
8 compromised as far as completing its work,
9 may not be able to have a quorum, for
10 example. So are there open orders, how many,
11 and are there actions that require the
12 commission's approval?

13 CHAIRWOMAN ZIBELMAN: Thank you for
14 the question, Senator Young. We actually
15 researched that question.

16 Under the Public Service Law -- and
17 there's a legal memo, but basically the way
18 it works is that the two remaining sitting
19 commissioners can constitute a quorum. So
20 it's the majority of the sitting
21 commissioners who constitute the quorum. So
22 as long as both commissioners vote in favor
23 of an item, it can move forward.

24 CHAIRWOMAN YOUNG: Okay. Thank you.

1 I would like to see those positions filled,
2 however, so -- just one final question.

3 Consumer complaints, I know the
4 Comptroller had asked for information. Is
5 there a tracking system on those, or how does
6 that work?

7 CHAIRWOMAN ZIBELMAN: We do have a
8 tracking system on consumer complaints.

9 And the question that the Comptroller
10 asked about, Well, what about when you file a
11 complaint and it's not necessarily a consumer
12 complaint, it's another matter? But we do
13 track those, we just track them in a
14 different system. That's what was -- the
15 discussion that we had back and forth with
16 him.

17 But they're all tracked.

18 CHAIRWOMAN YOUNG: I see. Okay.

19 Thank you.

20 CHAIRWOMAN ZIBELMAN: Sure.

21 CHAIRWOMAN YOUNG: Are you all set?

22 Senator Savino.

23 SENATOR SAVINO: Thank you,

24 Senator Young.

1 Thank you for your testimony. Thank
2 you for your service. I just want to ask you
3 simply, now that you're on your way on to
4 your next step in life, perhaps you might
5 have an opinion on a piece of legislation
6 that I've been carrying for the last couple
7 of years. And I know it's a priority for
8 AARP, and in fact if it were passed and
9 enacted in New York State like it is in
10 40 other states, you might not have spent so
11 much time today answering questions from some
12 of my colleagues.

13 It's about the establishment of a
14 utility consumer advocate. As you know,
15 New York is one of the few states that does
16 not have a utility consumer advocate that
17 helps deal with rate issues. We don't have
18 anyone on the PSC that just basically
19 advocates on behalf of the consumers. While
20 you do a wonderful job, there's a sense that
21 consumers really don't have someone at the
22 PSC that is -- it's not a level playing field
23 for the consumers.

24 And as Senator Young talked about the

1 number of complaints from consumers, and I
2 heard Senator Murphy speak about some of the
3 concerns that people have about rate hikes
4 and how we can explain them, and we all know
5 that Con Ed has now just jacked up their
6 rates downstate -- do you think the
7 establishment of a utility consumer advocate
8 in New York State might help us as it's
9 helped in other places, particularly like
10 California, where they were able to help
11 consumers in California save almost
12 \$4 billion in the past few years?

13 CHAIRWOMAN ZIBELMAN: Thank you,
14 Senator Savino. First of all I, you know,
15 obviously, even though I am leaving, will not
16 comment on pending legislation.

17 (Laughter.)

18 CHAIRWOMAN ZIBELMAN: But I will tell
19 you that two years ago I established a
20 consumer advocate role within the agency. We
21 have a consumer advocate, his name is Michael
22 Corso. The Consumer Services Division
23 reports to him. But as we established him,
24 we always -- we put together a Consumer

1 Advisory Committee that's made up of many of
2 the people that you're aware of, such as
3 PULP, AARP, and the PIRGs and the UIU. And
4 he works very closely with them to make sure
5 that consumer interests are represented in
6 our rate cases.

7 As a result of that, that's -- you
8 know, it was out of that work -- the first
9 thing I heard from this consumer advisory
10 group is they wanted an Energy Affordability
11 Index. And we put that in, so that now we're
12 getting to a 6 percent energy burden.

13 And then in each rate case, the
14 consumer advocacy group will work very
15 closely with the external advocates to make
16 sure that their voices are represented.

17 The other thing that we did is we --
18 Michael is to -- reports directly to me. And
19 so he's one of my chief advisors, so we
20 wanted to make sure that every issue that we
21 did at the agency had a consumer focus. So
22 without -- again, I can't agree with you any
23 more that this is all about the consumer.

24 SENATOR SAVINO: Mm-hmm.

1 CHAIRWOMAN ZIBELMAN: And we need to
2 make sure that there's a loud consumer voice
3 in everything we do.

4 And we can do that within the agency.
5 And our folks know that they're absolutely
6 empowered to make sure that when we're making
7 decisions, we understand the consumer
8 perspective. All consumers.

9 SENATOR SAVINO: There's no doubt
10 that, you know, the work you've done has
11 improved circumstances. I just think that --
12 and I'm not alone in this -- that we can do
13 better. And so we're going to continue to
14 push for the establishment of a utility
15 consumer advocate, and hopefully we'll
16 convince some other people so that we can
17 take New York State a step further and
18 become, I guess, the 41st state that has a
19 utility consumer advocate.

20 But thank you for your service. Good
21 luck in your future endeavors.

22 CHAIRWOMAN ZIBELMAN: Thank you.

23 CHAIRWOMAN YOUNG: Thank you.

24 Senator O'Mara.

1 SENATOR O'MARA: Thank you,
2 Chairwoman.

3 Thank you for being here. You
4 mentioned in some of your prior testimony
5 about upstate transmission, connecting some
6 of our power sources upstate to downstate,
7 which I think the Governor's talked about for
8 the last six years as the Energy Highway.

9 It comes as news to me that there's
10 any work being done on any of those
11 transmission projects that you generally
12 described in your prior testimony. Can you
13 tell me what's going on with developing
14 transmission to get electricity from
15 upstate to downstate to connect those power
16 sources, and where they stand? I'm not aware
17 of anything being approved, I'm not aware of
18 anything being built. Where are we on this?

19 CHAIRWOMAN ZIBELMAN: Sure. So the
20 projects that I referred to that have been
21 constructed are projects that we did to
22 reduce local constraints downstate, the TOTS
23 projects and some upstate -- those were part
24 of what we call the "no-regrets" around

1 Indian Point.

2 In terms of the AC transmission, after
3 we started this process, there was an order
4 that came out of FERC called Order 1000 which
5 allowed for basically ratepayer approval in
6 the federal tariffs of transmission that
7 served the public policy. And we determined
8 that that would be actually the best thing,
9 because then it would become part of the
10 New York State ISO tariff.

11 So we put the AC transmission through
12 a process so the ISO can review it. They've
13 completed their review and sent it back to us
14 and said the project would be a good idea.
15 We have then said we can -- we had to then
16 vote on that, we did that in December and
17 said we agree, and now we sent it back to
18 them so they can select the best project in
19 terms of cost and meeting the needs of the
20 system. We would expect that back from them,
21 we will then have to go through our normal
22 Article VII.

23 But the expectation, which has been
24 the expectation all along, is that that

1 project would be commissioned during the
2 2018-2019 -- or start construction during
3 2018-2019, with full commissioning in 2022.

4 So it's on track. It's just because
5 this is sort of a shared jurisdiction between
6 us and the federal government, we had to use
7 both processes.

8 SENATOR O'MARA: So is that going to
9 help connect and move power from, say,
10 Nine Mile, Ginna upstate to the downstate
11 metropolitan region?

12 CHAIRWOMAN ZIBELMAN: Yes. This is to
13 remove the constraints.

14 The other piece that this does, by the
15 way -- is our expectation is with this
16 transmission -- if you recall, there was a
17 new capacity zone set up in Central Hudson.
18 Getting this transmission built will also
19 help eliminate the need for that capacity,
20 so -- so that's the other reason we want to
21 do it, because we're essentially creating a
22 pipe so that power can be moved freely from
23 upstate to downstate.

24 SENATOR O'MARA: Is this transmission

1 proposal, is that taking into account the
2 development of new renewables across the
3 state, to help move that power to the
4 higher-demand areas of the state?

5 CHAIRWOMAN ZIBELMAN: It will support
6 that. So, you know -- and we should think
7 about the fact that New York, the supply is
8 located upstate, a lot of the demand is
9 downstate, and we need that transportation
10 system.

11 SENATOR O'MARA: And I fully agree
12 with that and support that. Are we
13 undertaking any examinations to determine how
14 communities along that path should be
15 incentivized to accept that transmission
16 going through their communities as we are
17 certainly incentivizing renewable power
18 sources to be constructed? What are we
19 providing to these communities along the way
20 to put up with or host transmission going
21 through the communities?

22 CHAIRWOMAN ZIBELMAN: So one of the
23 things that the commission did, and this came
24 out of I think it was the 2014 State of the

1 State, was to take a look at building
2 transmission on existing highways. So I'm
3 really pleased to say actually the projects
4 that we're considering are using existing
5 right-of-ways and actually are creating
6 modern towers so that in fact the sight
7 impact is really de minimis.

8 We've also really reduced the Hudson
9 crossing -- the crossing over the Hudson
10 River. So the idea, and that was part of
11 this process, was to build transmission so
12 that we can use existing right-of-way and
13 make better use of it.

14 SENATOR O'MARA: Would that
15 transmission be primarily above ground? Or
16 are you also examining ways to run
17 transmission underground, which might be more
18 acceptable to certain communities?

19 CHAIRWOMAN ZIBELMAN: We gave all of
20 the bidders an opportunity to take a look at
21 that. But for this size of transmission, the
22 voltage, it would be cost-prohibitive. And
23 by using, again, the existing right-of-way --
24 and we're moving away from the big lattice

1 towers, we're hoping -- it's actually
2 reducing some of the visual impact that you
3 would have seen otherwise.

4 SENATOR O'MARA: Okay. With regards
5 to the Hydro-Québec line and running that
6 down, is there any interest in the industry
7 right now in actually undertaking that
8 construction with investors? That's a big
9 hurdle to get over, isn't it?

10 CHAIRWOMAN ZIBELMAN: There is. But I
11 think there's interest in the New York City
12 area to maybe -- to looking at that. And so
13 we're hopeful, again, with the Clean Energy
14 Standard and the announcement of
15 Indian Point, you're creating a market
16 incentive for people to enter into a
17 long-term agreement on that on a voluntary
18 basis.

19 SENATOR O'MARA: It was my
20 understanding that with the Clean Energy
21 Standard, this power coming in from
22 Hydro-Québec would not count towards our
23 Clean Energy Standard. Can you comment on
24 that?

1 CHAIRWOMAN ZIBELMAN: No, incremental
2 does. It counts towards Tier 1. And then so
3 it would have some advantage.

4 SENATOR O'MARA: How much?

5 CHAIRWOMAN ZIBELMAN: Let me check.

6 SENATOR O'MARA: I've heard it
7 wouldn't count towards our Clean Energy
8 Standard of whatever the goals are,
9 50 percent initially. Then that's not going
10 to help us. Or how much of that --

11 CHAIRWOMAN ZIBELMAN: Under -- yeah,
12 under the Clean Energy Standard anything
13 that's incremental to existing hydro
14 imports -- we didn't want to count existing
15 imports, but if it's incremental hydro that's
16 coming in, it does count towards the Clean --
17 and incremental that doesn't involve an
18 impoundment, so it's sort of increasing the
19 capacity of what they already have and coming
20 into the state.

21 SENATOR O'MARA: Okay. With regards
22 to that Hydro-Québec line again, and not
23 having any inputs or outputs along the line
24 throughout upstate New York as it comes

1 through, it seems to me to be a waste to not
2 have some -- I know it takes conversion
3 stations to convert the DC and AC, but why is
4 that not being a requirement of this
5 proposal, to at least have some of those
6 along the way so that it can help move some
7 of our upstate excess power downstate, and
8 help create New York State jobs rather than
9 Canadian jobs?

10 CHAIRWOMAN ZIBELMAN: You're talking
11 about conversions on the DC system itself, to
12 allow for more sort of local development? Or
13 local hydro?

14 SENATOR O'MARA: Both. Both in and
15 out.

16 CHAIRWOMAN ZIBELMAN: Yeah. I think
17 the -- it's a good question in terms of the
18 economics of that.

19 When we approved the line, we approved
20 it as a merchant facility, so none of it hits
21 rates. As a result, it would be very
22 difficult for us to impose any requirements
23 without guaranteeing recovery. So we would
24 have to -- if the state were to do that, we'd

1 have to go back and re-look at the line as
2 something that would go into rates, which we
3 decided not to because they said they would
4 take merchant risk.

5 SENATOR O'MARA: Okay. My time's up.

6 CHAIRWOMAN YOUNG: Thank you.

7 Senator Krueger.

8 SENATOR KRUEGER: All right. Thank
9 you.

10 Going back to, I think, where we were
11 discussing -- so I said it's going to cost --
12 or it's been reported it will cost
13 \$7.6 billion to ratepayers over a 12-year
14 period. You said not necessarily. And then
15 I've been doing some more reading since then
16 which seems to show that it would be about
17 2 billion a year for individual ratepayers, a
18 billion to municipalities, which follows up
19 on the Assemblywoman's question.

20 So who pays the rest? And how do we
21 get an understanding of how much would it
22 actually be per year under this deal that
23 you've made?

24 CHAIRWOMAN ZIBELMAN: For the ZEC

1 program?

2 SENATOR KRUEGER: Yes.

3 CHAIRWOMAN ZIBELMAN: So our -- what
4 we did is we calculated the ZEC program over
5 the first two years of the program.

6 SENATOR KRUEGER: Two or three? I'm
7 sorry --

8 CHAIRWOMAN ZIBELMAN: Two.

9 SENATOR KRUEGER: Two.

10 CHAIRWOMAN ZIBELMAN: Two years of the
11 program.

12 SENATOR KRUEGER: Okay.

13 CHAIRWOMAN ZIBELMAN: Because under
14 the way we've approved the ZEC program, the
15 amount of payments really will depend on what
16 the forecasted gas prices are going to be.

17 So if gas prices are forecasted to go
18 up, under the way the program works, that
19 would suggest that the amount that gets paid
20 under the ZECs for the avoided carbon would
21 go down. And so the total dollar amount
22 really depends on what's happening on energy
23 prices.

24 But we also looked at it from the --

1 so for the first couple of years of the
2 program, we're looking at that, on average,
3 about \$2 per residential customer for the
4 program. But the other side of it is the
5 program itself, which is \$950 million in the
6 first two years with savings at that
7 1.4 billion in terms of avoided environmental
8 costs, et cetera.

9 So the challenge we have, right, is
10 that what we're looking to do is look at the
11 avoided cost to carbon. The whole price of
12 the ZECs is about -- on the avoided cost of
13 carbon. If we allow the carbon emissions to
14 come in, societal costs are going to go up.
15 So it is a total cost savings if you're
16 concerned about climate change.

17 And that's where I have had -- we've
18 had this debate with some of the folks who
19 have written about the program and saying
20 it's a bad program. Like I said, the fossil
21 guys don't like it because they think it's
22 going to suppress prices, and the people who
23 are worried about the environment -- the fact
24 of the matter is, if we don't do this, we're

1 going to increase fossil emissions, which is
2 going to be a higher cost to society.

3 SENATOR KRUEGER: So where would
4 people probably smarter than me go to review
5 what the deal is and how to hold it up for
6 transparency, over each year, what actually
7 is happening and what the rate changes will
8 be? Is there a contract that was signed?

9 CHAIRWOMAN ZIBELMAN: There is a
10 contract between NYSERDA and Exelon, the
11 owners. But there is -- you have our
12 proceedings, and under the commission order,
13 every three years we're going to have a
14 review of the proceeding and we'll be doing
15 an update.

16 So the best place really for folks who
17 are interested is really at the agency, and
18 to work with our staff and look at
19 essentially our various orders as well as the
20 various PowerPoints that we posted and things
21 like that on the website.

22 SENATOR KRUEGER: But is there
23 someplace for people to look at the contract?

24 CHAIRWOMAN ZIBELMAN: The contract

1 itself is confidential. And I don't believe
2 it's been made public yet, but I can
3 double-check. And John will be following me,
4 and he'll be able to answer that.

5 SENATOR KRUEGER: Because your agency
6 won't have any analysis until three years
7 down the road. Is that correct?

8 CHAIRWOMAN ZIBELMAN: Correct. But
9 again, the contract really just implements
10 the order. What the order does is it -- it
11 just -- and it's like we do with wind
12 development and solar development. These
13 contracts that NYSERDA signs are really on
14 execution. The terms of the contract are
15 really set out in the commission's order
16 approving the ZEC program.

17 SENATOR KRUEGER: Okay. Then since
18 you actually jumped to the importance of
19 carbon reduction and the argument for this
20 plan, quite a few of us signed a letter
21 urging the Governor to increase the RGGI
22 cap from 2 percent to 5 percent in order to
23 try to actually reduce carbon in our
24 atmosphere. And he ultimately, I believe,

1 went to 3 percent, is that correct, in his
2 recommendation for where we go --

3 CHAIRWOMAN ZIBELMAN: Yes.

4 SENATOR KRUEGER: -- with the RGGI
5 carbon tax?

6 So since we are all interested in
7 ensuring that we do whatever we can to reduce
8 our greenhouse gas pollution, why -- well,
9 one, did PSC support an increase beyond the
10 3 percent? And if not, why not?

11 CHAIRWOMAN ZIBELMAN: So thank you for
12 the question. As you know, I'm a member of
13 the RGGI board, and the state has -- New York
14 has been one of the strong advocates of
15 increasing the cap so that we have the
16 ability to price out carbon.

17 But RGGI is an agreement among
18 multiple states, and the states were in
19 different positions, you have different
20 governors taking different views. And so,
21 you know, I think 3 percent is aggressive for
22 a number of states.

23 But it really turns back to -- and I
24 think this is why what we're doing in the

1 Clean Energy Standard is so important.
2 New York, by moving towards the 50 by '30 and
3 the 40 percent reduction in emissions,
4 continues to lead, and it really shows really
5 why we have to be very aggressive in looking
6 at this, because that's our biggest leverage
7 with the other states, is that we're going
8 there, you need to go there with us. And I
9 think it's the combination of the two.

10 But I would suggest that this
11 discussion about RGGI will continue and, you
12 know, as everyone here in this room knows,
13 the states really need to lead on carbon now.
14 And I think New York is one of the states
15 that's truly leading, because we just don't
16 know where the federal government's going to
17 be.

18 SENATOR KRUEGER: Mm-hmm.

19 CHAIRWOMAN ZIBELMAN: And that's the
20 other reason why the ZEC and REC programs are
21 so important, because they are based on
22 avoiding carbon, and we designed them very
23 specifically to be able to resist federal
24 challenge. And I think it's -- these pieces

1 all need to fit together.

2 So, you know, I would just sum up this
3 way. I don't think there's anyone, certainly
4 among the energy team, that disagrees with
5 you. We need to be as aggressive as we can.
6 We think that the 50 percent is a very
7 aggressive goal. We think we need to keep
8 the nukes, have a transition to make sure we
9 can hit that 50 percent along with the
10 emissions, and we need to continue to really
11 push our neighboring states to go with us in
12 this direction because it's going to be
13 state-driven, I think, for the next several
14 years.

15 SENATOR KRUEGER: And even though we
16 still don't have access to the contract, but
17 hopefully we will get to -- is there anything
18 in anything that PSC has done or NYSERDA or
19 the contract that commits that there won't
20 just be a continuing deal with nuclear energy
21 past the 10-to-12-year mark? Is there
22 something that's a guaranteed drop-dead?

23 CHAIRWOMAN ZIBELMAN: Yeah. The
24 contract is a 12-year agreement, so

1 there's -- you know, there would be -- there
2 would have to be a new agreement after
3 12 years.

4 SENATOR KRUEGER: Because there's
5 nothing in anything now that says "and we can
6 never continue this."

7 CHAIRWOMAN ZIBELMAN: There's -- it's
8 only -- I said it's only a 12-year agreement,
9 so it wouldn't continue after 12 years unless
10 some other action happens.

11 But as you know, it -- we can't bind
12 future commissions, an administration can't
13 bind future administrations, so it would have
14 to take a future action to extend it.

15 SENATOR KRUEGER: Thank you.

16 CHAIRWOMAN ZIBELMAN: Thank you.

17 CHAIRWOMAN YOUNG: I think that
18 concludes it.

19 CHAIRMAN FARRELL: Yup.

20 CHAIRWOMAN YOUNG: Okay. Well, thank
21 you so much.

22 CHAIRWOMAN ZIBELMAN: Thank you.

23 CHAIRWOMAN YOUNG: And again, good
24 luck with your endeavors.

1 CHAIRWOMAN ZIBELMAN: Thank you.

2 CHAIRMAN FARRELL: Thank you.

3 CHAIRWOMAN YOUNG: Our next speaker is
4 President and CEO John B. Rhodes, from the
5 New York State Energy and Research
6 Development Agency, NYSERDA.

7 Welcome.

8 PRESIDENT RHODES: Good afternoon.

9 CHAIRWOMAN YOUNG: Good afternoon.

10 It's still afternoon, good.

11 (Laughter.)

12 CHAIRWOMAN YOUNG: Go ahead.

13 PRESIDENT RHODES: Am I on?

14 CHAIRWOMAN YOUNG: You're on.

15 PRESIDENT RHODES: Thank you.

16 CHAIRWOMAN YOUNG: It's your big
17 moment.

18 PRESIDENT RHODES: Thank you.

19 Good afternoon, Chairwoman Young,
20 Chairman Farrell, and members of the
21 committees. Thank you for the opportunity to
22 testify before you today. I am John Rhodes.
23 I am president and CEO of the New York State
24 Energy Research and Development Authority,

1 NYSERDA.

2 NYSERDA continues to play its critical
3 role in advancing Governor Cuomo's
4 comprehensive policy for a clean, more
5 affordable, and resilient energy system
6 called Reforming the Energy Vision, or REV.
7 In 2016 the Governor launched the \$5 billion
8 Clean Energy Fund, or CEF, providing
9 solutions to reduce harmful greenhouse gases,
10 improve resiliency, and make energy more
11 affordable, delivering \$39 billion in
12 customer bill savings for New Yorkers over
13 the life of the fund.

14 Currently more than 20 new CEF
15 initiatives are underway that further our
16 progress toward these goals. The CEF
17 consists of four portfolios: market
18 development, innovation and research, NY-Sun,
19 and NY Green Bank.

20 The first, market development, is
21 focused on reducing costs and accelerating
22 uptake of energy efficiency as well as other
23 on-site consumer solutions, while increasing
24 private investment levels. Market

1 development also specifically supports
2 initiatives that benefit low-to-moderate-
3 income households, including a commitment of
4 at least \$230 million over the first three
5 years of the CEF.

6 The innovation and research portfolio
7 drives clean energy business development,
8 promoting a robust clean energy ecosystem
9 that will accelerate the growth and scale of
10 new business enterprises. Since 2009,
11 New York State has invested \$14 million in
12 six NYSERDA-sponsored incubators. These
13 incubators have assisted 153 companies,
14 generated more than 1100 jobs in the clean
15 tech industry, raised more than \$270 million
16 in private investment, and brought dozens of
17 new clean energy products and solutions to
18 the market.

19 The third element of the portfolio,
20 NY-Sun, is a \$1 billion investment in solar,
21 and continues to stimulate a self-sustaining
22 solar industry, gradually reducing incentives
23 as the industry builds to scale. NY-Sun is
24 an example of REV in action, and shows clear

1 results. Since the beginning of 2012, solar
2 deployed in New York State has grown over
3 750 percent. New York is on pace to reach
4 1.5 gigawatts of solar energy deployment,
5 with more than 700 megawatts installed and
6 over 800 megawatts in the development
7 pipeline. More than 8,100 New Yorkers worked
8 in the solar industry in 2016. Our
9 strategies in the solar energy sector are
10 working in New York.

11 NY Green Bank, the largest green bank
12 in the nation, works to leverage
13 private-sector capital into clean energy. As
14 of December 2016, NY Green Bank has closed
15 18 transactions totaling \$305 million of
16 Green Bank money, which will result in
17 approximately \$1.26 billion in total clean
18 energy projects in New York State. This
19 includes investments that will advance energy
20 efficiency, wind power, solar, and fuel cell
21 projects, among other technology types, which
22 are difficult for the private sector to
23 finance on its own today.

24 NYSERDA also administers the Clean

1 Energy Standard, or CES, which requires that
2 50 percent of New York's electricity come
3 from renewable energy resources by 2030.
4 This is the most comprehensive and ambitious
5 clean energy goal in the state's history. In
6 January of this year, \$360 million in awards
7 for 11 large-scale renewable energy projects
8 was announced. These awards will leverage
9 almost \$1 billion in private-sector
10 investment and are expected to generate
11 enough clean energy to power more than
12 110,000 homes and reduce carbon emissions by
13 more than 420,000 metric tons.

14 The projects are spread across seven
15 regions and include wind farms, fuel cell and
16 hydro-electric projects, and one 50 megawatt
17 utility-scale solar project, the largest of
18 its kind in the state. This is the kind of
19 progress we must make to meet the
20 Clean Energy Standard goals.

21 Offshore wind will also help New York
22 meet the Clean Energy Standard. As recently
23 announced, the state's objective is to
24 develop up to 2.4 gigawatts of

1 cost-effective, appropriately sited offshore
2 wind by 2030, offering an enormous
3 opportunity to spur economic development
4 through new construction, manufacturing, and
5 supply chain growth.

6 The LIPA Board of Trustees recently
7 approved a 90 megawatt development 30 miles
8 southeast of Montauk, the nation's largest
9 offshore wind farm, and the first in
10 New York. This South Fork Wind Farm will
11 provide enough clean, renewable electricity
12 to power 50,000 Long Island homes, and is out
13 of sight from Long Island's beaches.

14 In December, the federal Bureau of
15 Ocean Energy Management conducted an auction
16 of federal water development rights for wind
17 energy that was won by Statoil Wind. The
18 record-setting auction results demonstrate a
19 robust market interest in developing wind
20 resources off New York's coast.

21 NYSERDA is developing an Offshore Wind
22 Master Plan which will be released by the end
23 of 2017, this year. NYSERDA will work with
24 our partners and stakeholders as we outline

1 specific steps the state will take to ensure
2 potential sites are developed responsibly,
3 and with the interests of New Yorkers as the
4 utmost priority.

5 The 2017-2018 Executive Budget
6 recommends \$19.7 million in funding for
7 NYSERDA to continue energy research and
8 development, and statewide energy planning
9 and analysis activities. In addition to our
10 work under the Clean Energy Fund and Clean
11 Energy Standard, the Governor has called on
12 NYSERDA and the Department of Environmental
13 Conservation to undertake a comprehensive
14 study to determine the most rapid,
15 cost-effective, and responsible pathway to
16 reach 100 percent renewable energy statewide.

17 For nearly four decades, NYSERDA has
18 protected New York State interests at the
19 West Valley Demonstration Project in
20 Cattaraugus County. The Executive Budget
21 recommends \$15.6 million for ongoing nuclear
22 waste cleanup at West Valley, an increase of
23 approximately \$2.1 million over last year's
24 budget. Our costs at West Valley are largely

1 dictated by a federal match requirement, and
2 this reflects the funding level necessary to
3 meet the federal appropriation during the
4 2016-2017 federal fiscal year.

5 A clean, affordable, resilient energy
6 system is essential to the growth of New York
7 State's economy. We have the talent, the
8 natural resources, the global financial
9 markets, and a history of innovation. Under
10 Governor Cuomo, we are putting these
11 resources to work for all New Yorkers.

12 This concludes my opening remarks, and
13 I would be happy to take any questions that
14 you may have.

15 CHAIRWOMAN YOUNG: Thank you. We'll
16 start with Senator O'Mara.

17 SENATOR O'MARA: Thank you.

18 Good afternoon, Mr. Rhodes. Thank you
19 for being here. I've got a few questions on
20 all these projects, power projects that
21 you're talking about, and basically how
22 they're funded.

23 Your funding comes from the
24 ratepayers, correct? Various surcharges on

1 everybody's utility bills?

2 PRESIDENT RHODES: That's principally
3 the case. And for the projects I believe
4 you're talking about, yes, that is the case.

5 SENATOR O'MARA: How much does NYSERDA
6 collect annually in the form of surcharges
7 from the ratepayers' bills?

8 PRESIDENT RHODES: This year I believe
9 we are collecting \$580 million. That
10 represents a drop of \$91 million from the
11 peak. Under the Clean Energy Fund, the
12 \$5 billion commitment that I mentioned, we
13 are committed to reducing ratepayer
14 collections by \$1.5 billion over the next
15 10 years.

16 SENATOR O'MARA: Yet you're still --
17 you're collecting \$580 million this year --

18 PRESIDENT RHODES: Correct.

19 SENATOR O'MARA: -- which is in
20 addition and a surcharge on ratepayer's
21 bills; that is, over and above what the cost
22 of the commodity and the delivery is?

23 PRESIDENT RHODES: That's right. And
24 we put that money to work in investments to

1 reduce ratepayer collections -- ratepayer
2 expenditures, excuse me.

3 SENATOR O'MARA: How much of that
4 annual surcharge collected from ratepayers
5 goes towards improving the transmission of
6 electricity from upstate to downstate?

7 PRESIDENT RHODES: None of it. These
8 monies go to solutions that are listed, so
9 those are typically behind the meter. It
10 would include energy efficiency, which is a
11 direct benefit in energy bill savings. They
12 include solar, photovoltaic, this would
13 include fuel cells, anaerobic digesters,
14 which we heard about this morning -- but
15 these are distributed energy solutions.

16 SENATOR O'MARA: So you're not
17 focusing on transmission, then, from larger
18 suppliers or from larger wind farms or solar
19 farms being developed in upstate New York?

20 PRESIDENT RHODES: We generally are
21 not focused on transmission. There's a
22 modest exception to that which I can go into.

23 SENATOR O'MARA: How much does NYSERDA
24 have in reserve, or what is the balance of

1 funds that's been collected from ratepayers
2 over the years that has not been spent on the
3 projects you've described?

4 PRESIDENT RHODES: So the Public
5 Service Commission order which established
6 the Clean Energy Fund includes a
7 bill-as-you-go approach for NYSERDA ratepayer
8 collections. Under this approach, Clean
9 Energy Fund ratepayer collections and
10 previously approved collections held by the
11 utilities, the electric and the gas
12 utilities, are used to reimburse NYSERDA for
13 program expenses through a monthly
14 reimbursement process.

15 The mechanism is for NYSERDA to
16 maintain a sufficient cash balance for an
17 anticipated two-month period with collection
18 amounts approved in the order. This approach
19 is leading to a substantial reduction of the
20 cash and investment and net position over the
21 past -- over the last year, cash balances
22 from ratepayer programs have been reduced
23 from \$1.1 billion down to \$761 million, and
24 they're continuing to go down under this

1 pay-as-you-go approach.

2 SENATOR O'MARA: So is that a --
3 pay-as-you-go, would that be the same as
4 collect-as-you-go in what you need to
5 collect? Or who's holding on to these --

6 PRESIDENT RHODES: Yes.

7 SENATOR O'MARA: -- reserves during
8 the period before you spend it?

9 PRESIDENT RHODES: The reserves are
10 generally held at the utilities in
11 effectively escrow accounts. And we are
12 moving those numbers down.

13 SENATOR O'MARA: Do you have an
14 estimation, then, of what those reserves are
15 in those accounts of the utilities?

16 PRESIDENT RHODES: I believe they are
17 \$760 million.

18 SENATOR O'MARA: Just sitting there?

19 PRESIDENT RHODES: Sorry?

20 SENATOR O'MARA: Just sitting there in
21 the escrow accounts of the utilities?

22 PRESIDENT RHODES: And subject to
23 ongoing commitment as we make further
24 investment commitments.

1 SENATOR O'MARA: Thank you.

2 CHAIRWOMAN YOUNG: Thank you.

3 ASSEMBLYMAN OAKS: Assemblywoman
4 Paulin.

5 ASSEMBLYWOMAN PAULIN: Thank you.

6 Hi, John.

7 PRESIDENT RHODES: Hi.

8 ASSEMBLYWOMAN PAULIN: Just a couple
9 of questions.

10 First, I asked the commissioner for
11 the Department of Ags, you know, why there
12 was that transfer for what looks like it's
13 about a \$2 million program, the -- maybe you
14 weren't in the room yet -- the Fuel NY
15 program.

16 And, you know, I was just curious
17 about why -- you know, it's always a
18 NYSERDA -- completely funded by NYSERDA. And
19 now NYSERDA's transferring \$150,000 over to
20 the Department of Ags for them to participate
21 in a way that they claim to have participated
22 in the past. And I just wondered, you know,
23 what the rationale for making that transfer
24 was.

1 PRESIDENT RHODES: So the transfer
2 this year is to support -- is for \$150,000 to
3 support the ongoing costs at Ag and Markets
4 for their continued work under the Fuel NY
5 program. The bulk of the expenditures under
6 Fuel NY are borne by NYSERDA.

7 Up until now, this has been a portable
8 generator program where we've solicited
9 around 720 gas stations -- I'm sorry, we have
10 solicited 630, and another 90 were doing it
11 on their own -- gas stations around
12 downstate -- Westchester, Rockland, the five
13 boroughs, Nassau, Suffolk -- to be made
14 ready, portable generators in the event of an
15 emergency storm.

16 We are now, with a FEMA grant,
17 pursuing a permanent generator solution and
18 expect to have approximately 180 generators
19 installed by the end of this year. And that
20 is a \$12 million item in our budget. So the
21 bulk of the money is being run through
22 NYSERDA.

23 ASSEMBLYWOMAN PAULIN: So what's the
24 role that the Department of Ags plays in that

1 program?

2 PRESIDENT RHODES: They have a role as
3 effectively a licensing authority interacting
4 with the individual gas stations. So they
5 are of invaluable assistance in getting us
6 into conversations with the individual gas
7 stations, or with the chains that can speak
8 for them, and getting to the point where
9 contracts are in place so that we can install
10 the switches and, in the event of an event,
11 deploy the generators.

12 ASSEMBLYWOMAN PAULIN: Having lived
13 through that, I'm very appreciative of that
14 program.

15 So RGGI. This year's Executive
16 proposal again includes a transfer of
17 \$23 million from RGGI to the General Fund for
18 clean energy tax credits and carbon reduction
19 programs. How much is uncommitted RGGI
20 monies -- remains in NYSERDA's accounts? Is
21 that -- that's different than the monies that
22 we were talking about, the assessments.

23 PRESIDENT RHODES: That's correct,
24 that is a separate source of funds.

1 I -- may I get back to you with the
2 answer on our RGGI balances?

3 ASSEMBLYWOMAN PAULIN: Mm-hmm,
4 absolutely.

5 PRESIDENT RHODES: Thank you.

6 ASSEMBLYWOMAN PAULIN: Electric
7 vehicles. Last year we included a new
8 program that would have provided a rebate for
9 eligible vehicle purchase. I'm wondering
10 where we are on that, and have any rebates
11 been issued pursuant to the program?

12 And related to the electric vehicles,
13 the hybrid vehicles program, we have
14 committed in this budget -- or the Governor's
15 committed -- 500 new workplace charging
16 stations by 2018.

17 And I just wondered, you know, what
18 progress -- you know, what's the program
19 going to look like? Is there certain areas
20 of concentration or roadways of
21 concentration?

22 PRESIDENT RHODES: So first with
23 respect to the vehicle rebate program, the
24 commitment -- which we will absolutely

1 meet -- is to have this in place by the end
2 of the first quarter. I can assure you that
3 we are -- there's no question about our being
4 able to meet that commitment. The program is
5 nearly done, and it will fit exactly as set
6 forth in the budget agreed last year --
7 rebates up to \$2000, depending on the make
8 and the model, and the like.

9 With respect to the charging stations,
10 the 500 charging stations are essentially an
11 expansion of some existing charging station
12 programs where NYSERDA, but also our sister
13 agency NYPA for certain locations, have
14 installed about 1,600 to date. And so the
15 500 will be a natural extension -- the 500
16 workplace charging stations that you
17 reference will be a natural extension of the
18 same mechanisms.

19 ASSEMBLYWOMAN PAULIN: Are they in
20 certain geographic areas, or are we spreading
21 them out? I mean, you know, what is the
22 goal?

23 PRESIDENT RHODES: We are working that
24 out. We're trying to achieve the right

1 balance. The way electric vehicles work, you
2 have the chicken-and-the-egg issue of
3 charging stations and vehicles, and it's hard
4 to justify a lot of charging stations without
5 a lot of vehicles, and vice versa. That
6 leads to a value to densification. On the
7 other hand, you want to cover the white
8 spaces.

9 So we're trying to strike the right
10 balance and doing some analysis to that
11 effect.

12 ASSEMBLYWOMAN PAULIN: Is there any
13 consideration when those decisions are made
14 to look at businesses that -- you know, for
15 example, restaurants that might open at
16 night, you know, when energy is cheaper and
17 you're not looking at the highest-priced,
18 dirtiest energy produced by a -- you know,
19 when charging vehicles, is there any
20 consideration toward, you know -- even though
21 we don't do timed use, to do our own timed
22 use to some degree?

23 PRESIDENT RHODES: We're beginning to
24 introduce those considerations. In the past

1 we've been focused mainly on trying to get --
2 well, for workplace stations, it's relatively
3 straightforward, the employer agrees it's a
4 good thing. For home charging stations, it's
5 relatively straightforward.

6 For the so-called third-place charging
7 stations, we've been working to develop
8 business models that can appeal to the host.
9 So a Price Chopper may decide that, you know,
10 they like it for X, Y, Z reasons and can
11 support the investment. Or a Starbucks may
12 decide it -- so we've been focused mainly on
13 helping hosts arrive at investment decisions,
14 that this would be good for me.

15 But we are -- you're obviously right
16 to point out that electric vehicle and
17 electric vehicle charging can be of value to
18 the energy system if you time it right. And
19 that's especially true as we get to the era
20 of larger numbers.

21 ASSEMBLYWOMAN PAULIN: I would just
22 suggest that, you know, electric car owners
23 are usually buying them because they are
24 environmentally minded. So you want to

1 encourage use during nighttime, which is
2 probably more home use than it is in actual
3 work stations.

4 So I get the goal of wanting to
5 promote electric cars, I would just like to
6 also at the same time keep in mind who the
7 owners are and that we want to promote the
8 proper use of energy generally.

9 PRESIDENT RHODES: Absolutely. We do
10 realize that.

11 ASSEMBLYWOMAN PAULIN: Finally,
12 there's -- well, actually two more questions.

13 One, there was a study that was
14 proposed that NYSERDA would join with DEC,
15 and I wonder if you could talk about, you
16 know, the study -- it's to getting to
17 100 percent renewable energy statewide. So
18 there wasn't a lot of specificity.

19 PRESIDENT RHODES: Thank you.

20 So that, as you say, is a study to be
21 undertaken jointly with the Department of
22 Environmental Conservation. We are going to
23 get it done by the end of this year.

24 We have -- there are a couple of

1 things to mention. We already have some
2 existing work underway that is highly
3 relevant to that under our State Energy Plan
4 process. We are called on to provide
5 biannual updates, and this is a year of a
6 biannual update, so we will be reporting on
7 our progress towards our State Energy Plan
8 goals, which in this context -- greenhouse
9 gases are 40 by '30, on the pathway to 80 by
10 '50. We already have some highly relevant --
11 what we call pathways analysis.

12 They talk about the technical options
13 to get to 80 by '50, and so we are building
14 on those building blocks and extending them.
15 Because 100 is not just a higher number than
16 80 or 50, but it's also qualitatively
17 different, and we're taking those qualitative
18 differences into consideration. But this is
19 one where DEC staff and NYSERDA staff and
20 stakeholders and experts are already engaged.

21 ASSEMBLYWOMAN PAULIN: And the
22 timetable for this study? Or --

23 PRESIDENT RHODES: Before the end of
24 the year.

1 ASSEMBLYWOMAN PAULIN: Before the end
2 of the year.

3 PRESIDENT RHODES: Yes.

4 ASSEMBLYWOMAN PAULIN: And just
5 finally, the 11 projects that you've already
6 funded, there's 35 -- I believe 35 more to
7 go. I just wondered if there's any areas in
8 particular, or just good projects, you know,
9 for large-scale renewables out there that --
10 you know, obviously wind is new, and that's
11 great.

12 So I just wondered what was on the
13 horizon and if you were looking at certain,
14 again, geographic areas or specific renewable
15 models.

16 PRESIDENT RHODES: So we are -- we're
17 trying to strike the right balance between
18 being thoughtful and anticipatory and being
19 market-reactive to where people who put their
20 own money at risk tell us that the
21 opportunities are.

22 So we are in the process of looking at
23 areas that have -- that seem to be
24 underrecognized in terms of wind resource and

1 may also be areas that are more welcoming to
2 a wind project being sited there. And it's
3 too early to get specific, but there are some
4 promising parts of the state where I think we
5 can get more done.

6 ASSEMBLYWOMAN PAULIN: I just have one
7 final question. You know, last year we
8 talked a lot about -- and we continue to talk
9 a lot about -- worrying that people who can
10 least afford their utility bills are offered
11 programs to help them conserve. And I wonder
12 if you could just speak to some of NYSERDA's
13 programs specifically about that market and
14 what you're doing to help low-income
15 ratepayers pay less.

16 PRESIDENT RHODES: So our -- this is a
17 little bit of a portfolio effort. I think
18 you heard Audrey, Chair Zibelman, talk about
19 some of the work that Mike Corso is making
20 happen at the commission that is about
21 reducing the energy burden broadly.

22 NYSERDA's tools are really energy
23 efficiency, so we go in and try to get
24 projects done. Our programs, one of them is

1 called Empower, which is for the very lowest
2 incomes, below 60 percent of area median
3 income. We provide 100 percent of the cost
4 for an energy efficiency upgrade. It's
5 highly -- there's a lot of kinship with
6 Housing Community Renewable Program, the
7 Weatherization Assistance Program. The
8 Governor instructed WAP and Empower together
9 to get to 20,000 homes this year. So that's
10 on our docket.

11 In addition, we have assisted programs
12 for slightly higher bands of income. Sixty
13 to 80 gets 50 percent cost-share under
14 something we call Assisted Home Performance.
15 And then we have a Green Jobs-Green New York
16 financing instrument which provides highly
17 affordable interest rates for loans related
18 to those projects. Obviously not for the
19 below 60, because with no cost share there's
20 nothing to get a loan for. But for the 60 to
21 80 and 80 up to 120, and even a little bit
22 higher, we provide subsidized -- we provide
23 below-market interest to support those
24 households, specifically in those areas where

1 private financiers are not yet ready to go.

2 ASSEMBLYWOMAN PAULIN: Thank you very
3 much.

4 PRESIDENT RHODES: Thank you.

5 CHAIRWOMAN YOUNG: Thank you.

6 I just have a couple of questions. I
7 wanted to ask the second part of
8 Assemblywoman Paulin's question about the
9 RGGI transfer to the General Fund. And I was
10 wondering, is there a specific purpose
11 provided for this transfer?

12 PRESIDENT RHODES: The purpose of the
13 \$23 million, if that's what you're referring
14 to --

15 CHAIRWOMAN YOUNG: Yes.

16 PRESIDENT RHODES: -- is for
17 energy-oriented tax credits, and they are
18 centrally in line with the use of the -- the
19 directed use of RGGI funds, which is carbon
20 abatement. So these are investments that are
21 entirely consistent with the goals of RGGI
22 and entirely consistent with the work to
23 continue New York's leadership in reducing
24 carbon emissions.

1 CHAIRWOMAN YOUNG: Thank you.

2 What are the parameters of awarding
3 those grants?

4 PRESIDENT RHODES: We transfer them, I
5 believe, to -- ultimately to the EPF and
6 within the boundaries that are set forth for
7 the EPF at the time.

8 CHAIRWOMAN YOUNG: Okay. Thank you.

9 PRESIDENT RHODES: I can verify that
10 and get back to you.

11 CHAIRWOMAN YOUNG: That'd be great,
12 John.

13 PRESIDENT RHODES: Thank you.

14 CHAIRWOMAN YOUNG: Can you explain the
15 suballocation of \$150,000 worth of 18-a
16 assessments to Fuel NY? Could you address
17 that, please?

18 PRESIDENT RHODES: Right. So
19 that's -- I think Assemblywoman Paulin asked
20 a related question. So Fuel NY is our
21 resiliency program that keeps gas stations on
22 in the event of a power outage. Ag and
23 Markets is a really important partner in
24 allowing us to work with individual gas

1 stations and the chains that can speak for
2 them. And so this is to support them in
3 their work supporting our work deploying
4 initially the switches for portable
5 generators and, in the future, actual
6 permanently-at-the-gas-station-installed
7 generators.

8 CHAIRWOMAN YOUNG: Okay. So is this a
9 one-time allocation, or is this going to be
10 an ongoing expense, is what I'm getting at.

11 PRESIDENT RHODES: I don't know the
12 answer to that. But it's -- and the -- if we
13 get the numbers of permanent generators
14 installed -- which I think we are expecting
15 186 -- that may do it for the requirement to
16 be protective and provide resiliency
17 downstate. And that might be enough to
18 signal a victory.

19 If we have to continue because we
20 determine we need a few more or we determine
21 that -- we realize we didn't get them all
22 done in this year, that kind of support may
23 continue into next year. But it's a bound --
24 it's a time -- it's a mission-bounded bit of

1 transfer.

2 CHAIRWOMAN YOUNG: Thank you.

3 Could you just address NY Prize a
4 little bit? What is the status of it?

5 PRESIDENT RHODES: So NY Prize is
6 Governor Cuomo's \$40 million community grid
7 competition. It's foreseen to take place in
8 three rounds. In the first round, I believe,
9 we awarded 83 prizes of \$100,000 each for
10 some initial design. Most of those 83 came
11 forward and submitted applications in their
12 Round 2. We are finalizing the awards of
13 those and expect to be very close to that
14 very soon. And so that will be a number that
15 is smaller than 83, and they will get about
16 \$1 million for really pretty thorough design
17 work, which will then make them eligible to
18 go on to Round 3, which will be final awards
19 of -- you know, to help with the actual
20 construction of the project.

21 CHAIRWOMAN YOUNG: Thank you.

22 Of those 83 projects in the first
23 phase, how many of those have been completed?

24 PRESIDENT RHODES: Well, none. The

1 first phase was really a preliminary planning
2 activity. A microgrid project is a multiyear
3 initiative, and you move through increasingly
4 thorough levels of planning and design. So
5 we're working our way through the, you know,
6 through the maturing cycle of the project.

7 CHAIRWOMAN YOUNG: Thank you. So I
8 understand that it's a long-term proposition.
9 Have any of the 83 not started yet?

10 PRESIDENT RHODES: Well, none of them
11 have started. We're still doing design work,
12 increasingly detailed design work both on the
13 technical aspects, on the interconnection
14 aspects, and on the organizing aspects in
15 terms of what would the role of the critical
16 facilities, say the hospital, be in the
17 project.

18 CHAIRWOMAN YOUNG: But has the design
19 started on all 83 projects?

20 PRESIDENT RHODES: Yes. Yes.

21 CHAIRWOMAN YOUNG: Thank you. That's
22 what I was trying to get at.

23 PRESIDENT RHODES: Sorry.

24 CHAIRWOMAN YOUNG: What's the timeline

1 for Phase 2?

2 PRESIDENT RHODES: Phase 2 should be
3 awarded shortly. And then it will be I
4 believe mid-2018 before we're at the end
5 of -- at the Phase 3 awards.

6 CHAIRWOMAN YOUNG: All right. Thank
7 you.

8 ASSEMBLYMAN OAKS: Assemblyman
9 Carroll.

10 ASSEMBLYMAN CARROLL: Thank you.

11 And thank you, Mr. Rhodes, for coming
12 this afternoon.

13 My first question is about what is
14 NYSERDA and the state doing to incentivize
15 homeowners and business owners and co-ops and
16 condominiums to retrofit their buildings so
17 that they become more energy efficient. As
18 you're probably aware, 75 percent of New York
19 City's greenhouse emissions come from
20 buildings.

21 PRESIDENT RHODES: So energy
22 efficiency is central to NYSERDA strategy,
23 it's central to the State Energy Plan and
24 it's central to the Clean Energy Standard.

1 The arithmetic says that if you reduce
2 the amount of energy you consume, it's easier
3 to get to 50 percent of what's left. And
4 energy efficiency is what we call the first
5 resource in New York. It's not especially a
6 new-construction state compared to some of
7 our Western states, so it's a retrofit
8 market. And we have programs that attack, if
9 I can use that word, the retrofit challenge
10 across sectors and across geographies.

11 So big sectors for us are commercial,
12 they have the multifamily sector, they are
13 the residential sector, and they are the
14 industrial sector, and there are other
15 sectors as well -- ag and the like. We have
16 active programs in each of those that provide
17 cost share.

18 We have active programs in each of
19 those that provide technical assistance. And
20 then we have tailored programs that are
21 particularly suited to the attributes of
22 specific sectors. We work closely with local
23 governments that are active on this front;
24 New York City is one example. And we work

1 very closely with the utilities that are
2 engaged in parallel work on the same agenda.

3 ASSEMBLYMAN CARROLL: In that same
4 vein, do you have a specific program that
5 incentivizes homeowners or businesses to use
6 solar panels or geothermal to heat and cool
7 their homes?

8 As you know, this will not only create
9 real carbon emission reductions but it will
10 also decentralize our power grid, it will
11 make it more resilient and efficient when
12 mitigating future global warming impacts.

13 PRESIDENT RHODES: So it's kind of a
14 first premise of doing a retrofit that you
15 rightsized the energy need. So to the extent
16 that a renewable solution can offset or take
17 down the energy need, you want to do that
18 first or at least calculate that first.

19 With respect -- you mentioned two
20 technologies, solar and geothermal. Under
21 Governor Cuomo, we've had NY-Sun up and in
22 action for I believe three years, four years
23 now. That is getting solar deployed in many
24 different configurations, but importantly on

1 many rooftops. And with the advent of
2 community solar, which is permitted as of
3 last April, or April 18 months ago, we are
4 now making solar accessible to homes and
5 households that would not have had access
6 otherwise -- renters, multi-families, people
7 with inappropriate roofs and the like.

8 Geothermal is a more recent area of
9 activity for us. I believe it was last week
10 that the Governor announced a \$15 million
11 program to accelerate the deployment of
12 geothermal for homeowners -- well, for all
13 kinds of customers, but specifically
14 expecting the biggest uptick among
15 residential homes and among commercial
16 customers.

17 ASSEMBLYMAN CARROLL: Switching notes,
18 in New York City -- there are 16
19 power-generating plants in New York City that
20 are commonly referred to as peakers. These
21 power stations have an oversized carbon
22 footprint and also cost customers much more
23 when they are used in those few days in the
24 summer when they turn on. Does NYSERDA or

1 the state have a plan to shut down these
2 plants or to find renewable sources so that
3 we stop using them?

4 PRESIDENT RHODES: Well, the premise
5 of REV, which is the premise that leads to
6 NYSERDA's focus on investing in energy
7 efficiency and heat pump geothermal and solar
8 and anaerobic digesters and the like, is to
9 offset the need for expensive alternative
10 investments, which can include both
11 transmission and distribution investments,
12 substations and copper, and can also include
13 generating capacity.

14 As these distributed solutions get
15 deployed -- and they will get deployed
16 increasingly as costs come down, which they
17 are, and as we advance towards our 50 by '30
18 goals and our energy efficiency goals,
19 23 percent -- we will see the market diminish
20 for peakers.

21 ASSEMBLYMAN CARROLL: Also, according
22 to NYISO, 5,000 miles of high-voltage wires
23 are going to need to be replaced by 2030, at
24 a cost of \$25 billion. What is NYSERDA's

1 plan to make sure that those are as
2 energy-efficient as possible, and has the
3 state contemplated those costs and is it
4 prepared to outlay that much money in capital
5 expenditures?

6 PRESIDENT RHODES: So the state is
7 fully aware of the required infrastructure
8 investments that our aging and constrained
9 grid require. It's a premise of REV that
10 couldn't we find what we call demand-side
11 alternatives that locally provide a cheaper,
12 more cost-effective, more
13 customer-choice-providing solution.

14 So one other premise of REV is that if
15 we're going to spend dollars, can we spend
16 them smartly and cleanly. So that is going
17 on.

18 NYSERDA generally has a very limited
19 role in transmission. We are really about
20 energy solutions. The one area where we do
21 touch it is that we are committed to a
22 10-year program of \$150 million in what we
23 call Smart Grid, which is really bringing
24 intelligence to the system, and some of the

1 solutions will be smart solutions on the
2 transmission grid. And I could name some
3 technologies that are particularly relevant,
4 but I don't actually know a whole lot more
5 than their names, so -- PMUs and the like.

6 So we are supporting technology
7 innovations that will get there, but other
8 than that, we have a very limited role in the
9 investments.

10 CHAIRWOMAN YOUNG: Senator Krueger.

11 SENATOR KRUEGER: Hi. How are you?
12 Thank you for all your testimony.

13 So we're all talking about renewable
14 electricity and the Governor's goal to get to
15 100 percent. Right, renewable electricity,
16 is that correct?

17 NYSERDA PRESIDENT RHODES: He's asked
18 for a plan to get to 100 percent.

19 SENATOR KRUEGER: What are we at now?

20 NYSERDA PRESIDENT RHODES: I would
21 have to get back to you. I believe it's 27
22 or so percent.

23 SENATOR KRUEGER: Twenty-seven? So
24 it's a -- we have a big jump to make to get

1 there.

2 NYSERDA PRESIDENT RHODES: We have a
3 line of sight to 50 by '30 and know we can
4 get there.

5 SENATOR KRUEGER: And there were
6 questions about the electric cars before, and
7 the rollout of proposals from last year. And
8 then this year -- I'm not sure it's in your
9 budget -- but a plan for 500 more charging
10 stations plus 60-something additional on the
11 Thruway?

12 NYSERDA PRESIDENT RHODES: Sixty-nine
13 on the Thruway, I believe.

14 SENATOR KRUEGER: So where are we in
15 the sort of, I guess, time frame of what you
16 were hoping to get to for electric vehicles?

17 NYSERDA PRESIDENT RHODES: We have
18 about 15,000 electric vehicles on the road.
19 We need to and expect to accelerate the
20 penetration of electric vehicles into the
21 fleet. We know the technology and the
22 economics that flow from technology are
23 working in our favor. But we are -- we're
24 researching, you know, the most

1 cost-effective approaches we can take to
2 accelerate that, as NYSERDA and also
3 statewide.

4 SENATOR KRUEGER: Jumping back to my
5 first question, so we're at 27 percent, give
6 or take -- your estimate. We want to get to
7 50 percent by 2030. Is that the Governor's
8 commitment? Is that right?

9 NYSERDA PRESIDENT RHODES: Yes.

10 SENATOR KRUEGER: What is on the
11 horizon that's going to give us our biggest
12 jumps? Is it the solar plants? Is it the
13 wind offshore? What?

14 NYSERDA PRESIDENT RHODES: (Pause.)
15 I'm sorry, I'm doing some math.

16 SENATOR KRUEGER: That's okay.

17 NYSERDA PRESIDENT RHODES: A very big
18 contributor will be energy efficiency. As I
19 sort of said, you know, math works for you.
20 If you only have to get to 50 percent of 80
21 instead of 50 percent of 100, that's easier.
22 So that's a big one.

23 We are really heartened by the
24 progress that Governor Cuomo's NY-SUN is

1 making and expect to beat the numbers, which
2 is 3 gigawatts under NY-Sun, probably by, I
3 don't know, 2023 or '24, with more flowing
4 than that because the market is now, on its
5 own, self-sustaining and booming. We know
6 this could work because it's been about
7 10 months since we've paid our last incentive
8 on a rooftop on Long Island, and the market
9 hasn't missed a beat, and they're still
10 deploying there even without NY-SUN
11 incentives.

12 That will be an important and critical
13 wedge. We certainly expect that to, if
14 anything, go up from where we're looking now
15 because of community solar, which, as I
16 mentioned, opens a whole new set of
17 customers. For the near term, the first half
18 of our period to 2030, the biggest
19 contributor -- or the second, behind energy
20 efficiency, is going to be large-scale
21 onshore wind. By the time we get to the
22 second half of our time period to 2030 -- so
23 the mid-'20s or so, we expect to see
24 utility-scale solar come into play and we

1 expect to see offshore wind come into play on
2 the path to Governor Cuomo's 2.4 -- up to
3 2.4 gigawatts spinning by 2030.

4 Those are the -- so efficiency, solar,
5 large-scale onshore wind, utility-scale
6 solar, and offshore wind.

7 SENATOR KRUEGER: And what's the
8 biggest efficiency model we have for going
9 forward?

10 NYSERDA PRESIDENT RHODES: The
11 biggest?

12 SENATOR KRUEGER: Efficiency
13 improvement model.

14 NYSERDA PRESIDENT RHODES: Did you say
15 model?

16 SENATOR KRUEGER: Yeah. Or just give
17 me an example of what the biggest win will be
18 from efficiency, since we're depending on
19 that so much.

20 NYSERDA PRESIDENT RHODES: We -- we --
21 if you'll pardon the unprofessional language,
22 we expect to make the first and fastest
23 progress in big buildings. So this is
24 commercial office, institutional, and

11 And, you know, I don't want to leave
12 the industrial sector as kind of a last but
13 not least. The good news/bad news is that
14 they're relatively sophisticated energy
15 managers as it is, especially if they have a
16 high energy component. And they're doing
17 quite well, which is obviously a good thing
18 if you're looking at where you are, but it
19 means that the next steps are harder.

24 NYSERDA PRESIDENT RHODES: Thank you.

1 ASSEMBLYMAN OTIS: Thank you for all
2 the interesting, innovative programs you have
3 to get all of this going. I think that
4 NYSERDA has come a long way under your
5 leadership.

6 A question about one specific area,
7 which is the programs that you offer for
8 local governments and school districts, which
9 are good programs. But the problem that I'm
10 hearing is they often would like to do good
11 energy efficiency things -- solar, bring
12 solar on -- and even with the technical
13 expertise, could use more of a financial help
14 to get them to be able to fit into their
15 budgets.

16 Is there -- can you go back with your
17 folks at NYSERDA and think are there other
18 ways to think about those activities and grow
19 those programs with maybe some grant money or
20 other incentives to make the move by those
21 public entities towards more energy
22 efficiency more possible?

23 NYSERDA PRESIDENT RHODES: Yes, we
24 can. I think one important element of that

1 will be continued increasing collaboration
2 with NYPA, the New York Power Authority,
3 which in many cases has these local
4 governments and school districts as their
5 customers. So that's a natural partner.

6 But we absolutely appreciate the
7 importance of local government both as a
8 consumer who can reduce their energy as well
9 as an agitator for local energy action.

10 ASSEMBLYMAN OTIS: The Power Authority
11 and also the private utility companies offer
12 programs at times for municipalities in these
13 areas, but the affordability factor to make
14 more of this activity happen just isn't
15 there. And I hear that frustration from some
16 of the locals.

17 NYSERDA PRESIDENT RHODES: We'll look
18 harder.

19 ASSEMBLYMAN OTIS: Okay. Thank you
20 very much.

21 NYSERDA PRESIDENT RHODES: Thank you.

22 CHAIRWOMAN YOUNG: Thank you.

23 Just one more question. You
24 referenced something in my district in your

1 testimony, and that was the West Valley
2 Demonstration Project. And certainly I've
3 represented West Valley for many years and
4 understand the situation.

5 But are there any new updates? And I
6 know it's a federal issue driven by the feds,
7 but also we have a very strong participation
8 in the project. So are there any new
9 developments that you could share?

10 NYSERDA PRESIDENT RHODES: I -- I
11 could -- I'd rather find time to brief you on
12 the specific issues associated with the
13 demonstration project and the work. I know
14 that everything is going well in terms of the
15 decommissioning work that we were aiming for
16 and the site management and the like. I also
17 know that we're -- I think this is germane --
18 in healthy discussions with the Town of
19 Ashford on kind of helping them arrive at a
20 community solar project for --

21 CHAIRWOMAN YOUNG: Thank you. I was
22 hoping you would bring that up. That's
23 something that I know the town is very
24 interested in. And of course they have

1 struggled with having the site within their
2 town for many, many years, and it certainly
3 has stymied any kind of economic development
4 as far as bringing in new business or
5 opportunities.

6 So that would be great if you continue
7 to work with them --

8 NYSERDA PRESIDENT RHODES: Well --

9 CHAIRWOMAN YOUNG: If you could brief
10 me too at some point --

11 NYSERDA PRESIDENT RHODES: We'll brief
12 you, and we'll continue with the Town of
13 Ashford.

14 CHAIRWOMAN YOUNG: Thank you so much.
15 We appreciate it.

16 Okay, I think that wraps things up for
17 you today, so thank you for your
18 participation.

19 NYSERDA PRESIDENT RHODES: Thank you.

20 CHAIRWOMAN YOUNG: Our next speaker is
21 Director of Public Policy Jeff Williams, from
22 the New York Farm Bureau. Coming from the
23 top. That's what we call a grand entrance.

24 MR. WILLIAMS: Sorry for the wait.

1 CHAIRWOMAN YOUNG: Welcome.

2 MR. WILLIAMS: So thank you for
3 listening to me after this long day. I will
4 make my comments very short, but obviously
5 open up to questions if you have any
6 afterwards.

7 First of all, I want to thank you,
8 Senator Young, obviously Mr. Oaks, and our
9 chairs in both the Assembly and Senate of the
10 Agriculture Committees for all the work you
11 did last year in restoring budget
12 restorations for the Ag and Markets budget,
13 EPF, things like that. It was a tremendous
14 amount of work. We couldn't be happier with
15 the \$300 million EPF.

16 Likewise, we're extremely happy for
17 the \$300 million EPF this year, but also for
18 \$5 million for fair infrastructure, which was
19 truly a godsend for local fairs across the
20 state. Fairs are our first line of defense,
21 our first -- you know, on the ground,
22 boots-on-the-ground promotion of the
23 agricultural industry, and \$5 million to
24 rehab that kind of an effort is tremendous.

1 So now we're looking forward,
2 obviously, to the new budget, the Governor's
3 Executive Budget. And we're terming it as a
4 good start, but obviously more work needs to
5 be done. You heard the questions for
6 Commissioner Ball earlier today. But we need
7 to layer the Governor's budget with the fact
8 that over the past couple of years, we've had
9 a tremendous decrease in our dairy industry
10 in prices. We're headed into a third year of
11 a tremendous dairy decline in prices. Farm
12 Credit East, our major lender in the
13 Northeast, found that in years '15 and '16,
14 the industry lost a billion dollars just from
15 the dairy prices. The global economy is not
16 what it was. Consumption is way down.

17 So for the past two years, dairy
18 farmers have been producing milk way above,
19 in cost, what they get back for their
20 product. Prices are below cost of
21 production. We're entering into a third year
22 of that trough. So things aren't looking up
23 as well. So we're tremendously concerned
24 about that.

1 Then you add the drought last summer
2 to that mix, and things are bleak in the farm
3 industry across the state.

4 In the Governor's budget we're very
5 happy that he has continued his trend of
6 fully funding mainline public health and
7 agricultural health programs, typically run
8 by Cornell. Whether it's our poultry
9 industry, with avian disease protection,
10 dairy, with Johne's disease, the diagnostic
11 lab -- he doesn't mess around with that, and
12 we're thankful for not politicizing those
13 funding streams.

14 As far as research and promotion of
15 our industry, we don't rely on ESDC for those
16 promotional funds. Ag and Markets is our
17 ESDC when it comes to research and promotion.
18 So when our apple industry, maple industry,
19 berry industry, and others get money in the
20 budget -- and all of them do not have money
21 in the budget right now -- that money goes
22 directly to their promotion of their
23 industry, not just in the state but across
24 the world, which is great to see.

1 Likewise, research. We have a
2 tremendous amount of research that needs to
3 be done to keep farms operating on a global
4 level with competition. And so the funding
5 for research has not been included in the
6 Governor's budget, and we're relying,
7 hopefully, upon the Legislature to restore
8 funding for those things.

9 Commissioner Ball did talk about the
10 FFA program and the needs there in the
11 Governor's budget. We're happy the Governor
12 dedicated \$350,000 for grants to new FFA
13 programs, but he didn't add any other money
14 to support core programming for the FFA
15 program. So \$300,000 will be needed actually
16 just to keep the administrative efforts going
17 to support current and ongoing efforts in
18 expansion for the FFA, especially when those
19 FFA kids at the high school level, secondary
20 level, are our bridge to the next generation
21 of farms. They're the people who go to
22 Cornell, Morrisville, Cobleskill, Alfred
23 State, and then carry on in transition to the
24 next generation of farmers.

1 As far as the EPF goes, we're very
2 happy with what the Governor has proposed so
3 far. It's a toolbox of environmental
4 programs that help water quality, protect
5 land, combat invasive species, and work on
6 the ground with our soil and water
7 conservation districts.

8 New last year in the EPF, which we're
9 happy is continued, is \$1 million for the IPM
10 program, is which basically is a full
11 complement of strategies to help farmers
12 combat pests on their farms without using
13 pesticides right off the bat. Going out and
14 scouting and looking to see what the problems
15 are and then using the right product in the
16 end helps reduce pesticide use in the state.

17 Likewise, pollinator protection plans,
18 funding for that. Farmers rely on
19 pollinators, obviously, for their crops. We
20 need healthy bees and a healthy environment.

21 And new this year, a Clean Sweep
22 Program, which we've relied on for decades,
23 that came from a settlement funding at DEC to
24 help farmers get rid of used or unwanted or

1 unregistered pesticides. That has been put
2 into the EPF, and we're thankful for that.

3 And two more things we're watching
4 very closely, the \$2 billion Clean Water
5 Infrastructure Act. We've heard from the
6 Governor's office that a substantial fund of
7 money from that will be going to help large
8 dairy farms meet the very strong and strict
9 regulatory guidelines to protect water
10 quality, otherwise known as CAFO. So we are
11 hoping at the end of March, in the final
12 budget, that that funding will be included.
13 Because to put in, let's say, a manure lagoon
14 to control and store your manure for four to
15 six months, that costs \$300,000 to \$500,000.
16 Again with the aforementioned dairy prices,
17 farmers cannot pay that kind of cost. This
18 is a cost-sharing program for them, so we're
19 watching that very intently and are very
20 supportive.

21 And I guess I would be remiss if I
22 didn't mention two things outside of this
23 table, the purview of this table, which are
24 much more revenue-oriented. We're very

1 supportive of a refundable investment tax
2 credit, again to combat the drought, dairy
3 prices, to allow farmers to reinvest
4 much-needed funding into their farms and then
5 receive some money on the back end in their
6 taxes as an incentive to do so.

7 The second one is we're grateful for
8 the minimum wage tax credit for farms to help
9 offset the cost of minimum wage increases,
10 and there's a schedule of five years per
11 employee, how much a farmer can deduct on
12 their taxes. We're strongly advocating
13 doubling that regime. And so it makes it
14 more meaningful for a farmer to have
15 employees, especially at a time when they are
16 not making money at all.

17 But again, I thank you very much for
18 the time today. I thank you for all your
19 work on the budget and concern for the
20 agricultural industry.

21 CHAIRWOMAN YOUNG: Thank you, Director
22 Williams.

23 I'm very concerned about the plight of
24 the dairy farmers. They are so crucial to

1 our upstate economy. And as you know, I was
2 chair of the Ag Committee in 2006-2007 when
3 we had a severe crisis. And milk prices go
4 up and milk prices go down, but it seems like
5 when they go down, they go way down and they
6 stay there.

7 We used to tie it to the Chicago
8 Mercantile Exchange and the situations that
9 happen in regards to that. But you're
10 talking now about a global economic situation
11 where it's market conditions, and there seems
12 to be a glut of milk worldwide. Why is that?
13 Are there more producers in different
14 countries? Are we not marketing our milk
15 well enough from the USA? Are there trade
16 conditions that are factors? What's going
17 on?

18 MR. WILLIAMS: The answer is yes, all
19 of the above. There is too much milk on the
20 market on a global basis.

21 Typically -- and we hate to hope for
22 these things -- there's a drought in
23 Australia, a weather disaster someplace else
24 in the world that then reduces the production

1 of milk. We don't hope for that, but that's
2 typically what helps drive increases in farm
3 prices.

4 So we have a lot of milk which we just
5 can't get off our hands and, frankly, not
6 enough processing in New York State to
7 process. And then you layer on other unique
8 situations, like a dry protein plant, milk
9 protein plant in Central New York that is a
10 \$100 million plant, and their whole reason
11 for being, their business plan, is to ship to
12 Canada. And Canadians have become entirely
13 provincial when it comes to their dairy
14 production, and they don't like other people
15 playing in their backyard, and they're
16 basically shutting down the border.

17 And so that plant uses a lot of milk,
18 it's a major employer in Western New York,
19 and it's -- they're in jeopardy of closing
20 the doors.

21 So it's a lot of different things.
22 But I agree with you, the dairy troughs used
23 to be quicker. We used to get out of them in
24 a year. And now we're going into Year 3, and

1 it's tough, tough, tough. Especially when
2 you layer on increased labor costs and other
3 increases.

4 CHAIRWOMAN YOUNG: So you talked about
5 a refundable tax credit for farmers and you
6 spoke of minimum wage tax relief to help them
7 be able to afford the minimum wage hike.
8 What else can we do? Obviously some of the
9 worldwide factors are under the purview of
10 the federal government. But what can we do
11 as a state to try to help the dairy farmers
12 get out of where they're at right now?

13 MR. WILLIAMS: Yeah, that's the
14 \$800 million question.

15 Certainly tax credits help prime the
16 pump. I certainly think that increased
17 capacity for processing, to get more milk
18 from the farms processed and then out the
19 door, especially in the Southern Tier. I
20 know there's some really aging plants in
21 Campbell, Savona, and other areas of that
22 region of the state that we need to
23 reinvigorate. I know Ag and Markets is
24 investing in upstate New York. But in the

1 end, it's a big shakeout. And hopefully we
2 can all ride it out.

3 CHAIRWOMAN YOUNG: Thank you. I
4 assume the Farm Bureau is lobbying Washington
5 as far as some of these issues too?

6 MR. WILLIAMS: Yeah.

7 CHAIRWOMAN YOUNG: And hopefully with
8 the new administration you're able to find a
9 sympathetic ear to be able to maybe change
10 some of the trade policies.

11 MR. WILLIAMS: Yeah. I mean, there's
12 some very close friends of New York Farm
13 Bureau and Farm Bureau itself that are, you
14 know, very prominently placed in the Trump
15 administration. So we're hopeful that
16 they'll carry that message, especially with
17 the whole Canadian issue.

18 Obviously we're very concerned for the
19 presidential administration's viewpoints on
20 immigration. We had a conversation earlier
21 about access to foreign labor. We always
22 have been a major proponent of immigration
23 reform, and we continue to carry that message
24 this year.

1 CHAIRWOMAN YOUNG: Okay. Thank you.

2 MR. WILLIAMS: Thank you.

3 ASSEMBLYMAN OAKS: Just a quick
4 question, Jeff.

5 I know you talked about the
6 billion-dollar reduction basically in dairy
7 income. I've seen some headlines, you know,
8 that said agriculture was down a billion
9 dollars. Is that accurate, in looking at the
10 rest of agriculture outside of dairy, it was
11 about flat for '16, or not?

12 MR. WILLIAMS: That's a good question.

13 ASSEMBLYMAN OAKS: I know dairy is
14 like half of the overall income for --

15 MR. WILLIAMS: Right. Yeah, exactly.
16 That number incorporates all aspects of
17 agriculture. Obviously, dairy being
18 60 percent of our industry, it contributes a
19 lot to that. And that's just for '15-'16.
20 We haven't seen the 2016 numbers yet. We
21 expect it to be down even further when those
22 numbers come out. A lot of it is dairy,
23 because we've lost our export market.

24 ASSEMBLYMAN OAKS: Well, I do hope

1 that we're able to, you know, as a part of
2 the budget, restore a number of things, work
3 with you on that, and hopefully find some
4 ways -- Senator Young, you know, asked for
5 some direction -- but how we can help work
6 together to strengthen agriculture in
7 New York.

8 MR. WILLIAMS: Thank you very much.
9 It's very complicated when it comes to dairy
10 because there's so many different federal --
11 it's a federally regulated system, so to ask
12 the state to get involved in that, it's a
13 tough ask. And so we rely on the state to
14 deal more on the cost side, to help mitigate
15 those -- those troughs in pricing.

16 ASSEMBLYMAN OAKS: Thank you.

17 CHAIRWOMAN YOUNG: Thank you.

18 MR. WILLIAMS: Thank you very much.

19 CHAIRWOMAN YOUNG: Our next speaker is
20 Darren Suarez, director of government affairs
21 for the Business Council of the State of New
22 York.

23 Welcome, Darren.

24 MR. SUAREZ: So thank you very much

1 for having me here this afternoon, or early
2 evening. And I'd like to share with you some
3 of the thoughts regarding the 2017-2018
4 environmental and energy Executive Budget.

5 The Business Council recently issued
6 our "Back to Business" advocacy agenda for
7 2017, with an emphasis on legislation with
8 broad positive impacts on the state's
9 economic climate. Our comments today are
10 strongly influenced by the advocacy agenda as
11 it relates to energy and environmental
12 issues, and today my testimony will focus
13 purely on water quality issues, making it
14 much shorter.

15 New York State, like other states,
16 faces real challenges to our water
17 infrastructure. Our water treatment and
18 delivery systems provide public health
19 protection and are valuable components to
20 both manufacturing processing and food
21 preparation, and also have resulted in a
22 higher quality of life for residents of the
23 state.

24 The New York Legislature and the

1 Governor deserve credit for first
2 acknowledging that we have significant water
3 infrastructure deficiencies and for
4 committing resources to address those
5 deficiencies.

6 This year, as part of the Clean Water
7 Infrastructure Act of 2017, the Executive
8 Budget proposes a \$2 billion, multiyear
9 commitment to support capital investments in
10 water and sewer infrastructure. Legislation
11 was also introduced in the Senate and
12 Assembly that would authorize the creation of
13 a \$5 billion Clean Water Bond Act. The
14 Business Council applauds the Executive and
15 the Legislature for their continued
16 commitment to drinking water and wastewater
17 infrastructure improvements, and we strongly
18 support efforts to provide additional funding
19 for critical investment in drinking water
20 infrastructure, wastewater infrastructure,
21 and drinking water protection.

22 The Executive Budget's Part II,
23 labeled the Clean Water Infrastructure Act,
24 includes a number of statutory programs and

1 amendments to current remedial programs. The
2 Business Council recommends this part be
3 amended specifically to address matters
4 related to drinking water.

5 Section 4 includes a new Title 12 to
6 Article 27 of the Environmental Conservation
7 Law that would grant the DEC the power to
8 compel the cleanup and abatement of solid
9 waste sites and drinking water contamination
10 without due process protections or public
11 input. New York already has a number of
12 remedial programs, including the state
13 Superfund Program, the Oil Spill Program, to
14 mandate the remediation of different types of
15 pollutants. Those programs have not only
16 resulted in the cleanup of thousands of
17 sites, but also the abandonment of thousands
18 of properties throughout the state because of
19 the fear of liability. The newly proposed
20 Title 12 will create significant uncertainty,
21 as it would allow the DEC to enter any
22 property to investigate and remediate any
23 discarded material. The owner or operator of
24 the site then is required to implement all

1 remedial measures deemed necessary by the
2 DEC. If the owner fails to implement the
3 measures, the DEC may implement the
4 remediation and place a lien on the owner or
5 operator's real property.

6 The DEC could do all this without
7 commencing a hearing or issuing an order.
8 There is no limit to the size or the level of
9 the remediation that the DEC could conduct,
10 and the owner or operator would be afforded
11 no statutory defenses to liability like the
12 secured creditor or third-party polluter
13 exemptions. Furthermore, the public is
14 provided no opportunity to provide input on
15 the remedial design.

16 In addition, Title 12 would allow the
17 Commissioner of Health to require that all
18 reasonable measures be taken to reduce
19 exposure to a contaminant. The provision
20 does not require the contaminant exceed a
21 health-based standard, merely the presence of
22 contaminant is enough to require action.
23 Furthermore, a contaminant can include any
24 physical, chemical, microbiological or

1 radiological substance that the Commissioner
2 of Heath declares may have the potential to
3 be a health hazard.

4 The required remedial measures may
5 include the installation of a drinking water
6 treatment system and source removal.
7 Municipal drinking water treatment systems
8 can cost anywhere between \$1 million and
9 \$100 million. The DEC is required by
10 Title 12 to recover the full amount of the
11 cost of the remedial system and any
12 associated remediation from any owner,
13 operator, or party that contributed to the
14 contamination.

15 Past experience has demonstrated that
16 in many cases, particularly where the
17 contamination may involve multiple sources or
18 substances and multiple potentially
19 responsible parties, liability for the
20 proposed disposal may not be traceable to a
21 particular source. Consequently, remedial
22 enforcement targets for liability the party
23 who may be most readily identifiable --
24 typically, the current owner or operator --

1 or who may have the deepest pockets. The net
2 effect is that a party with only a slight
3 relationship to the site, or to the hazardous
4 substance disposed there, may be held
5 responsible for a disproportionate share or
6 even all of the response costs of the
7 cleanup.

8 An essential tenet of the American
9 justice system is that a person should not be
10 held responsible and compelled to pay for
11 injuries which that person did not cause.
12 Because the proposed liability framework in
13 Title 12 is grounded not on causation, but on
14 the status of the party as an owner or
15 operator, many innocent landowners could face
16 strict liability even though they may have
17 done nothing to contribute to the contaminant
18 of concern.

19 Moreover, the innocent landowner
20 cannot conduct meaningful due diligence prior
21 to purchasing the property, given the broad
22 latitude that Title 12 provides for the DEC
23 and DOH to determine what is a contaminant
24 and to establish remedial action levels based

1 on a declaration that a contaminant may be
2 harmful to human health.

3 The failings of Title 12 are too many
4 to amend, as it would require at minimum the
5 establishment of standards, due process, and
6 statutory protections of the innocent. The
7 Business Council instead recommends current
8 laws and programs be amended to increase
9 protections for drinking water in the state.
10 Title 4 of Article 56 of the ECL, the
11 landfill closure program, could be expanded
12 and fully funded. In 2010, the State of
13 New Hampshire found 67 sites contained
14 1,4-dioxane. Thirty of these sites were
15 solid waste landfills.

16 Title 13 could be amended to provide
17 DEC with a similar authorization that EPA
18 has, pursuant to CERCLA, that allows EPA to
19 respond to the release or substantial threat
20 of release of any pollutant or contaminant
21 that may present an imminent and substantial
22 danger to the public health or welfare.

23 And we'd also recommend developing a
24 new program that contains a rapidly awardable

1 allocation for planning and implementation
2 grants for emergency drinking water issues,
3 whether caused by a chemical or biological
4 condition.

5 Section 2 of the proposals would
6 establish a new land acquisition program
7 dedicated to the protection of state water
8 resources. The newly proposed land
9 acquisition program does not contain the
10 detail, review and planning required under
11 current law for open space projects, and does
12 not require that projects be directly related
13 to drinking water protection or state land
14 acquisition projects that are consistent with
15 a plan developed by the public water system.

16 This program should be amended to
17 ensure that the interests of local
18 governments and local public water systems
19 are being considered and the land
20 acquisitions would protect drinking water.

21 The Business Council strongly supports
22 efforts to provide additional funding for
23 critical investment in drinking water
24 infrastructure, wastewater infrastructure,

1 and drinking water protection. We support
2 the development of a lead service line
3 replacement program contained in the
4 proposal, but we have concerns with many of
5 the other provisions contained in Part II.

6 The Business Council believes that
7 decisions regarding drinking water,
8 wastewater treatment, remediation, and
9 enforcement should be guided by scientific
10 understanding. Currently, significant data
11 gaps exist regarding the human health effects
12 of detectable levels of contaminants in
13 drinking water, and scientists have
14 difficulty predicting the effects of drinking
15 small amounts of contaminants for many years.

16 Furthermore, standards do not take
17 into account the presence of multiple
18 chemicals, which may increase or decrease the
19 toxicity of a particular contaminant. More
20 research should be conducted on contaminants
21 and their health effects, and this research
22 should be conducted at a national level and
23 should be done quickly, as our current rate
24 of review of these contaminants needs to

1 occur in a more timely manner.

2 Thank you very much for your
3 consideration in this matter.

4 CHAIRWOMAN YOUNG: Thank you,
5 Director. And it's great to have you here.
6 We appreciate your testimony.

7 I just had a couple of questions. You
8 talked about the hidden taxes regarding
9 energy, and I fully support you in your
10 comments. The 18A tax surcharge, as you
11 know, is almost close to being phased out,
12 and it was the Senate majority that pushed to
13 do that.

14 But what are your thoughts about, you
15 know, additional taxes? Could you expound on
16 that a little bit? Because you talk about
17 everyday New Yorkers and families and
18 seniors, and these hidden taxes seem to hit
19 them hard, in addition to the businesses
20 across the state. So could you expound on
21 that a little bit?

22 MR. SUAREZ: Sure. First off, thank
23 you, Senator, for all your work basically on
24 helping to address 18A, and all of the

1 members here. As you're aware, 18A --
2 basically, the temporary assessment, which at
3 one point in time was close to half a billion
4 dollars, is being completely phased out on
5 March 31st this year. So that's great news.

6 CHAIRWOMAN YOUNG: Very positive.

7 MR. SUAREZ: Unfortunately, there are
8 certainly other taxes and hidden fees that go
9 on our energy bill. The largest one actually
10 is real property tax. And so the Legislature
11 again has addressed that by putting a cap on
12 the real property tax. That actually will
13 help to actually lower our energy prices.

14 What we do notice is that when we
15 produce -- basically are manufacturing a
16 product, we're at a competitive disadvantage
17 when our energy costs are higher than
18 competitive states, or they're projected to
19 be. So sometimes we actually may be
20 receiving a lower energy cost right now, but
21 we could have projections that see
22 significant increases.

23 And we've seen a lot of the social
24 programs that are being put on the energy

1 bill right now, whether it's the Clean Energy
2 Fund or the Clean Energy Standard or
3 otherwise, that may have positive effects but
4 they will increase the cost of energy
5 immediately.

6 CHAIRWOMAN YOUNG: Thank you. It
7 certainly seems like a step backward when we
8 have the 18A almost phased out, by the end of
9 March, and then there are new taxes added to
10 utilities. It doesn't seem like the right
11 direction to take.

12 You talked about your concerns with
13 Section 4 of the new Title 12 to Article 27
14 of the Environmental Conservation Law. And
15 we are concerned about blanket authority
16 without due process of law. And can you
17 think of any other instance where this
18 situation is utilized in New York State where
19 somebody doesn't have any recourse in such a
20 situation?

21 MR. SUAREZ: In most cases they do
22 have an opportunity at least to have an
23 Article 78 proceeding. But under larger
24 remediations under the Superfund program,

1 there's plenty of opportunity for all parties
2 to have a say. So there really isn't
3 anything equal to this.

4 CHAIRWOMAN YOUNG: So this is
5 unprecedented.

6 MR. SUAREZ: It truly is
7 unprecedented.

8 CHAIRWOMAN YOUNG: Thank you.

9 CHAIRMAN FARRELL: Thank you.

10 CHAIRWOMAN YOUNG: Senator Krueger.

11 SENATOR KRUEGER: So you just answered
12 Senator Young that you object to the
13 assessment on utility bills. But do you
14 support or oppose the new assessment on
15 utility bills for the continuation of the
16 nuclear energy plants for 12 years?

17 MR. SUAREZ: So it's a great question.
18 And we certainly have a variety of different
19 opinions in our membership on that particular
20 piece. I think in the Clean Energy Standard
21 and the assessment associated with nuclear
22 assessments, there was a feeling that maybe
23 that cost was pretty large, but there was
24 clearly a direct return in terms of the

1 reduction of the wholesale cost for energy
2 users. So there was much more acceptance of
3 that cost because we weren't going to be able
4 to keep these nuclear assets in place
5 otherwise.

6 SENATOR KRUEGER: Thank you.

7 CHAIRWOMAN YOUNG: Thank you.

8 Anyone?

9 Okay, well, thank you so much.

10 MR. SUAREZ: Thank you.

11 ASSEMBLYMAN OAKS: Thank you.

12 CHAIRWOMAN YOUNG: Great to see you.

13 The next speaker is David Haight,
14 New York State director of the American
15 Farmland Trust.

16 Welcome, Director.

17 MR. HAIGHT: Thank you.

18 CHAIRWOMAN YOUNG: You've been here a
19 while.

20 MR. HAIGHT: Good evening, Chairman
21 Farrell, Chairman Young. I appreciate this
22 opportunity to speak with you. I commend
23 your endurance.

24 I have four points that I want to make

1 about the Governor's Executive Budget
2 proposal.

3 First, thank you for the Senate and
4 the Assembly's leadership last year in
5 helping to establish the record funding for
6 the Environmental Protection Fund. That
7 \$300 million threshold was a really important
8 milestone, and we strongly encourage you to
9 sustain that level of commitment to the
10 environment in this year's budget.

11 Second, our state's Farmland
12 Protection Program celebrated its 20th
13 anniversary last year. It has become very
14 popular with farmers because it provides them
15 with a financially competitive alternative to
16 having to sell their farm for real estate
17 development. And last year there was nearly
18 \$50 million in applications submitted to the
19 state for that funding.

20 The Governor has proposed that that
21 funding be \$20 million out of EPF this year.
22 We believe that is a good start, but we would
23 encourage the Senate and the Assembly to
24 increase that to at least \$22 million in this

1 year's State Budget so that we can stay on
2 track to help protect another 100,000 acres
3 of farmland by 2026.

4 The other thing I want to mention
5 about the Farmland Protection Program is we
6 deeply appreciate the Legislature's attention
7 to making sure that dollars aren't just
8 appropriated but that they're spent. And we
9 very much appreciate that the Legislature has
10 been working with the Governor and with
11 Commissioner Ball and the Department of
12 Agriculture and Markets that farms that are
13 awarded these funds actually get those
14 dollars and their farms are permanently
15 protected in less than two years. And we're
16 making a lot of progress, but we need to
17 remain diligent in that.

18 The third area I want to touch on is
19 one that's already brought up in others'
20 testimony, and that's the need to help bring
21 a new generation into agriculture. New York
22 is a state with 10,000 farmers over the age
23 of 65. These senior farmers -- some might
24 call them master farmers, or alpha farmers --

1 but these farmers that are over 65 manage
2 nearly 2 million acres of land, and
3 90 percent of them do not have a young farmer
4 working with them in the management or
5 ownership of their farm. So we know that
6 these farms are going to change hands in the
7 coming years, and too often in the past these
8 farms have been purchased by real estate
9 developers.

10 At the same time, we know one of the
11 biggest barriers to new farmers, whether they
12 grew up on a farm or didn't, is finding land
13 at an affordable price and under conditions
14 that enable you to succeed. We greatly
15 appreciate that Governor Cuomo and
16 Commissioner Ball have proposed creation of a
17 Beginning Farmer Program and suggested that
18 there would be support for local efforts to
19 connect farmers with landowners that have
20 land. But we did not see any new staff at
21 the Department of Agriculture and Markets,
22 and we do not see any new dollars to act on
23 this important need. And that is a big
24 concern for us.

1 We have worked for the last three
2 years with 15 different organizations in the
3 Hudson Valley, Cornell Cooperative Extension,
4 local land trusts, GrowNYC, who runs the
5 green markets in New York City; through our
6 shared efforts, we've helped 105 farmers find
7 land. But we recognize that helping to
8 connect farmers with land is not as simple as
9 creating like match.com for farmers. It
10 really takes people that can sit down with a
11 farmer and work through the difficult issues
12 that are in their personal situation.

13 And so that's why we have suggested
14 one avenue to put the resources into next
15 year's budget is to allocate \$700,000 from
16 the Farmland Protection Program for a
17 Farmland for a New Generation Program, to
18 foster a partnership between the Department
19 of Agriculture and Markets, the American
20 Farmland Trust, Cornell Cooperative
21 Extension, land trusts, to really address
22 this issue head-on. And we look forward to
23 working with the Legislature and with
24 Commissioner Ball and Governor Cuomo to make

1 sure there are real resources put forward in
2 next year's budget to address this critical
3 need.

4 The last area I want to touch on is
5 the opportunity to help bring more food
6 that's grown in New York into institutions
7 that use public dollars to feed New Yorkers.
8 Specifically, I want to touch on the
9 Farm-to-School. Nearly 1.7 million children
10 get a lunch in a cafeteria every school day
11 in New York. Nearly \$370 million is spent
12 annually by schools in buying food. If we
13 could help our institutions that get public
14 dollars -- specifically, state dollars -- to
15 buy food, if we could help them keep at least
16 25 percent of those dollars here in New York,
17 that's going to create more economic
18 opportunities for our farmers and it's going
19 to help improve the health of many of our
20 most needy New Yorkers.

21 So the Governor has proposed \$750,000
22 in funding for a Farm-to-School grants
23 program. We think that is a wise move, and
24 we would encourage you to support that.

1 Additionally, last year the
2 Legislature added in funding for a
3 procurement incentive for schools in the
4 North Country to buy healthy, minimally
5 processed fresh fruits, vegetables, other
6 locally grown products. We would encourage
7 you to look closely at that model in the
8 North Country and look for opportunities to
9 help to expand that pilot program in next
10 year's budget.

11 So I thank you so much for your
12 attention and look forward to any of your
13 questions.

14 CHAIRWOMAN YOUNG: Thank you.

15 Senator Krueger.

16 SENATOR KRUEGER: Hi. Just one quick
17 question on the new farmers proposal.

18 MR. HAIGHT: Sure. Yes.

19 SENATOR KRUEGER: So I remember
20 probably a decade ago that Ag and Markets was
21 working to support immigrants to New York
22 State who came from countries where they were
23 farmers to become farmers in New York State.
24 And I'm wondering whether, one, that program

1 ever continued or, two, that's a model you
2 would look into in moving forward. Because
3 as I remember, it was small but very
4 successful.

5 MR. HAIGHT: So I can't talk about the
6 department's program per se, because I'm not
7 familiar with the one you're referring to.

8 But I can say the next generation of
9 New York's farmers are going to be very
10 diverse. Some of them grew up on a farm and
11 are in FFA and 4-H and go to Cornell or
12 another ag college, but others didn't grow up
13 on a farm. Some emigrated to this country,
14 some have moved to New York from other
15 states. And so our proposal would be one
16 that hopefully would be nimble enough to
17 address those diverse needs.

18 So, for example, in our partnership in
19 the Hudson Valley, GrowNYC, who runs the
20 green markets in New York City, has a
21 fantastic program for beginning farmers that
22 are immigrants and offers training and
23 support. And with their help, we, for
24 example, have hosted a number of workshops

1 about finding land and farm leasing and have
2 offered them both in English and in Spanish.
3 And so we're trying to address the needs of
4 those diverse communities.

5 So our proposal would offer some
6 central resources with, then, potentially
7 grant funding to an organization, potentially
8 like GrowNYC, for their local efforts to work
9 with those diverse communities of the next
10 generation of New York's farmers.

11 SENATOR KRUEGER: Thank you.

12 CHAIRWOMAN YOUNG: Thank you. And
13 thank you for all the good work you do.

14 MR. HAIGHT: Thanks, Senator.

15 CHAIRMAN FARRELL: Thank you.

16 CHAIRWOMAN YOUNG: Our next speaker is
17 Director of Policy Jessica Ottney Mahar,
18 The Nature Conservancy.

19 I feel like it's when we were in
20 school and everybody sat in the back row.
21 Maybe people want to come down a little bit
22 closer. We're not as mean as we look, okay?

23 MS. OTTNEY MAHAR: The on-deck circle.

24 CHAIRWOMAN YOUNG: Thank you.

1 MS. OTTNEY MAHAR: Thank you very much
2 for waiting this long. Your endurance is
3 admirable. I am Jessica Ottney Mahar, the
4 policy director for The Nature Conservancy in
5 New York. And on behalf of our 85,000
6 supporters, we really appreciate the
7 opportunity to speak with you today.

8 I wanted to thank you for the work you
9 did in last year's budget. As a few
10 speakers have noted, we reached a historic
11 funding level for the Environmental
12 Protection Fund last year, \$300 million. And
13 you also led the way in creating the Water
14 Infrastructure Grant Program, which was
15 doubled last year and really set us on the
16 course to the proposal in the Executive
17 Budget this year for \$2 billion for water
18 infrastructure funding.

19 I wanted to also, in addition, before
20 I really get started, to take a moment and
21 thank the staff behind you, who this is the
22 beginning of some of their long days. But
23 they do a lot of work, and we really
24 appreciate working with all of them, in

1 addition to all of you.

2 CHAIRWOMAN YOUNG: Thank you.

3 MS. OTTNEY MAHAR: Right now there's a
4 lot of change going on at the federal level,
5 and we think this is a really amazing
6 opportunity this year to continue New York's
7 national leadership in addressing a lot of
8 environmental issues. And we're lucky here
9 in New York State that we have leaders like
10 you. These issues are truly nonpartisan, and
11 they're important in every corner of our
12 state. And we think that this is a moment
13 where we can continue to provide that
14 national leadership.

15 This year, once again, the Governor is
16 continuing or proposing to continue the
17 \$300 million EPF, and I'm here to
18 respectfully ask that you support that. This
19 is funding that touches down in every county
20 of New York State. He's also proposing some
21 major capital investments for New York State
22 Parks and DEC through the continuation of the
23 Parks 2020 program, which is a 10-year
24 billion dollar investment in our world-class

1 state parks infrastructure and state parks
2 system, and the Adventure NY program, which
3 is aimed at upgrading DEC's outdoor
4 recreational facilities.

5 He's also proposing funding for a new
6 multi-use trail that will connect Western
7 New York to the Adirondacks to New York City,
8 the Empire State Trail, and we support that.

9 And on the EPF, there are two areas
10 that I did want to mention a bit of concern
11 over. One is the inclusion of a \$2 million
12 program under the Parks account called
13 Navigation Law. Our understanding of this
14 proposal is to pay for reimbursement to
15 localities for enforcement of different laws
16 and standards. And this is generally
17 something that was paid for with General Fund
18 revenue, and we consider this an offload into
19 the EPF, which is a capital fund. So we
20 don't support that proposal.

21 In addition, the land conservation
22 funding of the Environmental Protection Fund
23 has been reduced by \$7 million to
24 \$33 million. This was once a program that

1 had \$60 million of funding annually. And as
2 we're working to become a more resilient
3 state to deal with storm protection and flood
4 resilience, this is an important program for
5 New York State. So we would urge you to find
6 ways to maintain funding for that program in
7 this year's budget.

8 And on water quality, again, there's
9 been some amazing proposals in the Executive
10 Budget, and then you all in the Legislature
11 went even further. So we have a \$2 billion
12 proposal in the Executive Budget for water
13 quality infrastructure and source water
14 protection. And then the Legislature, there
15 are a few proposals now, went ahead and
16 proposed a \$5 billion Water Quality Bond Act.
17 So we now have a total of \$7 billion of water
18 quality funding on the table.

19 And if you could have told me a few
20 years ago when we were struggling to avoid
21 deep cuts and sweeps to the EPF that we would
22 be sitting here talking about a year when we
23 would have a \$300 million EPF, huge capital
24 investments in our agencies, and a potential

1 multi-billion-dollar Water Quality Bond Act,
2 I wouldn't have believed you. So this is
3 really exciting.

4 The Nature Conservancy is particularly
5 enthusiastic about the inclusion of source
6 water protection in all of these water
7 infrastructure proposals. Our green
8 infrastructure is one way that our
9 communities at a low cost can protect water
10 quality. And cited in my testimony is a
11 report that The Nature Conservancy reported;
12 It's a global study of 4,000 cities showing,
13 quantifying how they've used source water
14 protection to improve water quality and
15 protect drinking water for the citizens in
16 4,000 cities around the world.

17 Here in New York, we can continue to
18 do that. So investing a portion of this
19 funding in source water protection is a great
20 idea.

21 On the infrastructure side, we're also
22 very supportive of updating our wastewater
23 and drinking water infrastructure, including
24 septic systems. Long Island and other areas

1 are having severe problems because of
2 outdated septic systems and cesspools, and
3 it's creating significant water quality
4 concerns. So we would urge you to make sure
5 that that's part of the mix as well.

6 And, as you're thinking about how to
7 proceed with all of this in the budget, we
8 would urge you to think about how localities
9 are going to match this. So to bring this
10 funding and pull it down to the ground,
11 they're going to need a local match. And
12 right now with the property tax cap, it's
13 very difficult for localities to generate the
14 revenue they need to match to bring that
15 funding into their community.

16 One strategy could potentially be
17 authorizing a statewide community
18 preservation fund. The East End of
19 Long Island in Suffolk County, the five
20 East End towns this election cycle just
21 reauthorized their community preservation
22 fund. Those five towns decided to use
23 20 percent of their funds for clean water,
24 for the first time ever. They reauthorized

1 it for 20 years. This will raise about a
2 billion dollars for conservation in those
3 five towns alone, and about \$600 million of
4 that can go to water quality. So they'll be
5 in a good position to leverage this funding
6 and any federal water infrastructure funding
7 that might be realized with a potential
8 infrastructure package in D.C.

9 And then finally there's an Article
10 VII bill that we support. We supported a
11 different version of this last year. It's I
12 think done better this year, and more simply,
13 to amend the Local Waterfront Revitalization
14 Program of EPF so that the cost share is
15 75 percent state. We support that program,
16 or that proposal. We think that that will
17 allow the program to deploy the funds more
18 efficiently in communities throughout the
19 state, and we would urge you to support that
20 as part of the budget.

21 CHAIRWOMAN YOUNG: Thank you.

22 Any questions?

23 Thank you very much for your
24 testimony.

1 MS. OTTNEY MAHAR: Thanks.

2 CHAIRMAN FARRELL: Thank you.

3 CHAIRWOMAN YOUNG: Next is Executive
4 Director Erin Crotty, from Audubon New York.
5 Thank you for being here.

6 MS. EISENSTEIN: I'm actually Sasha
7 Eisenstein, the government relations manager
8 for Audubon New York. I'm Erin's fill-in,
9 snow day fill-in today.

10 CHAIRWOMAN YOUNG: Thank you.

11 MS. EISENSTEIN: So first let me thank
12 you for the opportunity to speak today.
13 We've submitted detailed written testimony
14 from our executive director, Erin Crotty, for
15 your consideration, and I'll just provide a
16 brief overview.

17 Audubon New York is a state program of
18 the National Audubon Society, and our mission
19 is to protect birds and the places they need
20 to survive and thrive. We achieve our
21 mission by connecting our vast and powerful
22 network of members and advocates along the
23 migratory flyways of the Americas through
24 science, advocacy, education, and

1 on-the-ground conservation programming.

2 Before I go into the budget proposal,
3 I would like to extend our thanks to you and
4 your colleagues for the significant
5 environmental achievements from last year.
6 Through your leadership and partnership with
7 the Governor, New York achieved unprecedented
8 levels of funding for our state's
9 environment, providing critical resources to
10 protect our communities, people, and birds.

11 This year the Governor's Executive
12 Budget proposal once again includes an
13 historic investment that safeguards our
14 environment. Of particular importance to
15 Audubon is the rededication of at least
16 \$300 million to the Environmental Protection
17 Fund.

18 In addition, we encourage you to
19 include in the enacted budget programs to
20 further conservation on privately held lands.
21 The majority of wildlife habitat in New York
22 is privately owned.

23 A high priority of ours, which was
24 included in the Governor's State of the

1 State, is the Empire Forest for the Future
2 Initiative. This is a program for private
3 forest landowners to reduce the conversion of
4 forests to non-forest uses and encourage
5 sustainable forest management practices on
6 privately held lands, which in fact account
7 for 75 percent of forested lands in New York.
8 This proposal includes modifications to
9 forest tax law, grants to help landowners
10 implement best forest management practices,
11 and grants to support local governments and
12 nonprofits to acquire and manage community
13 forests.

14 Audubon New York is part of a diverse
15 coalition of 24 organizations representing
16 environmental, conservation, business, and
17 forestry interests that requested the
18 Governor include funding for the Empire
19 Forest for the Future Initiative in his
20 upcoming amendments to the Executive Budget
21 proposal. Our organizations, which are
22 national, regional, and statewide in breadth,
23 believe that this a comprehensive and
24 forward-thinking package which will serve as

1 a national model for preserving privately
2 held forested lands while stimulating a
3 robust forest economy. We are hopeful that
4 the Governor will include funding for this
5 package in his 30-day amendments due later
6 this week, and we encourage you guys to
7 support funding for this program as well.

8 Audubon also supports the continued
9 capital investments in New York's historic
10 places and outdoors, as well as the
11 Governor's new proposal to create the Empire
12 State Trail.

13 Additionally, as many of you noted,
14 few issues are as important to our health,
15 economy, and environment as safe, reliable,
16 clean water. In recent years, with the
17 Legislature's support and leadership, our
18 state has provided additional resources for
19 drinking water and wastewater infrastructure
20 through the Water Infrastructure Improvement
21 Act. Despite these significant investments,
22 additional funding is still needed.

23 Audubon commends the Governor and
24 Legislature for their bold commitment to

1 water infrastructure funding proposed in the
2 coming year. We are encouraged to see the
3 prioritization of this issue by both branches
4 and are encouraged to see the Governor's
5 \$2 billion, five-year Clean Water
6 Infrastructure Act proposal and the
7 Legislature's \$5 billion Clean Water Bond Act
8 proposal.

9 We look forward to working with our
10 colleagues, the administration, and the
11 Legislature to achieve record levels of
12 funding for clean water.

13 So thank you for your time today, and
14 for your patience. We appreciate it.

15 Any questions?

16 SENATOR KRUEGER: Any questions?

17 CHAIRMAN FARRELL: Any questions?

18 SENATOR KRUEGER: Thank you very much.

19 MS. EISENSTEIN: Thank you very much.

20 SENATOR KRUEGER: Next up is Adrienne
21 Esposito, Citizens Campaign for the
22 Environment.

23 MS. ESPOSITO: Good evening, members
24 of the Senate and the Assembly. Thank you

1 very much for still being here, sticking it
2 out all day long. We appreciate that. I
3 know it's not easy, and your time and effort
4 is appreciated.

5 My name is Adrienne Esposito. I'm the
6 executive director of Citizens Campaign for
7 the Environment. I will not be redundant.
8 You've heard a lot today. So let me make
9 some points that you actually have not heard,
10 if you can believe that, but there are
11 several.

12 One is that, you know, we are one of
13 the organizations that helped usher along the
14 establishment of the Environmental Protection
15 Fund over 20 years ago. So we're thrilled
16 that it's up to \$300 million. That's a win
17 for all New Yorkers. One small thing we're
18 going to ask you to kindly consider
19 delineating out in that \$300 million, and
20 that is that you may or may not know that all
21 of the water suppliers throughout New York
22 State are sending their water samples when
23 they need to be tested for the PFCs or the
24 PFOAs, all of those samples go to the

1 Wadsworth Lab here in Albany. Because of
2 that, there's a backlog. And so it's taking
3 water suppliers or health departments longer
4 to get test results than they actually should
5 have to wait.

6 In addition, you also may not know --
7 but you may, Wadsworth is taking water
8 samples from outside of the state as well.

9 All of that means we need a second lab
10 or a satellite lab. The Suffolk County
11 Department of Health has a state-of-the-art
12 laboratory. All they need is the ability to
13 include testing for PFOAs and PFCs. It makes
14 perfect sense, since one of the first
15 Superfund sites or the second Superfund site
16 for that chemical is in the middle of Suffolk
17 County.

18 We're asking you -- and I've produced
19 a memo on this -- to, in the EPF, under the
20 water quality line item of \$20 million, to
21 delineate out \$500,000 to the Suffolk County
22 Department of Health to be able to ascertain
23 the technology and the ability to provide
24 that testing. That would allow for water

1 samples to move quicker, for communities to
2 know quicker if they should not be drinking
3 their water, and we shouldn't have a backlog
4 of water samples to be tested for this known
5 chemical.

6 The next thing I just want to mention
7 also, switching from the EPF, is for the
8 Governor's \$400 million for the WIIA. We
9 agree with many of you who have said you
10 would like to see more delineation. We're
11 asking for no less than 60 percent of those
12 funds to be allocated for sewage treatment
13 infrastructure and wastewater infrastructure
14 upgrades.

15 We agree that source water protection
16 and Superfund sites are extremely important.
17 You'll know -- I mean today, again, as we've
18 all been sitting here, the Comptroller
19 released a report talking about our deficit
20 in sewage treatment and wastewater
21 infrastructure needs.

22 The next thing, the bond act. I want
23 to say this. You know, we have two bond act
24 proposals currently in the Senate, one by

1 Senator Hannon and one by Senator LaValle.
2 We have a same-as bill by Senator Hannon
3 submitted by Assemblyman Englebright. We
4 would ask you -- we would almost beg you --
5 to include in any bond act a portion of funds
6 to be used for septic and cesspool
7 changeouts. This is desperate.

8 Now, some have said to me, We can't do
9 that. We can't use bonded money to help
10 homeowners. I would say to you that if
11 New York State is clever enough to figure out
12 a way to use taxpayer dollars to help
13 corporations keep nuclear plants open, then
14 we should be clever enough to use taxpayer
15 dollars to help taxpayers protect drinking
16 water and surface waters. We have a nuclear
17 bailout because it's for the greater good; I
18 heard the testimony here today. Well,
19 there's a greater good in keeping our
20 drinking water and our surface waters and our
21 bays and estuaries and our lakes and our
22 tributaries clean as well, from blue-green
23 algae to brown algae to red tide, which is
24 lethal.

1 So we're asking that any bond act
2 contain such a mechanism, which is exactly
3 what we need to address water quality in so
4 many areas throughout New York State, but
5 particularly Long Island.

6 The next thing is the Sewage Pollution
7 Right to Know Bill. It was a bill that was
8 only passed a few years ago, but it is a good
9 one, if I do say so myself. With that bill,
10 now municipalities have to report within four
11 hours for a sewage spill in a water body. So
12 the public knows if they're swimming or
13 fishing or recreating in the middle of
14 untreated or partially treated sewage.

15 One thing that was very good last year
16 is that the DEC issued about 10
17 municipalities grants for upgraded technology
18 so they can comply with that law. That's
19 great. But we need to do more of that.
20 There was a half a million dollars that was
21 allocated a couple of years ago, finally
22 spent. We need another half a million
23 dollars to continue to do that.
24 Municipalities unfortunately have old

1 technology and they're just not able to keep
2 up with today's needs, and that's a problem
3 for us and for public health.

4 The next thing I wanted to just
5 mention also is something that is missing
6 from the budget. Two years ago in the
7 Department of Health there was \$350,000 for
8 the safe disposal of pharmaceutical drugs.
9 Last year it was \$300,000. This years it's
10 zero. Did we solve the problem? Is it all
11 done? Because if we did, we're not aware of
12 that.

13 In that Department of Health line
14 item, it is almost unbelievable the amount of
15 work that got done on safe disposal of
16 pharmaceuticals. And I'm not able to say
17 this enough to government, but it was a great
18 job. King Kullen grocery stores on
19 Long Island, for instance, which received a
20 state grant, in the last two and a half years
21 in their 11 stores that have pharmacies -- I
22 just got a report this morning --
23 5,000 pounds of pharmaceuticals were dropped
24 off at the grocery stores. That's two and a

1 half tons that are not being flushed.

2 Erie County, 4,000 pounds of
3 pharmaceuticals. A countywide program was
4 done. Onondaga County, for the first time in
5 the history of New York State, put in drop
6 boxes.

7 And yet it was left out of the budget.
8 So I'm not sure if we don't like progress or
9 it was just an oversight or what happened.
10 But drug disposal options, the need for them
11 is increasing, it's not decreasing.

12 The last thing I want to just mention
13 to you which hasn't been spoken about yet is
14 New York State's pesticide reporting law.
15 This law needs to be modernized and updated
16 in the budget process. Why do I say that?
17 Right now it is required that pesticide
18 applicators report once a year how much
19 they've used and where they've applied it.
20 Only they have to respond to the law either
21 in paper or diskette. Now, most of the
22 people behind me who are under 35 don't even
23 know what a diskette is.

24 So we think that the law needs to be

1 modernized and people can -- I know hold on
2 to your seats -- actually report
3 electronically to the pesticide reporting
4 law.

5 It seems crazy that we should have to
6 ask for this in the year 2017, but some have
7 suggested getting rid of the law because it's
8 not working. It's not working because we're
9 using reporting forms from the 1990s. We
10 need to update it, use the computer, use
11 electronic technology, so we can ascertain
12 where stuff is being applied, in what
13 quantities, and go back to the original
14 reason the law was created in the first
15 place, which was to create scientific data so
16 we can ascertain information and make
17 scientific assessments based on real data.

18 So I just wanted to raise those as
19 things that have not been raised, you know,
20 to date. And we do appreciate your time, and
21 we look forward to working with you during
22 this very important budget process.

23 Thank you very much.

24 CHAIRWOMAN YOUNG: Thank you.

1 Any questions?

2 Senator Savino.

3 SENATOR SAVINO: Thank you. I just
4 have one question.

5 Back on the issue of the water testing
6 and the laboratory, you said Wadsworth is the
7 only lab because they're the only ones that
8 have the equipment?

9 MS. ESPOSITO: Yes, because it's a new
10 emerging chemical, it's -- Wadsworth has
11 state-of-the-art technology where it can test
12 for this chemical, but the other
13 laboratories, that -- water suppliers or the
14 municipal governments that are sent to do not
15 have it.

16 SENATOR SAVINO: Interestingly,
17 Wadsworth is also the only laboratory in the
18 state that is testing medical marijuana
19 products, and they're also backed up there
20 too. So I was just curious as to why.

21 So perhaps, since they're handling
22 both, they're backed up on both issues.

23 MS. ESPOSITO: Well, that very well
24 could be. I mean, we have these new emerging

1 needs, and we need to keep up with that.

2 SENATOR SAVINO: Thank you.

3 MS. ESPOSITO: Thank you.

4 SENATOR KRUEGER: Thank you.

5 CHAIRWOMAN YOUNG: Thank you.

6 CHAIRMAN FARRELL: No, we have

7 Mr. Englebright.

8 MS. ESPOSITO: Oh, I'm sorry.

9 ASSEMBLYMAN ENGLEBRIGHT: Thank you,
10 Mr. Farrell.

11 First I just want to say thank you for
12 cutting to the heart of the matter, because
13 that actually sharpens your message. And
14 your message is important to all of us --
15 especially to myself, though, because you're
16 so very active in the bi-county region of
17 Long Island.

18 So thank you for your suggestion for
19 the Suffolk County Health Department testing.
20 We ought to look into that. I think that's a
21 terrific idea.

22 MS. ESPOSITO: Thank you. I
23 appreciate that.

24 ASSEMBLYMAN ENGLEBRIGHT: And in terms

1 of the cesspool and septic changeout, I agree
2 with you, we have to find a way to fund that.
3 I also agree with you that water source
4 protection is important. And that symmetry
5 is vital going forward.

6 I did have a meeting about a week ago
7 with the folks from Stony Brook who are doing
8 work on this, and they shared some very
9 optimistic thoughts in terms of some of the
10 progress they're making. One of the things I
11 learned -- I almost had to pull it out of
12 them -- is that they're being held up in some
13 of their research by the bureaucracy of the
14 Health Department. So there's a couple of
15 reasons that, perhaps following your
16 testimony here, we can -- I'm certainly going
17 to be interested in having a meeting with the
18 county officials. Treating the researchers
19 at Stony Brook, who we fund, along with the
20 Health Department in a joint program --
21 having that Health Department require the
22 researchers to go through the same hoops that
23 for-profit companies have to go through is
24 wasteful.

1 Anyhow, thank you for your testimony.

2 MS. ESPOSITO: I think a meeting of
3 the minds is -- when you get people around
4 the same table, it's always productive. I
5 believe that. Levels of government,
6 researchers, when we're all at the same
7 table, then we get change.

8 ASSEMBLYMAN ENGLEBRIGHT: Sometimes
9 change is a forest fire; sometimes change is
10 the dawn of a new day. I hope for the
11 latter.

12 MS. ESPOSITO: I'm hoping for a dawn.
13 I see a lot of progress. We're making a lot
14 of progress, and I have great hope.

15 ASSEMBLYMAN ENGLEBRIGHT: Thank you
16 for your testimony.

17 MS. ESPOSITO: Thank you.

18 CHAIRWOMAN YOUNG: Thank you.

19 Our next speaker is New York State
20 Policy Director Patrick McClellan, New York
21 League of Conservation Voters.

22 If you know you're next, by the way,
23 maybe it would speed things up if you came a
24 little bit closer so you're in the queue.

1 Thank you for being here.

2 MR. McCLELLAN: Thank you.

3 I'm sorry, I was sitting at the top.

4 I want to start by thanking you for
5 your endurance and patience today. So out of
6 respect for that, I'll try and just hit the
7 highlights of my testimony.

8 And before I continue, I want to thank
9 you for your support and leadership on the
10 environment over the last several years. To
11 have \$300 million for the Environmental
12 Protection Fund for two years in a row is
13 really remarkable.

14 So we strongly support the Governor's
15 proposed \$2 billion Clean Water
16 Infrastructure Act. We're particularly
17 pleased that it authorizes funding for a wide
18 variety of initiatives, including
19 infrastructure projects as well as source
20 protection projects.

21 We're also pleased by the \$300 million
22 for the Environmental Protection Fund, as I
23 said, particularly funding for environmental
24 justice initiatives, including \$1 million to

1 connect children with the outdoors,
2 \$2 million in community impact grants, and
3 funds to monitor air quality at hotspots to
4 be identified.

5 We also support the EPF's funding for
6 parks, particularly \$20 million for municipal
7 parks, \$30 million for state land
8 stewardship, and \$16 million for waterfront
9 revitalization. We're also supportive of the
10 Governor's proposed legislation to increase
11 the state match for the Waterfront
12 Revitalization Program from 50 percent to
13 75 percent of a project's cost.

14 And finally, as always, we support the
15 EPF's funding for climate change mitigation
16 and adaptation, and we thank both the
17 Governor and leaders in both houses of the
18 Legislature for your leadership on the EPF
19 over the years.

20 The Executive Budget's proposal to
21 require large generators of food waste to
22 donate excess edible food and recycle food
23 scraps is a thoughtful, well-crafted policy
24 that will benefit emergency food providers,

1 reduce the amount of compostable waste going
2 to landfills, and create a statewide organics
3 recycling infrastructure that will make it
4 easier for municipalities to adopt their own
5 organics recycling programs should they
6 choose to do so. By delaying implementation
7 of the mandate until 2021, the state ensures
8 that organics recycling facilities will have
9 time to establish themselves and undergo a
10 careful siting process.

11 NYLCV also supports the Governor's
12 proposal to reform the 480-a forest
13 management tax credit and add a new 480-b tax
14 credit. Taken together, these reforms would
15 lower the threshold for participation from
16 50 acres to 25 and allow up to 50 percent of
17 the credit to be applied to open space.

18 Current beneficiaries of the 480-a
19 program would be grandfathered in. And the
20 Governor also proposes to provide grants for
21 best forest management techniques and
22 acquisition of community forests, and to
23 provide financial relief to local governments
24 most impacted by 480-a.

1 And in keeping with the league's
2 commitment to open space and the benefits of
3 spending time in nature, we also support the
4 Empire State Trail and Adventure NY
5 proposals, and we continue to support
6 investments in the Parks 2020 initiative.

7 We firmly believe in the importance of
8 protecting New York's farms and farmland and
9 connecting residents across the state with
10 healthy, locally grown food. So we're
11 pleased by the proposed \$500,000 expansion of
12 the Farm-to-School grant program, which
13 connects farms with school districts, as well
14 as funding for Agriculture in the Classroom
15 to teach students about where their food
16 comes from and the importance of healthy
17 eating, and more money for the New York State
18 Grown & Certified program as well as, of
19 course, the EPF-funded programs to preserve
20 and provide technical assistance to farms.

21 We also support electrification of the
22 transportation sector as an important
23 component of reducing our greenhouse gas
24 emissions, so we're supportive of anything to

1 reduce barriers to electric vehicle ownership
2 and operation. We're supportive of the
3 proposal to extend the Alternative Fuels
4 Property and Electric Vehicle Recharging
5 Property Credit for five years, to add 500
6 new workplace charging stations, and to add
7 69 electric vehicle charging stations along
8 the Thruway. And we continue to support the
9 electric vehicle consumer rebate that was
10 authorized last year; we eagerly await its
11 implementation.

12 And finally, we support the Governor's
13 proposal -- although this is not budgetary,
14 of course, to further reduce the Regional
15 Greenhouse Gas Initiative cap by 30 percent
16 between 2020 and 2031. We do note, however,
17 that \$23 million in RGGI funds were
18 transferred to the General Fund last year,
19 and we believe that RGGI is stronger when its
20 funds are dedicated to clean energy programs.

21 Thank you very much.

22 CHAIRMAN FARRELL: Thank you.

23 MR. McCLELLAN: Thank you very much.

24 CHAIRWOMAN YOUNG: Thank you very

1 much.

2 Our next speaker is Executive Director
3 Robin Dropkin, Parks & Trails New York.

4 Thank you for being here also.

5 MR. MEERDINK: Hi. I'm actually James
6 Meerdink. I'm a project director with Parks
7 & Trails New York.

8 Chairpersons Young and Farrell and
9 members of the committee, thank you for the
10 opportunity to speak to the impact of the
11 budget on New York's outdoor recreational
12 resources, especially its magnificent state
13 park system and its thousands of miles of
14 biking and walking trails.

15 Since 1985, Parks & Trails New York
16 has been the state's leading advocate for the
17 expansion, protection, and promotion of our
18 park and trail network. Our mission and our
19 vision is to ensure that all New Yorkers,
20 regardless of where they live, socioeconomic
21 status, or physical or mental disabilities,
22 should have close access to outdoor
23 recreation.

24 Through our work -- including

1 promotion of our outdoor resources, our
2 popular bike tours, and our cycling
3 guidebooks -- we also promote sustainable
4 tourism in all regions of the state.

5 So I'll start with the budget proposal
6 that has captured the imagination of trail
7 users and outdoor enthusiasts from across the
8 state and beyond: The Empire State Trail.
9 The Governor has proposed funding for a
10 statewide, multi-use trail called the Empire
11 State Trail, and it would connect New York
12 City to the Canadian border, and Buffalo to
13 Albany.

14 This bold plan responds to more than a
15 decade of advocacy by Parks & Trails New York
16 and other partners to close the gaps in the
17 Erie and Champlain Canalway Trails, and to
18 build a connected trail in the Hudson Valley.
19 The Governor's budget will do that, with a
20 proposed \$53 million to be split between the
21 Erie Canalway Trail and the Hudson River
22 Greenway. To say that we're supportive is an
23 understatement, and I'll give you a little
24 bit more about why we think this is a great

1 idea before moving on.

2 Upon completion, the 750-mile Empire
3 State Trail will be the nation's longest
4 multi-use trail, securing New York's place as
5 a national and international destination for
6 outdoor recreation and heritage tourism.
7 Building the trail will also add a unique
8 asset to the state's tourism portfolio, one
9 that caters to modern tourists who seek
10 adventure, outdoor recreation, and authentic
11 cultural experiences.

12 Visitors to the trail create positive
13 economic impacts for local communities. And
14 we've seen this on the Erie Canalway Trail,
15 where the trail currently is estimated to
16 generate \$253 million in annual economic
17 benefit and to support over 3,000 jobs.
18 That's just the Erie Canalway Trail, Buffalo
19 to Albany. We believe the impact of the full
20 Empire State Trail will dwarf this figure.

21 It's not just tourism, either. The
22 Empire State Trail will create a community
23 recreation space in 26 counties and hundreds
24 of communities across the state, providing a

1 safe and accessible place to walk, ride, jog,
2 push a stroller, rollerblade -- pretty much
3 you name it in terms of outdoor activities.
4 The trail will also serve as the spine for
5 other hiking and biking trails. This network
6 really will touch all parts of the state, and
7 we think that the Empire State Trail will
8 serve as a catalyst for trail development
9 throughout the network.

10 Another point, the trail supports
11 public health efforts to increase physical
12 activity and screen-free time that we all
13 need more and more these days.

14 The Empire State Trail will also
15 create a new way to experience New York's
16 rich history and unique heritage, providing a
17 seamless off-road connection to many of the
18 state's important historic and cultural
19 assets, truly a Path Through History.

20 I'll tell you one more trail-related
21 stat, and then I'll move on to a couple of
22 other parts of the budget. Homebuyers rank
23 off-road trails as one of the most important
24 community assets when purchasing a home, so

1 the Empire State Trail supports the state's
2 goal of attracting and keeping residents,
3 especially millennials and young families.

4 So I'll move on the state parks
5 briefly. Through the leadership of the
6 Governor and Legislature, since 2011 state
7 parks have received \$470 million in capital
8 funding through the New York Parks 2020
9 initiative. They've used this to restore and
10 rebuild aging infrastructure. Three hundred
11 eighty-three park improvement and enhancement
12 projects have been completed or are underway
13 at more than 130 parks and historic sites in
14 every region of the state. The Governor and
15 members of the Senate and Assembly deserve a
16 lot of credit for this.

17 So we're happy to report that this
18 year's Executive Budget expands on this
19 theme, with a proposed allocation of
20 \$120 million to OPRHP for capital. This
21 includes the scheduled \$90 million
22 installment of Parks 2020 funding, as well as
23 an additional \$30 million for capital
24 projects that are meant to spur private

1 investment in some of the state's
2 high-profile parks. We fully support these
3 investments.

4 While great progress is being made,
5 challenges do remain. State parks, despite
6 experiencing rising attendance, operate with
7 the same staffing levels as they did in
8 previous decades, when visitation was
9 significantly lower. We think we shouldn't
10 waste the momentum we've created with capital
11 funding since 2011. Instead, we should seize
12 the opportunity for State Parks to engage
13 increased numbers by increasing the agency's
14 operations budget.

15 We don't believe that the \$1 million
16 increase in operations funding for OPRHP
17 proposed in the Executive Budget meets the
18 needs that exist throughout the system.

19 Taken together, the renaissance in the
20 state parks system and the opportunities for
21 growth in our multi-use trail network are
22 moving us closer to Parks & Trails New York's
23 vision for close access to outdoor recreation
24 for all New Yorkers. There's a couple of

1 other funding sources I want to mention that
2 are also moving us along in this regard.

3 Adventure NY has been mentioned
4 previously. Parks & Trails New York fully
5 supports DEC's goal of improving access to
6 recreation, and the funding allocated for
7 this program.

8 Finally, the Environmental Protection
9 Fund is a critical source of funding for a
10 variety of programs, including capital
11 improvements at parks and campgrounds,
12 restoration of historic sites, and management
13 of trails and public lands. The EPF supports
14 more than 350,000 jobs across a spectrum of
15 industries, including outdoor tourism. We
16 are very pleased that the Executive Budget
17 proposes full funding for the Environmental
18 Protection Fund at \$300 million in this
19 budget.

20 And then, finally, just one point
21 about a line item within the EPF. For the
22 third year, included in the EPF budget
23 proposal is a \$500,000 capacity-building
24 grants program. This is targeted to

1 organizations that promote and support the
2 state's parks, trails and historic sites.
3 These nonprofit "friends groups" --
4 oftentimes made up entirely of volunteers --
5 already contribute significantly to the
6 promotion of these venues, in addition to
7 doing things like building kiosks, clearing
8 trails, leading programs, and raising
9 significant money for capital projects. The
10 capacity-building grants program,
11 administered by Parks & Trails New York,
12 unlocks the potential of these organizations
13 by increasing their effectiveness,
14 productivity, and volunteer and fundraising
15 capabilities.

16 In March 2016, the first round of Park
17 and Trail Partnership funds was awarded to
18 20 friends groups at parks and historic sites
19 across the state. These friends groups in
20 turn pledged nearly \$242,000 in matching
21 funds. The demand for the program in the
22 first year was significantly high, with
23 36 percent of all eligible organizations
24 submitting applications, and these

1 applications totaled \$966,000.

2 The second round of grant awardees
3 will be announced in March of 2017.

4 Parks & Trails New York looks forward
5 to working with the Governor and Legislature
6 on this transformative program.

7 Thank you for the opportunity to speak
8 today.

9 CHAIRWOMAN YOUNG: Thank you very
10 much.

11 Any questions?

12 CHAIRMAN FARRELL: Thank you.

13 MR. MEERDINK: Thank you.

14 CHAIRWOMAN YOUNG: Oh, I'm sorry, we
15 have a question.

16 MR. MEERDINK: Sure.

17 CHAIRMAN FARRELL: Mr. Englebright.

18 ASSEMBLYMAN ENGLEBRIGHT: Thank you
19 for your testimony.

20 I agree with the priorities that
21 you've laid out and congratulate you -- I'm a
22 former board member of your organization some
23 years ago, when I still had bell-bottoms and
24 brown hair. We were working on this trail

1 vision then, and your organization has paved
2 the way, really, for this Empire State Trail.

3 I would just ask that you use your
4 good office to advocate for the inclusion of
5 Nassau and Suffolk counties as part of the
6 Empire State. You mentioned Jones Beach
7 State Park. It's not part of the reach of
8 this at least initial proposal. Neither is
9 Montauk nor Orient nor Brookhaven or any of
10 the other great state parks -- Hither Hills,
11 and I could go on. We have the greatest
12 concentration of state parks for a given
13 square mile of territory than any other part
14 of the state. It should be a part of the
15 initial planning.

16 Other than that, though, I just want
17 to again say thank you for the work you do
18 and for the pioneering effort for trails
19 throughout the state that Parks & Trails has
20 initiated.

21 MR. MEERDINK: Thank you. We
22 definitely work with lots of groups on
23 Long Island, so we'll take it under
24 advisement.

1 CHAIRWOMAN YOUNG: Thank you very
2 much.

3 CHAIRMAN FARRELL: Thank you.

4 CHAIRWOMAN YOUNG: Our next speaker is
5 Washington County Sewer District Executive
6 Director Joseph Brilling, from the New York
7 Water Environment Association.

8 And I would ask that Kevin Chlad,
9 director of government relations from the
10 Adirondack Council, come forward so that he's
11 ready. Are you ready?

12 MR. CHLAD: I'm ready.

13 CHAIRWOMAN YOUNG: You're ready,
14 great. So, Mr. Brilling, welcome.

15 MR. BRILLING: Thank you.

16 As noted, my name is Joseph Brilling.
17 I'm a wastewater professional with over
18 27 years of experience protecting public
19 health and the water environment. I also
20 have the privilege of serving as the
21 executive director of the Washington County
22 Sewer District, that is responsible for the
23 operation, maintenance and administration of
24 a treatment plant with a permitted flow of

1 2.5 million gallons per day and a collection
2 system of approximately 80 miles of pipe,
3 with a large percentage of combined sewer
4 area.

5 I am involved in NYWEA as a utility
6 member of the New York Water Environment
7 Association. NYWEA is a member association
8 of the Water Environment Federation, which is
9 the leading international organization
10 dedicated to the wastewater industry. NYWEA
11 is a nonprofit professional organization that
12 serves the best interest of the public by
13 promoting sustainable clean water quality
14 management through science, education, and
15 training. It is made up of over 2,500
16 members across the state with great
17 diversity, ranging from treatment plant
18 operators from small villages, top-level
19 officials in New York City government,
20 academics and students, regulators, engineers
21 of all types, environmental scientists, and
22 other interested professionals.

23 NYWEA also has a robust Utility
24 Executives Committee with broad statewide

1 representation that provides unity and
2 strength to address the growing regulatory
3 and financial challenges facing wastewater
4 utilities.

5 NYWEA members are seeing a shift in
6 terminology to better reflect what physical,
7 chemical and biological processes take place
8 at wastewater treatment plants, now also
9 referred to as water resource recovery
10 facilities. The important work these
11 utilities carry out 24 hours a day, seven
12 days a week, saves lives. Water resource
13 recovery facilities receive the sewage we all
14 produce and recover valuable resources from
15 it, principally water.

16 In addition to protecting public
17 health and the environment, many water
18 resource recovery facilities generate energy,
19 extract and find uses for nutrients, use the
20 treated effluent in beneficial ways, and
21 innovate with technological and financial
22 partners.

23 Organizations like NYWEA, Washington
24 County, and all wastewater utilities in the

1 state recognize the critical role that proper
2 sanitation plays in protecting public health
3 and improving the water environment while
4 promoting economic development and
5 recreational opportunities. We are also
6 keenly aware of the fiscal challenges faced
7 by local governments when attempting to
8 budget or finance clean water infrastructure
9 projects. Local governments understand their
10 fiscal responsibilities, but we cannot fund
11 these needs without financial assistance.

12 Washington County Sewer District was
13 formed in 1984 to maintain improvements to
14 water quality and to meet new regulatory
15 requirements. Our district has tremendous
16 clean water infrastructure needs, including
17 approximately \$26 million for our combined
18 sewer overflow long-term control plan
19 implementation alone. That \$26 million cost
20 is for a district that provides wastewater
21 treatment and collection to a population of
22 approximately 15,000 users.

23 Washington County Sewer District is
24 one of over 600 wastewater treatment

1 facilities in New York State that serve 1,610
2 municipalities, providing wastewater
3 treatment for more than 15 million people
4 across the state. Functioning clean water
5 infrastructure is vital to a community's
6 viability, future economic prospects, and
7 competitiveness. Deferring maintenance of
8 sewer and water assets leads to rapid
9 deterioration, reducing service life and
10 greatly increasing the cost of repairs.

11 According to the NYSDEC 2008 report
12 "Wastewater Infrastructure Needs of New York
13 State," the conservative costs of repairing,
14 replacing and updating New York's aging and
15 deteriorating wastewater and water
16 infrastructure over the next 20 years are
17 \$36.2 billion and \$38.7 billion,
18 respectively. It should be pointed out that
19 this report is now nine years old, so it is
20 expected that current costs are likely higher
21 than the 2008 report stated. This report
22 also indicated that 30 percent of the state's
23 sewage collection systems are beyond their
24 expected useful life.

1 In the face of this tremendous need,
2 New York has stepped up as a national leader
3 with the creation of the Water Infrastructure
4 Improvement Act of 2015, a \$400 million,
5 three-year grant program in the New York
6 State budget. The Governor's budget proposes
7 an additional \$20 billion investment in the
8 WIIA through the year 2022, with potential
9 uses proposed beyond infrastructure
10 investment. NYWEA is appreciative of the
11 proposed extension and increase in funding
12 for this program, but we also realize the
13 needs are much greater.

14 NYWEA also supports the proposed
15 \$5 billion Clean Water Bond Act.

16 Some statistics that highlight the
17 fiscal needs and constraints faced by local
18 water resource recovery facilities:

19 Under 10 percent of total local
20 government expenditures have been directed
21 toward infrastructure for the past 10 years.
22 It has not kept up with the rate of inflation
23 for construction costs and materials. In
24 addition, municipalities are subject to the

1 tax cap constraints, further reducing
2 infrastructure reinvestment, which results in
3 deferred maintenance of sewer and water
4 assets, leading to rapid deterioration,
5 reducing service life, and greatly increasing
6 the cost of repairs. It would be desirable
7 to have clean water capital projects exempted
8 from the tax cap.

9 A disproportionate share of the
10 wastewater financial burden is borne by
11 metropolitan areas which are financially
12 distressed with low household median incomes
13 and mandated implementation of combined sewer
14 overflow long-term control plans.

15 Municipalities from across the state
16 rely on the New York State Environmental
17 Facilities Corporation for low-cost loans.
18 The New York State EFC develops a list of
19 annual and multiyear projects that
20 municipalities and other entities have deemed
21 necessary to meet continued environmental
22 protection, compliance, and efficient
23 operation and maintenance of water
24 infrastructure. While the lists are a

1 representative compilation of pertinent
2 projects, they are not a compilation of the
3 entire universe of projects within New York
4 State, since there are additional projects
5 that the municipalities have not submitted to
6 EFC.

7 Municipalities are frequently
8 reluctant to take advantage of loan
9 obligations, as they are subject to the
10 property tax cap fiscal constraints that
11 limit their ability to borrow funds for
12 critical water and wastewater infrastructure
13 projects.

14 Over 20 years, each \$1 invested in
15 sewer and water infrastructure returns \$2.03
16 of local, state and federal tax revenue.
17 Over time, clean water investments pay for
18 themselves and produce tax revenue for future
19 spending.

20 Besides the normal operation and
21 maintenance of these utilities, natural
22 disasters or other emergency situations --
23 such as toxic spills, discovery of harmful
24 contaminants in water supplies -- have

1 adversely impacted New York's infrastructure.
2 These costs are in addition to already
3 strained finances hindering municipalities
4 from investing in necessary water and sewer
5 infrastructure needs.

6 Investment in water infrastructure not
7 only protects public health and the quality
8 of our lakes, rivers, streams and open water
9 bodies, it is a significant driver of
10 economic development and job creation.

11 Nationwide, local governments are the
12 main investors in water and sewer systems.
13 For all public spending on water and
14 wastewater facilities, state and local
15 governments account for 96 percent. The
16 federal share is 4 percent. In the future,
17 it will take funding coming from federal,
18 state, and local governments together to
19 improve water quality and sustain our
20 utilities.

21 Investment in clean water
22 infrastructure shouldn't just be local
23 government's responsibility, as it is
24 appropriate to represent that cleaner water

1 doesn't just benefit the adjacent locality,
2 but the entire State of New York. It is time
3 to reinvigorate the past practices,
4 partnerships and investments between state
5 and local government that enhance the quality
6 of life of all New Yorkers.

7 In 1966, the Rockefeller Pure Waters
8 Program led the nation with an investment of
9 \$1 billion, of 1966 dollars, towards
10 wastewater infrastructure that provided an
11 unquestioned partnership between state and
12 local government. New York State once again
13 has an opportunity to set an example for the
14 entire nation with the creation of a
15 dedicated fund. Investment in water is the
16 right thing for local government, public
17 health, the environment, the economy, job
18 creation, and recreational opportunities.

19 I thank you for listening to me and
20 the opportunity to be here today.

21 CHAIRMAN FARRELL: Thank you very
22 much.

23 Any questions?

24 Mr. Englebright.

1 ASSEMBLYMAN ENGLEBRIGHT: Thank you
2 very much. Very powerful testimony.

3 I had the privilege of being with your
4 organization on Wednesday at your annual
5 meeting, and I just want to congratulate you
6 and the entire organization of professional
7 water managers. You keep our communities
8 healthy, and you keep our waters pure.

9 MR. BRILLING: Thank you.

10 ASSEMBLYMAN ENGLEBRIGHT: And so I
11 just want to underscore how important your
12 testimony is.

13 I know that the people here at this
14 moment have heard this, but I'm going to
15 share your testimony with my colleagues, all
16 of the members of the Environmental
17 Committee. I think it's that important.

18 MR. BRILLING: Thank you.

19 ASSEMBLYMAN ENGLEBRIGHT: Thank you
20 very much.

21 MR. BRILLING: Please take note of
22 this too, if you'd look at that. Basically,
23 the testimony is that (indicating brochure).

24 Thank you.

1 ASSEMBLYMAN ENGLEBRIGHT: Thank you.

2 ASSEMBLYMAN OAKS: Thank you.

3 SENATOR KRUEGER: Thank you.

4 Next, Kevin Chlad from Adirondack
5 Council.

6 And then prepare yourself. Adirondack
7 Mountain Club afterwards, and Protect the
8 Adirondacks after that. And we will know
9 everything we need to know about the
10 Adirondacks.

11 MR. CHLAD: Yes, you will.

12 All right. Well, good evening,
13 everybody, honored legislators. My name is
14 Kevin Chlad. I'm the director of government
15 relations for the Adirondack Council. The
16 Adirondack Council is a nonprofit dedicated
17 to ensuring the ecological integrity and wild
18 character of our Adirondack Park. We
19 envision a park with large core wilderness
20 areas, clean air, water, working farms and
21 forests, and vibrant communities. And we do
22 not accept any public funding.

23 You've heard a lot of important
24 testimony today, and you have my full

1 comments in front of you, so I will be brief.

2 First I just wanted to share a little
3 bit about our Adirondack Park, this
4 incredible asset that we have as New Yorkers.
5 It's over 6 million acres. It is the largest
6 park in the contiguous United States. It's
7 right -- it's just two hours to the north of
8 us, and it's ours.

9 Half of this land is "Forever Wild"
10 Forest Preserve. It is protected by our
11 state's Constitution. And it is an asset to
12 the people of the State of New York. It's
13 also half private land, and this is
14 intermixed in a patchwork quilt. And those
15 private lands include working farms and
16 forests and vibrant communities. This park
17 also contains 2,800 lakes and ponds and an
18 estimated 30,000 miles of brooks and streams.
19 Water is a centerpiece for the park.

20 The park's combination of clean water,
21 wilderness, and vibrant communities makes it
22 a national treasure and attraction.

23 So I would be remiss if I did not
24 thank you for your collective action last

1 year on our environmental budget. You made
2 history with a \$300 million EPF, also strong
3 increases in clean water infrastructure grant
4 funding, and increases in tourism funding.
5 And the park is stronger for your efforts.
6 So I just want to thank you for that.

7 Just a couple of other points I'd like
8 to emphasize. First I want to talk about the
9 power of the EPF. And you can see on the
10 cover of your testimony this magnificent
11 photo. This place is the Boreas Ponds, and
12 the Governor acquired the Boreas Ponds in the
13 spring of last year, using Environmental
14 Protection Fund monies, monies that you
15 helped appropriate. And so I encourage you
16 to look at this picture and realize the
17 impact that you have made. It is truly
18 powerful.

19 This property is roughly the size of
20 Manhattan, and it's part of the
21 second-largest acquisition in the park's
22 history. This land has been purchased, but
23 now it must be protected. And so the
24 Governor and his APA will now decide the fate

1 of this parcel, and that will likely occur in
2 the spring of this year. Your actions have
3 set the table for what could become a
4 timeless Adirondack legacy and a gift to
5 generations yet unborn.

6 It's our hope that the Governor and
7 his APA protects this investment with a
8 wilderness classification for the pond and
9 with a one-mile buffer to the south of that
10 pond.

11 The second point I want to touch on is
12 the issue of state land stewardship. Our
13 state, through this purchase, has acquired
14 65,000 acres of land over the last five or
15 six years. It's truly historic. And these
16 acres are a valuable addition to our Forest
17 Preserve. These state lands are both an
18 environmental asset and an economic asset.
19 Through the Boreas Ponds classification, we
20 saw common agreement amongst all stakeholders
21 that the state can and should do more to
22 manage the lands that we have. This means
23 staffing and stewardship funding.

24 The third point that I want to make is

1 with regards to water infrastructure funding.
2 We are absolutely thrilled to see the
3 Governor and the Legislature championing
4 water infrastructure funding with various
5 proposals this year. We've heard so much
6 today about the need in our state. The
7 Adirondack Council released a report just
8 this last fall that identified over
9 \$100 million in current identified wastewater
10 infrastructure needs in the Adirondack Park
11 alone. These are communities that are very
12 small in population, but they serve
13 incredibly large populations of visitors.
14 We're talking 10 million visitors a year to
15 the park, and a resident population of just
16 130,000 year-round. Plus 260,000, give or
17 take, seasonal residents. So a small
18 population serving a very large population.

19 This places a heavy burden on their
20 infrastructure, and it's something we should
21 pay attention to, given the fact that the
22 parks communities are an integral part of the
23 Adirondack Park model and therefore an asset
24 to the protection of the park.

1 So with that, with all the competing
2 proposals that are out there, we're very
3 excited to see this conversation taking
4 place, and we urge you all to do absolutely
5 everything that you can this year to fund
6 water infrastructure. And we know that you
7 will.

8 And with that, I just thank you so
9 much for this opportunity. Thank you.

10 ASSEMBLYMAN OAKS: Thank you.

11 SENATOR KRUEGER: Thank you very much.

12 CHAIRMAN FARRELL: Thank you.

13 MR. CHLAD: Thanks, everyone.

14 SENATOR KRUEGER: So next we have Neil
15 Woodworth, from Adirondack Mountain Club.

16 And get ready after him, Peter Bauer,
17 from Protect the Adirondacks.

18 MR. BAUER: I don't see Neil.

19 SENATOR KRUEGER: Oh, you don't see
20 Neil? Does anybody here represent Neil?
21 Okay, we've lost them.

22 So thank you, Peter Bauer from Protect
23 the Adirondacks.

24 Thank you, and following is Dan

1 Shapley from Riverkeeper.

2 (Discussion off the record.)

3 SENATOR KRUEGER: All right, if you're
4 ready, you go right ahead.

5 MR. BAUER: I don't want to be accused
6 of jumping in front of the Mountain Club,
7 so -- those folks are tough. They climb
8 mountains. They would step all over me.

9 I thank you all for your stamina
10 today, for the Senators and for the
11 Assemblymembers that are here. Thank you
12 very much for your work protecting the
13 environment.

14 I also thank your staffs for their
15 great work in putting all of this stuff
16 together, and helping to protect our
17 environment in the state, seated behind you.
18 I also thank all of my brother and sister
19 advocates seated behind me who do such great
20 work.

21 I also thank you for stepping up this
22 legislative session. And we have some
23 interesting bond act proposals, and those
24 will be deliberated --

1 SENATOR KRUEGER: And before you
2 continue, I'm sorry. (To staffer.) So you
3 just handed out Adirondack Mountain Club,
4 which is great, but they're not here. So can
5 you now hand out Peter Bauer's testimony,
6 because he's the gentleman testifying.

7 Thanks. So sorry.

8 MR. BAUER: You're welcome.

9 There's some very interesting bond act
10 proposals on your docket which will help
11 immensely for New York's environment. So I
12 look forward to seeing more work done on
13 those in the future.

14 I will be brief. You've had a lot to
15 deal with today, you've had a lot of
16 information presented to you. And I just
17 want to talk about four things very briefly,
18 mostly that you haven't heard before.

19 One, we want to express our support
20 for the Environmental Protection Fund.
21 Important fund, \$300 million second year in a
22 row. We think the EPF is underfunded, and we
23 think it should be a billion dollars a year
24 or more to really focus on the key challenges

1 facing the environment of this state.

2 The land acquisition monies that are
3 there are the bare minimum. The invasive
4 species monies that are there, the bare
5 minimum. The state land stewardship monies
6 that are there are the bare minimum. We need
7 more resources for the EPF.

8 I think the Legislature could do a
9 couple of things. I'm not sure that we've
10 had oversight hearings on how effective the
11 EPF has been, what the major environmental
12 priorities are for the State of New York. I
13 think that would be a very useful set of
14 hearings for advocates and for people across
15 the state, for local government and others,
16 to really focus on what the key challenges
17 are for our environment in New York. I think
18 many of our key challenges -- for clean
19 water, for municipal infrastructure, for land
20 protection, for invasive species -- are
21 critically underfunded.

22 Secondly, I would like to point to one
23 thing that's not listed in the EPF and not
24 dealt with really in the state land

1 stewardship program, and that's funding for
2 the High Peaks.

3 The High Peaks Wilderness Area is the
4 most heavily used area of our Forest
5 Preserve. Certain trails in the High Peaks
6 are now seeing 33,000, 35,000, 36,000 hikers
7 a year. On some fall weekends we have a
8 thousand people on a summit at any one time.

9 The High Peaks is not getting the
10 investment it needs. There's funding going
11 to other places in the Adirondacks, but we're
12 not getting the funding we need for really
13 the most successful wild-lands area we have
14 in the Adirondacks. The High Peaks is a key
15 draw for the Lake Placid tourism economy --
16 arguably, after Lake George, the most dynamic
17 tourism economy we have in the park, and very
18 successful. So we need to focus in our EPF
19 funding on funding for the High Peaks. We're
20 five years behind on trail maintenance and
21 infrastructure, and that's something I would
22 encourage you to look at.

23 I would also draw your attention to
24 funding in the NY Works program. We're very

1 concerned about funding for a couple of
2 projects in NY Works, and I think the
3 Legislature should really take a very close
4 look at it. One, the Governor has come out
5 and called for \$32 million of spending at
6 Exit 29 on the Adirondack Northway to create
7 a new campground, a new tourism complex, a
8 new visitor center. There are two private
9 campgrounds within a mile of this new state
10 campground. There are three state
11 campgrounds a short distance away. While we
12 certainly appreciate the Governor's effort to
13 put \$32 million into building this new
14 complex, we think it bears a really hard
15 look, and folks should look at whether that's
16 the best way to spend this amount of money.
17 We have a lot of questions about it, and in
18 many ways it's a real head-scratcher.

19 Last, I want to draw your attention to
20 other funding in the Adventure NY program.
21 They talk about hut-to-hut funding, and we're
22 concerned about buildings on the Forest
23 Preserve. We're concerned about the state
24 trying to build cabins on the Forest Preserve

1 or the state trying to build temporary
2 yurt-like structures on the Forest Preserve.
3 In our minds, that issue was settled decades
4 ago with a public vote on the Closed Cabin
5 Amendment, a constitutional amendment that
6 went to the voters. The voters voted it
7 down.

8 We don't think that the Governor and
9 the DEC should be trying to build buildings
10 on the Forest Preserve through administrative
11 fiat. If that's something that they really
12 want to do, they should go for a
13 constitutional amendment and let the voters
14 determine if that's the best use of the
15 Forest Preserve and if that's their vision
16 for the Forest Preserve.

17 So thank you very much for the
18 opportunity to bring these issues to your
19 attention, and thank you all for your good
20 work.

21 SENATOR KRUEGER: Thank you.

22 CHAIRWOMAN YOUNG: Thank you,
23 Executive Director Bauer.

24 Our next speaker is Water Quality

1 Program Director Dan Shapley from
2 Riverkeeper, Inc.

3 And in the queue is Director of Public
4 Policy Andy Bicking, from Scenic Hudson. So
5 if you could be ready, please.

6 Welcome, Mr. Shapley.

7 MR. SHAPLEY: Thank you. Thank you
8 for having me. Thank you for hearing from
9 Riverkeeper. And to echo my colleagues,
10 thank you for your past and continuing
11 support for the Water Infrastructure
12 Improvement Act and the EPF, both critical
13 sources of funding that we're very much in
14 support of.

15 I want to try to bring to you some
16 perspective. I'm not going to try to recite
17 my testimony in any way. My main job is not
18 to come and speak to you all, frankly, but
19 it's to get out and gather water quality
20 samples. So I'm going to give you some
21 perspective on what Riverkeeper does and what
22 its found and why some of these investments
23 we've talked about today are going to be so
24 meaningful.

1 We, with partners, gather data from
2 400 locations each year as of 2016. Working
3 with over 160 individuals, we took over 4700
4 samples of water throughout the Hudson River
5 Watershed last year. And what I always say
6 is, that's 4700 votes for clean water. These
7 are individuals who give up some time on
8 their weekend to go out and measure water
9 quality in the Hudson River or in the local
10 creek that runs by their house. And what
11 we've found has given us a really unique
12 perspective on some of the issues that we
13 face.

14 When it comes to infrastructure
15 investment, we're very supportive of the
16 Governor's proposal and very supportive of
17 some of the proposals that have come out of
18 the Legislature to go even beyond that with
19 some of the bond act proposals. The
20 \$80 billion in need that you've heard about
21 for water infrastructure, what that looks
22 like on the ground is that over half of the
23 sites that we've sampled in the Hudson River
24 over the past almost 10 years failed to meet

1 federal safe swimming guidelines. Over half.

2 We want a Hudson River we can swim in.
3 And in fact, we have a Hudson River that many
4 people do swim in. This is just one example,
5 but this is the Eight Bridges Swim. It's a
6 photo from it. That's the longest open-water
7 swim event in the world, and it happens in
8 the Hudson River every year. In fact, the
9 Hudson is the playground for people who live
10 in and enjoy the Hudson River Valley.

11 And yet we know that the region has
12 over \$2.5 billion worth of wastewater
13 infrastructure needs outside of New York
14 City, within the Hudson River Watershed.
15 That's for wastewater alone. And we know
16 it's based on only about 30 percent of
17 communities having accounted for their needs.
18 So we know that the need in fact is much
19 greater.

20 So we know that whatever you can put
21 into that infrastructure spending pot will
22 get spent well, and we want to make sure that
23 it can be spent in the Hudson River
24 Watershed, which has the greatest wastewater

1 impacts of any estuary in our country, we
2 believe. It has more population than any
3 other watershed. And yet the funding
4 formulas for some of the grant programs and
5 loan programs disadvantage the Hudson River
6 Valley because of our relatively high median
7 household income, but it doesn't take into
8 account things like our high cost of living,
9 our high cost of housing. So our actual
10 buying power may not be any higher than
11 communities with a lower household income,
12 but we are disadvantaged because of the
13 funding formulas in some cases.

14 So I encourage you to think about how
15 the money can be spent in a way to benefit
16 the Hudson River, this great resource that we
17 have, central to our state.

18 I do want to mention in the EPF the
19 Water Quality Improvement Projects line is a
20 critical source of infrastructure spending.
21 It's been there for many years and funds
22 critical projects. It keeps getting carved
23 up in little bits. And we really feel that,
24 as much as possible, it should be spent

1 competitively, because that's such a strong
2 source of infrastructure spending that's been
3 around independently of the more recent
4 investments that have come out.

5 On source water protection, this is
6 something that Riverkeeper has been a strong
7 advocate of, from again an on-the-ground
8 understanding of the impacts through our work
9 in Newburgh. Which, as you know, it's a city
10 of 30,000 people that has toxic water
11 contamination in their primary reservoir.
12 What you may not have heard about Newburgh is
13 that their drinking water shed is
14 fundamentally unprotected. It is a
15 suburbanized, commercial development ringing
16 the watershed. So it's an example of what
17 happens when we don't have good source water
18 protection.

19 And we're working hard in Newburgh to
20 make their new source water assessment
21 robust, comprehensive, so it can be a model
22 for the state for how we reorient around
23 protective strategies to ensure long-term
24 water quality for our cities and villages.

1 And those costs, I want to point out,
2 are largely unaccounted for. The
3 Comptroller's report that came out today
4 assessing \$40 billion, I believe, in drinking
5 water needs, does not get at the source water
6 protection need, that need to protect
7 watersheds and the streams flowing into water
8 reservoirs, and protecting wellheads, to
9 ensure that the water quality before it
10 reaches the plant or touches a pipe is of
11 high quality.

12 And as we know in New York City and
13 the experience we have protecting New York
14 City's drinking water supply, that's the key
15 to having world-class water supplies. And
16 it's what we need to start helping more of
17 our villages and cities around the state
18 achieve, starting with Newburgh.

19 And we know, of course, that the cost
20 of failing at source water protection -- we
21 know very well now from Hoosick Falls and
22 Newburgh, and we want to avoid as much of
23 that as possible.

24 Finally, I'll wrap up with one other

1 short anecdote, and that is the Wallkill
2 River, which runs out of New Jersey, through
3 Orange County and Ulster County, and meets
4 the Hudson near Kingston after joining the
5 Rondout Creek. It's one of the largest
6 tributaries of the Hudson River. And this
7 summer, 30 miles turned bright green and
8 produced toxins. The river itself became
9 toxic because of a harmful algal bloom that
10 persisted for over 60 days.

11 Now, around the state we know that
12 there are a lot of these harmful algal
13 blooms, primarily, though, affecting lakes
14 and ponds. This was a river, flowing water,
15 affected for over 30 miles. And there's a
16 DEC study that has been proposed, it would
17 cost \$300,000 this year, \$500,000 the next,
18 to really get at the underlying causes of
19 that episode and other problems that the
20 river faces.

21 So we feel strongly that that should
22 be funded, but we think that this also points
23 to the real need to increase staff and budget
24 for the DEC. Which, as you know, has been

1 just stripped to the bone over many years,
2 and there is no real proposal that I see to
3 increase staff. And if we don't have
4 assessments and we don't have watershed
5 protection plans and we don't have all of the
6 fundamentals of the Clean Water Act, then we
7 really are not spending our money as wisely
8 as we could.

9 All of the infrastructure and source
10 water protection, those capital improvements,
11 is absolutely essential. But enforcing our
12 clean water laws really is as fundamental to
13 achieving what we all want, which is clean,
14 safe drinking water and water that's safe for
15 recreation and healthy for wildlife.

16 So with that, I will close my remarks.
17 I'm happy to take any questions if you have
18 any.

19 CHAIRMAN FARRELL: Thank you.

20 Questions?

21 CHAIRWOMAN YOUNG: Any questions?

22 Thank you so much.

23 SENATOR KRUEGER: Thank you very much.

24 ASSEMBLYMAN OAKS: Thank you.

1 MR. SHAPLEY: Thank you.

2 CHAIRWOMAN YOUNG: Our next speaker is
3 Director of Public Policy Andy Bicking, from
4 Scenic Hudson.

5 And following Mr. Bicking is
6 Erik Kulleseid, from the Open Space
7 Institute. So please be ready.

8 Welcome, Mr. Bicking.

9 MR. BICKING: Thank you, Chairwoman.
10 And thank you, everyone, for this opportunity
11 to speak to you today.

12 And thank you for your historic
13 support of so many strong environmental
14 outcomes in budgets of the past. Your
15 leadership has really helped deliver what we
16 love most about New York, and that is our
17 clean air, our clean water, protected
18 parklands, working farms, and good quality
19 jobs. So we appreciate all the work that you
20 have done.

21 My name is Andy Bicking. I'm director
22 of public policy for Scenic Hudson. I'm
23 honored to follow my colleague Dan Shapley at
24 Riverkeeper. Scenic Hudson is to the Hudson

1 Valley's land and waterfront what Riverkeeper
2 is to the water itself, and we work in
3 partnership on many important issues.

4 I want to speak today to three major
5 elements of the State Budget: The
6 Environmental Protection Fund, of course,
7 which you've heard quite a bit about; the
8 Water Infrastructure Act; as well as the
9 Empire State Trail. I'll be skipping through
10 my testimony to really focus on those
11 elements that I think are so unique that
12 maybe you haven't heard them from advocates
13 yet today. But rest assured that we support
14 all three of these proposals, for many of the
15 reasons which have been stated.

16 With respect to the Environmental
17 Protection Fund, we strongly support the
18 \$300 million proposal from the Governor. In
19 particular, looking at programs within the
20 fund, we wish to express support for Hudson
21 Estuary Management. The Executive has
22 proposed \$5.5 million for the Hudson Estuary
23 Management Program. That's a \$500,000
24 increase from last year's budget. This

1 includes \$800,000 for implementation of the
2 Mohawk River Action Plan.

3 We see this allocation in this year's
4 proposal from the Executive as a very
5 important step to rebuilding all that the
6 program has to offer through its action
7 agenda, which is a stakeholder-driven plan
8 that is held with high accountability within
9 the department and our local communities,
10 that helps get funding out to local
11 governments and community organizations that
12 implement the plan.

13 However, we do note that in the 2008
14 and 2009 fiscal year, when EPF totaled \$255
15 million, the program actually received more
16 money than it does under the proposal we see
17 today for a \$300 million EPF. So we are very
18 much appreciate of the modest increase which
19 has been received.

20 I'd also like to comment on the open
21 space land acquisition line item within the
22 EPF. Scenic Hudson is a land trust, and the
23 Executive Budget proposal includes
24 \$33 million for open space conservation. We

1 would note that this represents a \$7 million
2 increase from the \$40 million in last year's
3 budget. So we are understandably concerned
4 about this reduction, especially given that
5 the program had received \$60 million in
6 appropriations, again, when the EPF was at
7 \$255 million in 2008-2009.

8 Scenic Hudson has a plan for
9 conserving the region's landscapes. It's
10 known as Saving the Land that Matters Most.
11 It's a data-driven plan that scientifically
12 arrives at goals for the region looking at a
13 variety of conservation priorities, including
14 access to recreation and parks, including
15 access to the water, including protecting our
16 scenic ridgelines, as well as important
17 habitat.

18 One of the key things of our Saving
19 the Land that Matters Most plan is farmland
20 protection, which you have heard quite a bit
21 about from us in the past. I'd like to thank
22 you for your work, I guess it was two years
23 ago, for the Hudson Valley Agricultural
24 Enhancement Program, which in conjunction

1 with the statewide Farmland Protection
2 Program has really done an incredible amount
3 of work helping local farmers to conserve the
4 land and then taking the money they often
5 receive for conservation easements and
6 reinvesting those into their businesses and
7 the local economy.

8 The Executive Budget includes
9 \$20 million for statewide farmland protection
10 projects. This is something that we do
11 support. Again, demand remains incredibly
12 high. According to our partners, the
13 American Farmland Trust, in 2016 alone,
14 approximately 65 applications totaling
15 \$49 million were submitted to the Department
16 of Agriculture and Markets. And so I think
17 this underscores the immense popularity of
18 the program.

19 We have urged the department to
20 maintain an annual request for proposals for
21 projects. I would note that at one point in
22 time the department was considering coming
23 out with RFPs every other year, which is
24 something we have been concerned would affect

1 the agricultural community's feeling of
2 confidence in the fund. So we encourage the
3 Legislature and Executive to do everything
4 they can do to keep the program moving on an
5 annual basis.

6 The next section of the EPF I'd like
7 to address is the navigational law category.
8 You have heard about this from others today.
9 In short, we see this as an offload from the
10 Aid to Localities budget and would
11 respectfully request that you do what you can
12 to place it back into the program which it
13 originally came from.

14 We have seen some really exciting
15 legislation, Article VII legislation, related
16 to the Waterfront Revitalization Program,
17 which Scenic Hudson is a strong supporter of.
18 As you've heard earlier, this would reduce
19 the amount of local share for grants local
20 governments receive from the Department of
21 State.

22 We applaud this proposal, as we see it
23 as making the development of local waterfront
24 revitalization plans, which are so critical

1 for our local and regional economy in the
2 region, more possible and more feasible for
3 communities who are fiscally challenged to be
4 able to step up and make a plan for their
5 future.

6 The final item in the EPF I'd like to
7 address also comes with a note of thanks to
8 the Legislature. The Executive Budget
9 includes new funding for natural resource
10 damage assessment in the Hudson River. There
11 is an increase of approximately
12 \$1.285 million. This is critically important
13 to enable the state to conduct research to
14 assess the damages to the Hudson River as a
15 result of contamination of toxic
16 polychlorinated biphenyls. This is an issue
17 I know that is very important to many of you.
18 Chairman Englebright, I know you in
19 particular showed some incredible leadership
20 on this last spring when we asked members of
21 the Legislature to write to the Governor and
22 General Electric CEO Jeffrey Immelt. The
23 good news is your advocacy has paid off and
24 it has made a difference. We saw this past

1 September the State DEC and the Attorney
2 General's office stepped up in a public
3 statement calling for additional dredging of
4 toxin hotspots in the Hudson River, and have
5 been very strong advocates for this cause in
6 Washington. The fight is not over yet, but
7 we remain optimistic and committed to this
8 important goal.

9 The Clean Water Infrastructure Act has
10 received a lot of praise today. This is
11 something that we support. We applaud the
12 executive branch for recognizing that there
13 is not a one-size-fits-all solution to
14 addressing water quality issues. As a land
15 trust, we are very excited to see the source
16 water protection category included. This is
17 one of the most cost-effective means of
18 protecting water quality that we know of.
19 And because of this, we are responding to
20 begin to do the work to identify where
21 regional priorities in the Hudson Valley
22 might be and where we might be able to
23 partner to help leverage this fund for public
24 benefit.

1 I would now just like to jump to the
2 final section of the testimony, which is the
3 Empire State Trail. We're very excited with
4 this proposal as well. Phase One will cost
5 about \$53 million and create the most
6 extensive multi-use trail network in the
7 nation. This builds on years of legislative
8 leadership and support for the Hudson River
9 Valley Greenway as well as other elements of
10 the trail.

11 The project is largely shovel-ready.
12 And there is so much that can be done to
13 create jobs and create this amenity for local
14 communities, which I'm sure will help enhance
15 home values, increase tourism, and create
16 something that all New Yorkers can be proud
17 of.

18 We do recognize and we have heard,
19 sitting in Hudson River Valley Greenway
20 Community Councils' meetings, that there are
21 some members in the region and throughout the
22 state that are questioning if this proposal
23 will benefit their local trail. And I would
24 just say in response to this that I think the

1 vision of a statewide trail network is
2 outstanding, and it really requires a trunk
3 or a skeleton, if you will. And an
4 investment over the next three years in the
5 Empire State Trail I believe will create some
6 common ground for and opportunities for
7 greater connectivity for many other local and
8 regional trail networks. And we welcome an
9 ongoing discussion about how to achieve that
10 in many other regions of the state.

11 So with that, I'll conclude my
12 testimony. Thank you again for the
13 opportunity to speak before you today. And
14 if you have any questions, I'd be happy to
15 answer them.

16 CHAIRWOMAN YOUNG: Thank you very
17 much. We appreciate it.

18 CHAIRMAN FARRELL: Thank you.

19 SENATOR KRUEGER: Thank you.

20 SENATOR SAVINO: Thank you.

21 CHAIRWOMAN YOUNG: Our next speaker is
22 Erik Kulleseid, senior vice president for the
23 Open Space Institute and executive director
24 of the Alliance for New York State Parks.

1 Welcome.

2 And we have, following that, several
3 members of the Police Benevolent Association
4 of New York State, and we look forward to
5 their testimony.

6 Thank you.

7 MR. KULLESEID: Am I on?

8 CHAIRWOMAN YOUNG: Yes.

9 MR. KULLESEID: So I feel like I have
10 very good company here. I have Senator Clay
11 Pit Ponds, Senator Almost Four Freedoms,
12 Senator Allegany --

13 CHAIRWOMAN YOUNG: Cattaraugus,
14 Chautauqua --

15 MR. KULLESEID: -- Letchworth, Long
16 Point, Midway -- lots of parks -- Assemblyman
17 Riverbank, Assemblyman Fair Haven and Chimney
18 Bluffs. Assemblyman Englebright, you are the
19 steward of them, all through the Parks and
20 Tourism Committee, so you get all of them.
21 And Assemblyman Stec, for Crown Point and
22 really almost Moreau Lake State Park, right?

23 You all get the state park system.

24 And thank you for letting me come here today

1 to talk about the Governor's budget proposal.

2 I will not read through my testimony.
3 Suffice it to say I think that our parks and
4 public lands are going through the kind of
5 renaissance that happens once a generation,
6 and I really support and congratulate you all
7 for your fine stewardship and partnership
8 with the Governor to make sure that our
9 public lands are as good as they can be for
10 the people of the State of New York. It's
11 really been an exceptional period.

12 I note, obviously, full support for
13 \$120 million for the New York Parks 2020 in
14 2017. I think the corresponding program at
15 the DEC in Adventure NY, and the \$30 million
16 that's been put in the budget there, is only
17 apt for places like the Adirondacks, which
18 are huge destinations, different kinds of
19 places than some of the other parks, but
20 still just as worthy of getting this kind of
21 investment.

22 Sort of on the rest of the budget, I
23 think it's hard -- you know, both of these
24 agencies are being held flat. And as I say

1 in the testimony, they're facing a triple
2 whammy these days, and that is budget cuts
3 over the past nine years now of over
4 20 percent since the late aughts, rising
5 fixed costs that are out of their control,
6 and a growing number of visitors. I think we
7 all are aware that last year 70 million
8 people visited the state park system, which
9 is a record attendance. And how do we
10 maintain that system at a level of excellence
11 that people keep coming back and wanting to
12 be in them?

13 We also do support the EPF. We are
14 very pleased about the \$300 million EPF this
15 year. There are four categories that OSI is
16 particularly interested in. That's the State
17 Land Stewardship line and its New York State
18 Park and Trail Partnership Program funding --
19 that's the funding to build the capacity of
20 friends groups to help parks. We also are
21 very invested and dependent on the Municipal
22 Grants line to help us fund our capital
23 projects that we're doing in the state parks.
24 And we also feel strongly about the Open

1 Space and Land Conservation account.

2 Really nothing but good to say about
3 State Land Stewardship and the Park and Trail
4 conservation program. It enables groups like
5 ours -- and we've really done projects now,
6 we have done fundraising projects in
7 Letchworth now, we helped build the
8 Letchworth Nature Center. We are at Thatcher
9 here in this area, we've been doing things at
10 Minnewaska -- and that is all work that we
11 could not do without the support of many of
12 these state programs.

13 I would say -- like others before me,
14 I won't dwell on it -- we also question
15 closely the inclusion of \$2 million for the
16 Navigation Law in the budget. It seems like
17 an offload, and that it should be reversed
18 during budget negotiations.

19 We also see the drop in the Open Space
20 Conservation account to \$33 million as
21 something that is somewhat troubling. We
22 understand that there is intended to be land
23 acquisition dollars in the water
24 infrastructure \$2 billion initiative. But

1 having not seen the details on that, we can
2 only say let's really hope that it's money
3 that is accessible and spendable and that we
4 can move out the door to continue, maintain
5 the momentum for land conservation that
6 New York has been so good at and so proud of.

7 We also are actually supportive, we
8 support the new Adirondack Gateway at
9 Frontier Town in the Adirondacks. A previous
10 testifier was concerned about \$32 million. I
11 think that's actually a combination of
12 private and public dollars. But we think
13 that any kind of initiative in that area that
14 brings people, creates another way to get
15 into the park is a good thing.

16 And then finally -- and, Assemblyman
17 Englebright, you've been focusing on this
18 today -- the Empire State Trail. We really
19 do feel it's a very great catalyst for
20 building a network. You know, we are
21 building trails that will tie into that. I
22 think that's one of the pieces of magic
23 you'll see, is that many communities will tie
24 into this trail, it will knit together the

1 state in a great, great web.

2 Yes, Long Island should be brought in.

3 Yes, the Thousand Islands region ought to be
4 brought in. But since you do have these
5 really fairly well formed trunks, we ought to
6 go with it and then pull in Long Island. I
7 think what they're doing on Long Island with
8 the Ocean Parkway and the -- what is the W
9 one, the park? Wantagh. Wantagh, sorry.
10 That work is really fabulous, right? It's
11 really making those south barrier islands
12 available to bikers.

13 So really, just in summary, we are
14 very happy about this budget. A couple of
15 red flags in that budget that I hope you will
16 work through. We look forward to seeing the
17 details on the water infrastructure
18 \$2 billion. But other than that, really,
19 again, thank you for letting me be here
20 today, and we look forward to working in many
21 of your parks to build infrastructure.

22 Assemblyman Farrell, we've got things
23 we want to do at Riverbank as well. So it's
24 all good.

1 CHAIRWOMAN YOUNG: Questions?

2 SENATOR KRUEGER: Thank you.

3 MR. KULLESEID: Thanks.

4 CHAIRWOMAN YOUNG: Thank you so much
5 for being here.

6 MR. KULLESEID: My pleasure.

7 CHAIRWOMAN YOUNG: So next I'm very
8 pleased to introduce Drew Cavanagh, secretary
9 and director of Forest Rangers Superior
10 Officers; Manuel Vilar, vice president/CAO
11 and director of Park Police Sergeants; and
12 John Burke, director, New York State EnCon
13 Police Superior Officers. And they are from
14 the Police Benevolent Association of New York
15 State.

16 Thank you so much for being here
17 today.

18 DIRECTOR CAVANAGH: Thank you, and
19 good evening.

20 CHAIRWOMAN YOUNG: Good evening.

21 DIRECTOR CAVANAGH: My name is Drew
22 Cavanagh. I'm the secretary of the PBA and
23 the director of the Forest Rangers Superior
24 Officers Association.

1 As you said, I'm here with Manny
2 Vilar, who is our founding president and the
3 director of the Park Police Sergeants
4 Association, and John Burke, the director of
5 the Environmental Conservation Superior
6 Officers Association.

7 We're here to offer testimony on
8 behalf of our 1200 members and specifically
9 to address the budget priorities of the
10 Department of Environmental Conservation's
11 Forest Rangers, Environmental Conservation
12 Officers, and the Office of Parks, Recreation
13 and Historic Preservation's Park Police.

14 We thank the Legislature for the
15 opportunity to present our concerns on behalf
16 of the men and women who put their lives on
17 the line protecting the people and resources
18 of the State of New York.

19 We begin by discussing the critical
20 public safety role played by Forest Rangers.
21 Forest Rangers protect our public lands and
22 the people who use them. We respond to plane
23 crashes in remote areas, airlift hikers
24 stranded on mountaintops, rescue people who

1 have fallen through the ice, search for lost
2 children, the elderly, or anybody who needs
3 help. Last year there were over 350 rescue
4 missions, and every year the number goes up.

5 While I was sitting up here waiting to
6 testify, I was trying to coordinate with -- I
7 wasn't doing the work, but I was talking to
8 my lieutenants in the region who are rescuing
9 an injured snowmobiler on Raquette Lake right
10 now. So we're doing it.

11 We thank the Legislature for their
12 past support. The missions are important,
13 they matter, and we're honored to do our part
14 here.

15 We're encouraged and thank Governor
16 Cuomo and the DEC and the Legislature for the
17 joint Environmental Conservation
18 Officer/Forest Ranger academy that started
19 yesterday. We have 44 new recruits, future
20 ECOs and Forest Rangers, and we're really
21 excited about that. Anytime we get new
22 staff, we're excited about it.

23 It's a start, but our numbers are far
24 too low. We just need to replenish them

1 somehow. Unfortunately, simply having
2 sufficient staff to accomplish our division's
3 mission has become an overriding concern.
4 There are not enough Forest Rangers. We just
5 don't have enough people.

6 I have a few facts and figures I just
7 want to mention. In 1970, there were 143
8 Forest Rangers, and they were patrolling
9 3.5 million acres of public land, most of
10 which was in the Adirondack and the Catskill
11 Preserves. Today, even with our recent
12 hiring yesterday, there are 129 Forest
13 Rangers, and now we have 5 million acres of
14 state land. So the numbers are going the
15 wrong way.

16 While the majority of this is Forest
17 Preserve, the DEC now administers thousands
18 of acres of State Forest, conservation
19 easements. And we say -- I heard someone
20 earlier talking about the New York City
21 Watershed. We protect the New York City
22 Watershed. We're the ones who actually
23 patrol the lands around the New York City
24 Watershed. That's work that Forest Rangers

11 I've been a Forest Ranger for 24
12 years, and I took this job because I love it.
13 And I still love it now. And I think what I
14 do is important, and I'm honored to do it.
15 We wish to thank the members of the New York
16 State Legislature who have been strong
17 supporters of the Department of Environmental
18 Conservation Forest Rangers. We ask for your
19 continued support so that we may serve the
20 people of the state.

23 CHAIRWOMAN YOUNG: Thank you.

24 DIRECTOR BURKE: Thank you, Chairs. I

1 appreciate you providing me the opportunity
2 to talk on behalf of the PBA of New York
3 State members regarding our extreme need for
4 investment in patrol vehicles.

5 My name is John Burke, and I am the
6 director of the EnCon Police Superior
7 Officers Association.

8 For years the state has made do with
9 equipment without an eye on investment in
10 updated technology or replacing wear and tear
11 on personnel. Failure to keep a replacement
12 schedule for equipment and personnel results
13 in the inevitable requirement for significant
14 investment over and above the annual budget
15 funding.

16 We have reached that inevitable
17 moment. Appropriations specifically
18 designated to support our ability to protect
19 the public have continued to fall short.

20 The patrol cars of our officers are in
21 desperate need. We experience chronic
22 breakdowns, wheels have fallen off the
23 vehicles, cars are being repaired with
24 component parts that exceed the value of the

1 car being repaired. We are purchasing used
2 body parts at salvage yards to replace doors
3 and tailgates. Not only are the repairs high
4 in cost, but officers lose valuable patrol
5 time bringing broken-down vehicles to
6 department maintenance centers or auto repair
7 shops.

8 The public needs to have confidence in
9 the police force. However, that becomes
10 difficult when the patrol car is stranded,
11 loses parts, or is rusted out.

12 The infusion of cars and funding to
13 properly outfit them needs to be aggressively
14 increased in the DEC budget. The agency is
15 chasing from behind to catch up with the
16 advanced-age fleet. Of our fleet,
17 48.9 percent of the cars exceed 125,000
18 miles. To bring the fleet up to par would
19 require an initial infusion of 100 vehicles
20 this year, to allow for an appropriate
21 vehicle replacement schedule.

22 The state did not replace any cars for
23 three years, 2009-2011. This breakdown now
24 has come to roost, and we are asking the

1 Legislature to look closely at increasing the
2 DEC budget to accommodate the need of EnCon
3 officers for appropriate vehicles and a plan
4 for scheduling replacement that allows for
5 safety for our officers, public, and
6 advancements in technology.

7 In 2012, the department resumed
8 purchasing police vehicles. However, the
9 budget did not follow for adequate
10 procurement -- usually only 25 to 50 cars
11 were purchased per year -- to keep up with
12 the depreciation of the fleet.

13 In 2016, the department purchased 60
14 police vehicles, which are still being
15 retrofitted and have not been fully deployed
16 yet. However, that only accounts for five or
17 six cars per region, and each region has
18 approximately 30 or 40 cars. And there are
19 nine regions in the State of New York.

20 With the infusion of 100 additional
21 cars in the fiscal year, DEC would be able to
22 replace the cars for officers on a five-year
23 cycle. The average mileage a year on a
24 vehicle is 25,000 miles. After five years,

1 the vehicles will have 125,000 miles. To
2 maintain the replacement schedule, the DEC
3 would need to replace 60 cars a year, and
4 ample funding is required by the state for
5 that goal to be achieved.

6 The five-year replacement also allows
7 for the timely update of technology available
8 in our vehicles, allowing us to be much more
9 efficient as advancements are made in the
10 automotive and law enforcement industry.

11 Finally, I have been discussing the
12 EnCon Officers' needs. However, both the
13 Forest Rangers and the Park Police suffer
14 from the same unsatisfactory investment in
15 their aging fleets.

16 CHAIRWOMAN YOUNG: Thank you.

17 DIRECTOR VILAR: Good evening.

18 SENATOR KRUEGER: Good evening.

19 CHAIRWOMAN YOUNG: Good evening.

20 DIRECTOR VILAR: Thank you for
21 allowing me the opportunity to speak to you
22 today. My name is Manny Vilar, and I'm the
23 founding president of the Police Benevolent
24 Association of New York State. I'm a

1 sergeant with the New York State Park Police,
2 having completed 32 years of service.

3 I'm here today to encourage support of
4 the legislation that the PBA is going to be
5 submitting in the coming weeks, to merge the
6 State Park Police with the New York State
7 Troopers.

8 For years the PBA, on behalf of the
9 State Park Police, has spoken to the
10 Legislature about the chronic underfunding of
11 the Office of Parks, Recreation and Historic
12 Preservation, the lack of competitive salary
13 and benefits, and the direct impact it has on
14 the State Park Police.

15 The agency, in an effort to meet the
16 Governor's requirement for budget reductions,
17 deferred replacement of vehicles, equipment,
18 and academies for far too long, and we are
19 now running from behind with no real
20 opportunity to catch up without truly
21 significant investment from the state.

22 In addition to the State Park Police
23 being underfunded, lower salaries and
24 substandard retirement benefits compared to

1 that of State Troopers has created a perfect
2 storm and hemorrhaging of personnel. The
3 average attrition rate per year for the past
4 three years for new recruits is 30 percent.
5 Currently the State Park Police are at 259
6 members, which includes the State Park Police
7 academy class of 28 scheduled to graduate
8 later this year.

9 In 2008, the staffing level was at
10 282. The civil service staffing level is
11 387. After 17 years, from 2000 to present,
12 after 17 years and 13 academies producing
13 over 390 police officers at a cost of tens of
14 millions of dollars, we've lost a total of
15 413 officers. So we've actually lost more
16 people than we've graduated.

17 In an October 2012 report by Brian A.
18 Reeves, a statistician with the U.S.
19 Department of Justice's Office of Justice
20 Programs, found the national average
21 attrition rate for police agencies to be
22 7 percent.

23 We believe at this time it's necessary
24 for the Legislature to find creative

1 solutions to prioritize public safety by
2 rectifying the crisis of aged equipment and
3 hemorrhaging of Park Police officers. We
4 believe at this point the only viable option
5 is the merger of the State Park Police with
6 the New York State Troopers. The State Park
7 Police have full law enforcement authority
8 and statewide jurisdiction. In fact, we
9 frequently respond to calls beside and
10 alongside State Troopers. The PBA of
11 New York State and its members believe the
12 merger of these two departments will provide
13 enhanced police protection in both our state
14 parks and throughout the state.

15 Additionally, the State Park Police
16 bring with them added expertise and training,
17 including swift water and marine as well as
18 high-angle and steep-terrain rescue,
19 snowmobile patrol, and counterterror tactics.
20 This additional expertise is part of the
21 rigorous training that the State Park Police
22 officer is required to complete while at the
23 academy.

24 Interestingly, State Troopers may

1 receive similar training, but only after
2 graduating its very well regarded academy.

3 Merging the two units immediately
4 increases the statewide deployment capacity,
5 allowing for efficient and appropriate
6 coverage throughout the state. The size of
7 the State Park Police has dipped too far to
8 recover, and the academies have been unable
9 to maintain its ranks.

10 As you likely know, Governor Cuomo and
11 Commissioner Harvey frequently cite that
12 there are over 69.3 million visitors a year
13 to New York State parks, and its economic
14 impact is over \$2 billion annually to the
15 state. The State Park Police patrol the
16 busiest state parks in New York, such as
17 Jones Beach, which will see more than
18 1 million visitors on Memorial Day weekend
19 flocking to its shores; the recently upgraded
20 New York State Fair, which can now
21 accommodate 1.1 million visitors over 10 days
22 each summer; and the Saratoga Performing Arts
23 Center, which boasts large crowds for
24 classical music events and Live

1 Nation-managed rock concerts.

2 It's unfortunate to note that these
3 types of mass gatherings are also targets for
4 potential terrorist attacks and present their
5 own unique law enforcement challenges.

6 Niagara Falls State Park remains one
7 of the world's most popular destinations,
8 irrespective of season. The winter brings
9 families to snowshoe, ski, and ice fish in
10 dozens of upstate locations.

11 If the Legislature cannot find
12 adequate funding to assist the State Park
13 Police, we ask for a bold, creative solution,
14 and we propose the merging of the State Park
15 Police with the State Troopers.

16 We appreciate all your efforts over
17 the past couple of years, but unfortunately,
18 I'm sorry to say the situation has only
19 gotten worse. It is now at critical mass.
20 The cars are falling apart. We are
21 constantly losing people. A 1992 class of 65
22 recruits have yet to hit the retirement age
23 of 65, and there's only eight people left.

24 CHAIRWOMAN YOUNG: Thank you.

1 DIRECTOR VILAR: Thank you.

2 CHAIRWOMAN YOUNG: As an avid
3 supporter of you and all of your members,
4 first of all, I want to say thank you for
5 everything that you do to protect people from
6 New York and actually visitors from other
7 states and from around the world.

8 And I'm glad to see the three of you
9 appearing together, because when you add to
10 the list of dangerous sites in New York State
11 that are beautiful, you could add
12 Zoar Valley, which spans Cattaraugus and Erie
13 counties in my district, and it's a 500-foot
14 gorge in some spots, 3,000 acres. And we
15 have brave officers from the Park Police,
16 from EnCon, and from the Forest Rangers who
17 respond to rescues every single year. And
18 you're talking about swift-water rescues,
19 you're talking about high-angle rescues in
20 some cases. You work very cooperatively with
21 the local first responders, the State Police,
22 and the sheriff's deputies.

23 But every year somebody gets
24 themselves into trouble, and unfortunately we

1 have fatalities there every year. So you put
2 yourselves in danger.

3 And I do want to say to you too, you
4 know, for example, an EnCon officer -- I
5 brought her up earlier today to the
6 commissioner -- Lieutenant Liza Bobseine, who
7 just saved a life in Columbia County.
8 Officer Davey was shot. And I think that
9 sometimes the public doesn't appreciate all
10 of the dangerous situations that your
11 officers go into.

12 So your points about training, about
13 recruitment, about academies are right on the
14 money. About equipment. And you may have
15 heard Senator O'Mara speak earlier, asking
16 the commissioner questions about, for
17 example, the vehicles that are so dangerous
18 with wheels even falling off.

19 So I just want to say that we truly
20 are appreciative of you and everything that
21 you do for us every day. And certainly we'll
22 work to try to achieve some good outcomes
23 during the budget process.

24 DIRECTOR VILAR: Thank you.

1 DIRECTOR CAVANAGH: Thank you very
2 much.

3 DIRECTOR BURKE: Thank you.

4 SENATOR KRUEGER: I do have a
5 question.

6 I also want to thank you. I'm just
7 curious. So your closing statement about if
8 we can't fix it within the DEC budget, you
9 would prefer to be merged into the State
10 Troopers --

11 DIRECTOR VILAR: Yes, ma'am. We at
12 this point -- I'm here 32 years. It's been a
13 battle of attrition all along. I am a rarity
14 that I'm actually here that long. It's a
15 constant revolving door. NYPD, at a
16 7 percent attrition rate, would think they
17 have a recruitment crisis. We're 30 percent.

18 It's -- you know, it's -- it's
19 unattainable, unfixable. And unfortunately,
20 you know, between the underfunding, the lack
21 of comparable salaries and benefits -- we
22 train really great officers, and they move
23 on. They move on to municipal police
24 departments. Downstate, they go to New York

1 State PD, they go to Nassau, Suffolk.
2 Upstate, they go to Erie County sheriffs,
3 Niagara County sheriffs. We can't maintain
4 the staff.

5 SENATOR KRUEGER: And on the public
6 protection day I had raised the point that
7 the Governor's budget was putting another
8 200 State Troopers into New York City. And I
9 questioned the need for 200 additional State
10 Troopers in New York City, given the size of
11 NYPD.

12 But if the three of you had the funds
13 for 200 additional staff, it seems to me you
14 could have dramatic change in what's going on
15 in the parks all over the State of New York.

16 DIRECTOR CAVANAGH: If you gave us
17 10 -- if they gave me 10, I'd be thrilled.

18 SENATOR KRUEGER: You'd take 10.

19 COMMISSIONER BURKE: And it's not just
20 the staffing, it is the equipment as well.
21 Because the vehicles, I mean, basically
22 you're driving vehicles with 200,000 miles;
23 2006s, 200,000 miles.

24 We have a replacement policy, and

1 we're in violation of our own replacement
2 policy that says four to five years for law
3 enforcement vehicles. We're driving cars
4 from 2006 with 200,000 miles.

5 SENATOR KRUEGER: So we're in
6 violation of our own policies?

7 COMMISSIONER BURKE: We are.

8 SENATOR KRUEGER: Hmm. Thank you.
9 Thank you all.

10 CHAIRWOMAN YOUNG: Thank you.

11 DIRECTOR CAVANAGH: Thank you.

12 CHAIRWOMAN YOUNG: Our next speaker is
13 Mark Dunlea, chairperson of the Green
14 Education and Legal Fund. And following him
15 will be Blair Horner, executive director of
16 NYPIRG.

17 Welcome.

18 MR. DUNLEA: Good evening, and thank
19 you for all staying so late.

20 My name is Mark Dunlea. I'm chair of
21 the Green Education and Legal Fund, and I
22 also coordinate the statewide campaign to
23 move to 100 percent clean energy by 2030.

24 My biggest concern with this budget is

1 that it continues to lock us into
2 catastrophic climate change. And it was
3 interesting to recently read the updated
4 figures from DEC that you mandated as part of
5 the Community Risk and Resiliency Act, but
6 their conclusion officially is that New York
7 State is locked into catastrophic climate
8 change. They didn't quite put that into the
9 headline, but they predict, for instance,
10 that by the end of this century that we will
11 see temperature rise between 4.2 degrees
12 Fahrenheit to 12.1 degrees Fahrenheit.

13 And according to the agreement made in
14 Paris, in order to avoid catastrophic climate
15 change, we need to keep the temperature rise
16 below 2.7 degrees Fahrenheit. So they're
17 saying we're at 4 to 12 degrees.

18 They also estimate that sea level rise
19 may be as much as 6 feet by the end of 2100.
20 Six feet is going to be a little bit
21 difficult for New York City and Long Island
22 to deal with. Dr. James Hansen and the
23 National Oceanic and Atmospheric
24 Administration earlier this year came out and

1 said by 2050 that it is possible that based
2 on how rapidly the ice shelves are melting,
3 that we're going to see sea rise as high as
4 9 feet. And that's in 35 years.

5 And when Cornell and Stanford did a
6 study a number of years ago as part of the
7 anti-fracking effort, they laid out what
8 would be needed to move New York State to
9 100 percent renewable energy. The price tag
10 was \$460 billion. That's a fair amount of
11 money. Now, granted, most of that money
12 comes from reprogramming the amount of money
13 we're wasting right now in building out the
14 fossil fuel infrastructure and the
15 investments we need to upgrade the
16 transmission lines. But it still means we
17 have to be putting an extra \$4 billion,
18 \$5 billion, \$10 billion a year on the table
19 just in New York State if we're going to move
20 to 100 percent clean energy.

21 Another report that came out just last
22 week is that how much carbon do we have left
23 to put into the atmosphere before we go above
24 the 1.5 degrees. The worst-case scenario is

1 that we will exhaust our carbon budget in one
2 year. One year we have to stop it. The
3 best-case scenario was we had four years.

4 This budget doesn't move us to that.
5 And I thought it was very interesting, when
6 Senator Krueger asked NYSERDA can you
7 articulate for us some numbers on how you're
8 actually moving to 50 percent renewable
9 energy by 2030 -- that was a stunning
10 question. And he kind of fumbled. And I'm
11 really glad to hear, for instance, that we
12 were going to move more energy retrofits and
13 buildings, but that's not the 50 percent
14 renewable electricity goal. And if NYSERDA
15 cannot articulate that, that's a concern.

16 We'd like to see the State Legislature
17 hold hearings on what exactly is the state's
18 plan. It is very good that the Governor in
19 his State of the State did announce, as we
20 had requested last year and the Assembly had
21 put into its budget, that the state is now
22 going to do a study on how fast we can move
23 to 100 percent clean energy. And that is
24 based on science, not based on the political

1 and economic considerations. But we do hope
2 that you put some attention to that.

3 We also need to see more of an
4 investment in offshore wind. Obviously it
5 was very good to finally see LIPA after so
6 many years agree to a small offshore wind
7 project, 90 megawatts. You know, according
8 to the Jacobson report, we need about
9 40 percent of our energy to come from
10 offshore wind. What the advocates have been
11 asking for is 5,000 megawatts by 2025 and
12 10,000 megawatts by 2030. What the Governor
13 has proposed is much smaller than that, a
14 goal of 2400 by 2030, much less than 5,000 by
15 2025. And there was no actual commitment to
16 do that. There was no commitment on money on
17 the table, there was no power purchase
18 agreement to make that occur. And stating
19 goals is a lot different than putting money
20 on the table.

21 How do we pay for some of this? Well,
22 you know, it was interesting to see that
23 senior Republican leaders last week sat down
24 with Donald Trump and said, What we need to

1 do as good conservative businesspeople who
2 believe in the free market system, is we need
3 a carbon tax. And we need a carbon tax of at
4 least \$40 a ton.

5 Now, we have RGGI in New York State.
6 RGGI is about \$6 to \$8 a ton, depending upon
7 what the thing is. And it's not across the
8 board. There is legislation with about 20
9 cosponsors in the New York State Legislature,
10 in both houses, to support a carbon tax
11 starting at \$35 a ton. In this year's
12 budget, we would like at a minimum to see at
13 least a feasibility study done on what a
14 state carbon tax could do. Oregon has
15 already funded and done a feasibility study
16 on carbon tax, as has Massachusetts.

17 You know, one thing we always
18 appreciated with -- oh, she's left -- with
19 Senator Young was that she had introduced our
20 bill a number of years ago to create a New
21 York State Council on Food Policy, which does
22 now exist through executive order. And what
23 we wanted the food policy to do, among other
24 things, was to look at how do we have to

1 change our agriculture system in order to
2 react to the climate. And it's not been
3 happening.

4 But we are very happy that
5 Assemblymember Barrett has introduced
6 legislation, based on what California has
7 done, to create a tax credit for farmers to
8 put carbon back into the soil. We need to
9 reduce the amount of carbon we're putting
10 into the atmosphere -- that's by stopping
11 fossil fuels -- but we also have to take
12 carbon out. And one of the ways you can do
13 that is by putting that back into the soil.
14 And agriculture in the United States accounts
15 for about 9 percent of the carbon
16 footprint -- much higher in the rest of the
17 world, but about 9 percent in the United
18 States -- and we do not really pay a whole
19 lot of attention to how we can sort of reduce
20 that.

21 Just to quickly finish up, I think my
22 next colleague is going to talk more about
23 this. Honestly, we are very concerned, as a
24 lot of New Yorkers are, about the

1 \$7.6 billion nuclear subsidy that was put in
2 place. It dwarfs the amount of money in the
3 Clean Energy Standard, you know, for
4 renewable energy. How you go from a
5 \$59 million subsidy in a matter of weeks to
6 \$7.6 billion is, you know, a little bit
7 beyond me. Even Darren Suarez at
8 The Business Council did have to sort of
9 admit that "It did seem a little high to me,
10 \$7.6 billion."

11 Now, we'll also point out, to go
12 backwards, The Business Council actually, at
13 Mr. Englebright's Climate Change Task Force
14 hearing last year, did come out in support of
15 a carbon tax. Now, granted, they want it
16 done internationally, but they did support
17 the concept.

18 Probably not in the budget, but we
19 support Senator Krueger's bill to divest the
20 state pension plans from fossil fuels.

21 And finally, one of the issues I
22 helped draft four years ago in New York City,
23 with the New York City Council, was this
24 restriction on plastic bags. Now, I wanted a

1 ban on plastic bags. You know, there's a
2 limit as to how much authority the City
3 Council has. We ended up with a fee. We did
4 exempt, you know, people making purchases
5 with WIC and with food stamps. We didn't
6 have the power to have a tax, so we gave the
7 money to the store owners.

8 You guys didn't like that. And you're
9 about to -- you passed a bill against it,
10 probably the Governor is going to sign it.
11 And we hope in the budget you fix it. You
12 didn't like our bill? Do a better bill. Do
13 it statewide. You have more power than the
14 New York City Council does. Ban plastic bags
15 statewide, and then put a fee or a tax -- you
16 can call it a tax now, because you guys have
17 the power to tax -- put a tax on all other
18 bags, paper bags and returnable bags. And
19 just do it statewide, and let's get this over
20 with.

21 But plastic bags are bad for marine
22 animals, they're bad for litter, they cost
23 taxpayers a lot of money, and they're made of
24 fossil fuels.

1 So we need more in this budget to deal
2 with climate change. We don't expect much
3 from President Trump in the coming year on
4 climate change. That means you all here at
5 the state level are going to have to, you
6 know, think about our children and
7 grandchildren and save the planet.

8 Thank you very much.

9 CHAIRMAN FARRELL: Thank you.

10 SENATOR KRUEGER: Thank you, Mark.

11 Next up, Blair Horner, from the
12 New York Public Interest Research Group.

13 And getting in line, Jim Slevin of the
14 Utility Workers Union of America, followed by
15 David Hartman, New York State Whitetail
16 Management Coalition.

17 MR. HORNER: Good evening.

18 SENATOR KRUEGER: Good evening, Blair.

19 MR. HORNER: Senators,
20 Assemblymembers, thank you for the
21 opportunity to testify on the Governor's
22 proposed budget dealing with energy and the
23 environment. My name is Blair Horner, I'm
24 the executive director of NYPIRG. With me

1 today is Robert Semon, a NYPIRG policy
2 assistant and a student at the College of
3 Staten Island.

4 We're here today to comment on the
5 Governor's budget. You have in front of you
6 detailed comments that we have. We'll
7 summarize and focus on two topics in our
8 testimony. The first will be looking at the
9 need for better water protections in New York
10 State, and the second will be in the sense an
11 off-budget item, which is the need for
12 Legislature to hold the administration's feet
13 to the fire for its plan to jack up
14 electricity rates by a staggering
15 \$7.6 billion to bail out three aging,
16 inefficient power plants in upstate.

17 So first Rob will talk a little bit
18 about the comments on water quality. I'll
19 come back on the issue of power plants. And
20 then we can take any questions you might
21 have. Rob?

22 MR. SEMON: Thank you very much,
23 Blair.

24 So the Governor's budget proposal

1 includes a proposal to spend \$2 billion for
2 drinking water, wastewater, and source
3 protection projects over the next five years.
4 NYPIRG supports proposals to direct billions
5 of dollars towards water infrastructure:
6 examination, testing and repair of water
7 storage or transport apparatuses that are
8 necessary to the state's nearly 20 million
9 residents and their most basic need for
10 potable, clean water. The estimated price
11 tag for drinking water improvements alone is
12 an estimated \$38.7 billion in 2008 dollars,
13 far beyond that contemplated by the Executive
14 Budget.

15 Moreover, the state needs to do more
16 to monitor drinking water quality.
17 Currently, only public drinking water
18 supplies in New York are tested regularly for
19 contamination. It is estimated that nearly
20 2 million New Yorkers rely on private wells
21 for their drinking water and may unknowingly
22 be drinking water that is not safe for human
23 consumption. Groundwater can be contaminated
24 by leaking fuel tanks, chemical spills,

1 agricultural runoff, industrial activities,
2 and other sources, both manmade and naturally
3 occurring.

4 The Article VII legislation would
5 ensure that prospective buyers and tenants of
6 a property know what is in their drinking
7 water and enable them to take precautions to
8 protect their health, as well as provide
9 valuable data concerning potential
10 environmental threats that could be occurring
11 within the vicinity of the well.

12 MR. HORNER: While not part of the
13 budget, the administration's bailout of
14 aging, inefficient power plants located in
15 upstate will have a huge financial impact on
16 every resident, local government, nonprofit
17 group and business in the state, and divert
18 funds away from more rapidly transitioning to
19 a green, clean, renewable energy.

20 We urge that you use the budget to
21 stop and demand accountability on this
22 enormous increase in electricity costs to
23 bail out these plants and instead use a full
24 public process to discuss how best to meet

1 the state's electricity needs while doing
2 what it can to help the workers and the
3 communities impacted by the eventual shutdown
4 of these plants.

5 Now, you heard in earlier testimony
6 from the Public Service Commission that they
7 didn't really know what the estimated cost
8 was going to be for their plant. They said
9 there are things that they didn't know and
10 that they couldn't give you numbers beyond
11 the first two years. And that's fair, it's
12 understandable.

13 But we think when you're asking the
14 public to fork over billions of dollars, you
15 should come up with some sort of estimate.
16 So relying on work done by the Public
17 Utilities Law Project, as you'll see on the
18 chart on page 3 of our written testimony, the
19 estimated cost, based on their analysis, is
20 enormous. So on page 3 you'll see that the
21 analyses done by PULP breaks it down by the
22 every-two-year period called a tranche in the
23 bailout proposal that the PSC has approved.
24 And on the bottom, you'll see, for the

1 12-year period, \$7.6 billion in total
2 estimated costs, based on their analysis.

3 Now, it could be higher, it could be
4 lower. But that's a reasonable --
5 unfortunately, in our view -- estimated cost
6 that will be paid by everyone in the State of
7 New York.

8 Now, not every ratepayer is a
9 residential ratepayer. And so you'll see on
10 the top of page 4 an analysis also done by
11 PULP that analyzed the impact on residential
12 ratepayers by utility region. So, for
13 example, in Con Ed, there's 2.8 million
14 residential consumers; they'll pay over
15 \$700 million in increased rates as a result
16 of this agreement. Assuming, on their
17 estimates -- and you can see on the bottom
18 here, the total is \$2.3 billion. So of the
19 7.6, \$2.3 billion will be paid by residential
20 ratepayers, the rest will be paid for by
21 municipal governments, businesses,
22 industries. And we don't know what those
23 numbers are, frankly. But it's a lot. If we
24 were talking about a tax increase of

1 \$7.6 billion, everyone's ears would be perked
2 up.

3 Now, the money is going to be going to
4 a company. What makes it different from a
5 tax is that it goes to a private company, a
6 company based in Illinois, Exelon. And they
7 will be the beneficiaries of the money, there
8 will be power generated for the State of
9 New York.

10 And for many of us, we may think that
11 the individual impact on our residential
12 rates is not going to be that big of a deal
13 and we can absorb it. But as you'll see on
14 page 4, the last chart of my testimony,
15 there's an analysis done on the number of
16 ratepayers who are in arrears 60 days or more
17 by utility region, and it totals over
18 800,000 New Yorkers are currently 60 days or
19 more in arrears, based on the estimates
20 provided by the Public Service Commission,
21 which is roughly one in eight residential
22 ratepayers. There's a lot of people that are
23 currently having a hard time paying their
24 utility bills, and this deal isn't going to

1 make it any easier.

2 So our view is that New York's energy
3 future lies in more efficiency, smarter
4 grids, solar and wind. These approaches cost
5 less, create more jobs, and result in
6 healthier communities. As you'll see also in
7 our testimony in footnote 11 on page 5, we
8 refer to a report done by a Stanford
9 professor who did an analysis for New York
10 State of if you were to invest that money
11 into renewables, the impact it would have in
12 terms of jobs, lower carbon emissions, and
13 greater reliance on renewable power.

14 So we think that this is -- that
15 the -- we don't like the deal. We understand
16 that there are needs in the communities that
17 are affected, and there are certainly
18 policies across the country where communities
19 have transitioned with state support. But
20 \$7.6 billion is a huge hit to ratepayers, and
21 we believe it's the result of basically an
22 opaque and deeply flawed policy.

23 As Mark mentioned when he testified
24 before, initially, roughly a year ago, the

1 bailout was estimated at anywhere from
2 \$59 million to \$680 million. Three weeks
3 before the vote on August 1st, it goes to
4 \$7.6 billion. And then in the middle of the
5 summer, the vote goes down.

6 So we think it's important that this
7 issue get addressed. We urge that you use
8 your power in the budget process to push the
9 reset button. The Public Service Commission,
10 as you also know, will soon be down to two
11 commissioners. This is a good time to
12 reevaluate public policy in this area and the
13 impact that these policies have on the rates
14 for New Yorkers.

15 Thank you for your attention.

16 CHAIRMAN FARRELL: Thank you.

17 CHAIRWOMAN YOUNG: Thank you.

18 SENATOR KRUEGER: Thank you both.

19 MR. HORNER: Thank you again. Hang in
20 there.

21 CHAIRWOMAN YOUNG: The next speaker is
22 James Slevin, Local 1-2 president, from the
23 Utility Workers Union of America. Is he
24 here? No? Okay.

1 Following him is David Hartman,
2 president of the New York State Whitetail
3 Management Coalition. And then after that is
4 Evelyn Powers, senior manager, from the
5 Interstate Environmental Commission.

6 Please go ahead.

7 MR. HARTMAN: So good evening,
8 Chairpersons Senator Young, Assemblymember
9 Farrell, and Assemblymember Englebright, and
10 members of the Senate and Assembly. Thank
11 you for the opportunity to speak today.

12 My name is David Hartman, and I am the
13 president of the New York State Whitetail
14 Management Coalition. Our membership
15 represents people in 56 different New York
16 counties who range from 14 to 86.

17 Since the dawn of time, adult bucks
18 have fascinated humans. Cave drawings from
19 thousands of years ago depict these
20 magnificent creatures. The fascination
21 continues today. Our road signs depict adult
22 bucks with large racks, as do nature shows.
23 The New York State Hunting Guide has only two
24 pictures of immature yearling bucks and

1 44 images of adult 3½-year-old bucks.

2 However, wildlife viewers, hunters and
3 citizens of New York are not getting to
4 experience a natural deer herd with adult
5 bucks in the population. This is because of
6 a law from 1911 designed to protect female
7 deer and restore a depleted population, which
8 are no longer New York's objectives but still
9 the law of the land. This 1911 law defined a
10 legal buck as one with one 3-inch antler.
11 The law makes every immature yearling buck
12 legal to harvest.

13 As a result, today New York has the
14 highest yearling buck harvest rate in the
15 nation. It is unnatural and inappropriate to
16 have such a disproportionate impact on
17 wildlife.

18 Hunting-related expenditures in
19 New York totaled \$1.6 billion, and wildlife
20 watching expenditures totaled \$4.1 billion in
21 2011. New York is losing hunters at an
22 alarming rate. We have lost half our hunters
23 since 1990, and half of the hunters now are
24 over the age of 50.

1 Everyone remembers the days when
2 hunters filled restaurants and hotels in
3 rural towns. Losing hunters is extremely
4 costly. First, we lose the important revenue
5 in upstate communities and the hunting
6 licenses funds for environmental programs.
7 Then we have no way to control the deer
8 populations on a landscape scale, resulting
9 in environmental, agricultural, and
10 automobile collision damage.

11 What to do? When a business is losing
12 customers, the first thing to ask is, are
13 customers satisfied with the product or
14 service?

15 DEC/Cornell studies have found that
16 most hunters are dissatisfied with their
17 hunting experience. Further, that hunters of
18 all ages throughout the state widely support
19 a regulation to protect most yearling bucks
20 from harvest. In addition, a recent survey
21 shows that 69 percent of hunters find it
22 important to protect yearling bucks. There
23 is no question hunters want to see and
24 harvest adult bucks.

1 The solution is adopting an
2 appropriate size limit to protect yearling
3 bucks with regulation or legislation so they
4 can reach adulthood. Since 2005, antler
5 restrictions to protect yearling bucks have
6 been adopted successfully four times in
7 New York. The current New York antler
8 restriction program is among the most
9 successful in the country at protecting
10 yearling bucks and increasing the adult bucks
11 in the population.

12 Seventy-seven to 90 percent of hunters
13 in the area support continuing the antler
14 restriction program. Hunters highly value
15 this program. However, this program is only
16 in place in a small portion of the state,
17 which has lower-quality habitat.

18 In March of 2015, DEC's analysis found
19 that the expansion of mandatory antler
20 restrictions to most of the state would best
21 satisfy hunter values and interests in the
22 long term. However, the program's expansion
23 has not been adopted.

24 There is no cost to implement this

1 program. It only requires changing a few
2 words in the hunting guide. We have a
3 winning lottery ticket for a vastly improved
4 buck herd -- the best soils and the right
5 species of whitetail deer. The only missing
6 part is a modern size limit that allows bucks
7 to get a year or two older and reach
8 adulthood. There is only an economic upside
9 to recruiting new hunters and increasing
10 hunting and wildlife viewing activity.

11 Hunters are recruited by one-on-one
12 communication. When hunters see adult bucks,
13 it excites them and they transfer their
14 enthusiasm to other hunters, lapsed hunters,
15 and future hunters -- youth. Every extra day
16 that hunters go afield generates additional
17 revenue.

18 It is time to give New York hunters
19 the hunting experience they deserve. It is
20 time to update this hundred-year-old relic of
21 a law of one 3-inch antler and move forward
22 with protecting yearling bucks throughout the
23 state. We cannot afford to wait any longer;
24 the economics are just too critical.

1 It takes more than stating New York is
2 a premier hunting destination. It takes
3 changing a 100-year-old law -- created before
4 the science of deer management was
5 invented -- which no long makes any sense.

6 We look forward to the expansion of
7 yearling buck protection. Thank you for the
8 opportunity to speak to you today, and I'm
9 happy to answer any questions.

10 CHAIRWOMAN YOUNG: Thank you very
11 much.

12 SENATOR SAVINO: Can I ask something?

13 CHAIRWOMAN YOUNG: Sure.

14 Senator Savino.

15 SENATOR SAVINO: Thank you.

16 I have one question, besides can you
17 come to Staten Island. But no, seriously,
18 why are we losing hunters? Is it that --
19 what is it -- because I didn't make the
20 connection between the antler size and the
21 fact that less people are actually, I guess,
22 getting hunting licenses and participating in
23 the sport of hunting.

24 MR. HARTMAN: Well, 33 percent of all

1 hunters cite loss of interest in hunting.

2 And I think if you keep seeing the exact same
3 animals all the time, you don't have an
4 interest in going out and hunting anymore.

5 And hunters are actually really
6 wildlife viewers, because only 15 percent
7 kill a buck each year. So when you have
8 antler restrictions, you have adults in the
9 population, you get to see all kinds of
10 behavior that you don't see when you don't
11 have adults, which -- you know, scrapes,
12 rubs. They grunt, they chase each other
13 around. It's actually extremely exciting.

14 And that is what hunters want. We
15 know the Hunting Guide has 44 images of adult
16 bucks. Hunters go out to see adult bucks,
17 and we're not providing those adult bucks.

18 In Staten Island, you probably have
19 adult bucks, because there's no hunting
20 pressure.

21 SENATOR SAVINO: Yeah. Do we know if
22 hunters are going to other states, then? Are
23 they -- those who would be here, are they
24 going to New Jersey, are they going to

1 Vermont or somewhere else where they would
2 have a more enjoyable hunting experience?

3 MR. HARTMAN: Hunters absolutely leave
4 the state. Lots of them, usually to the
5 Midwest. The harvest rates in New York, you
6 know, we have the highest yearling buck
7 harvest rate but we also have the lowest
8 3½-year-old harvest rate because they don't
9 get a chance to grow up. There are many
10 other states where they have very high
11 3½-year-old harvest rates, and those are the
12 states where hunters go.

13 SENATOR SAVINO: Thank you.

14 CHAIRWOMAN YOUNG: Thank you.

15 Assemblyman?

16 ASSEMBLYMAN ENGLEBRIGHT: I'm just
17 curious. We have whitetail overrunning our
18 communities on Long Island. I have, you
19 know, like a very small piece of property; I
20 have frequently found three or four deer in
21 my backyard when I pull into the driveway.

22 So one of the concerns -- maybe you
23 can answer this -- is that if we were to
24 implement for two or three years not taking

1 the yearling bucks but letting the antlers
2 become very exciting trophy-sized, what would
3 the environment in our communities be like if
4 we stopped taking deer of that age and that
5 sex for three years? Are we going to have
6 more car collisions? Will there be a hazard
7 to people in the community if we let the
8 antlers get bigger?

9 MR. HARTMAN: Deer populations are
10 controlled by the harvest of female deer. So
11 removing female deer is what brings the
12 populations down and resolves issues like
13 that.

14 Removing bucks, there's just one. The
15 females can produce many, and they
16 geometrically increase the herd very quickly.
17 So you would prefer to harvest females.
18 Harvesting yearling bucks does not bring the
19 population down.

20 Long Island is somewhat of a different
21 circumstance because you don't have perhaps
22 the hunting access and pressure that you
23 need. And for what we're proposing
24 currently, we're not proposing to do it in

1 Long Island, only in the areas upstate.

2 And the DEC controls the total number
3 of deer by issuing doe tags to remove female
4 deer, and that's what will keep the
5 population under control. We're just
6 advocating for changing the age structure of
7 the male section of the population.

8 ASSEMBLYMAN ENGLEBRIGHT: Thank you
9 very much.

10 MR. HARTMAN: You're welcome.

11 CHAIRWOMAN YOUNG: Thank you.

12 Our next speaker is Evelyn Powers,
13 senior manager, from the Interstate
14 Environmental Commission.

15 And following her is our last speaker,
16 Robert Blais, mayor of the Village of
17 Lake George.

18 Welcome.

19 MS. POWERS: Thank you. Thank you,
20 Chairwoman Young, Chairman Farrell, Senator
21 O'Mara, Assemblyman Englebright, members of
22 the legislative fiscal and environmental
23 committees. Thank you for this opportunity
24 to offer testimony on behalf of the

1 Interstate Environmental Coalition in regards
2 to the Governor's proposed budget for state
3 fiscal year 2017-2018.

4 The Interstate Environmental
5 Commission would first like to commend
6 Governor Cuomo for continuing to demonstrate,
7 as others have mentioned, through the
8 Executive Budget, his commitment to
9 protecting New York's environment. In
10 particular, the \$2 billion Clean Water
11 Infrastructure Act, as well as the
12 maintenance of the state fiscal year
13 2016-2017 increase in the Environmental
14 Protection Fund, are vital to protecting
15 New York's natural resources.

16 The funding appropriated through these
17 budget actions demonstrates New York's
18 understanding of the need to build resiliency
19 into environmental protection in order to
20 adapt to and mitigate the effects of climate
21 change. It is especially reassuring, during
22 this time of transition in the federal
23 administration, to know that New York remains
24 committed to investing in clean water.

1 The Interstate Environmental
2 Commission, or IEC, is a tristate
3 environmental agency committed to protecting,
4 conserving, and restoring New York's
5 environment, particularly in the area of
6 water quality.

7 In brief, the IEC district runs west
8 from a line between Port Jefferson, New York,
9 and New Haven, Connecticut, on Long Island
10 Sound; west and south of the Hudson River at
11 Bear Mountain, south encompassing all of New
12 York Harbor, and embraces a portion of the
13 Atlantic Ocean out to the Fire Island Inlet
14 on the south shore of Long Island. Our
15 entire district is either in New York State
16 water or water that is shared with our
17 neighboring states of New Jersey and
18 Connecticut.

19 Just like water knows no state
20 boundaries, the IEC is committed to taking a
21 regional approach to water quality
22 management, yet recognizes that water quality
23 protection needs vary across our member
24 states and in fact across different regions

1 within the state.

2 The IEC's mission is to protect and
3 enhance environmental quality in the
4 Interstate Environmental District through
5 monitoring, cooperation, regulation,
6 coordination, and mutual dialogue between
7 government agencies and citizens. The IEC
8 fulfills this mission through a number of
9 strategies developed to meet our regional
10 water quality needs.

11 The first strategy is that IEC
12 strategically fills geographical, temporal,
13 or analytical gaps in regional monitoring
14 programs in coordination with the states, the
15 EPA, and our regional partners.

16 Recently, in response to the
17 increasingly critical need to document summer
18 hypoxic conditions in western Long Island
19 Sound and its embayments, IEC has monitored
20 dissolved oxygen, as well as key
21 water-quality parameters relevant to hypoxia,
22 in far western Long Island Sound every summer
23 since 1991.

24 In 2015, in conjunction with New York

1 State DEC, IEC began a pilot program
2 expanding the sampling scope at one of its
3 western Long Island Sound stations to
4 incorporate it into New York State DEC's
5 routine network of monitoring stations
6 associated with the Rotating Integrated Basin
7 Study program, or RIBS. The incorporation of
8 this station allows DEC's routine monitoring
9 network to include the only station south of
10 Poughkeepsie in New York State DEC's routine
11 monitoring network.

12 In addition, IEC has the capability to
13 perform short-notice inspections -- sampling,
14 monitoring, and analyses -- in response to
15 regional environmental emergencies, concerns,
16 or natural disasters. In the past, IEC has
17 assisted local environmental agencies to
18 determine environmental impacts after natural
19 or manmade events, has investigated elevated
20 pathogen levels in local waterways, such as
21 Sparkill Creek at the request of New York
22 State DEC Region 3, in Coney Island Creek at
23 the request of concerned citizens, and has
24 assessed variation in pathogen concentrations

1 across transects of the upper East River at
2 the request of EPA Region 2.

3 IEC's ability to mobilize quickly and
4 perform sampling and associated analyses
5 quickly at the request of local, state and
6 federal agencies makes IEC a valuable state
7 resource.

8 Since October 1994, the commission's
9 laboratory has been located on CUNY's College
10 of Staten Island campus in Staten Island,
11 New York. The laboratory routinely analyzes
12 our water quality samples collected
13 throughout IEC's district. Since 2000, the
14 laboratory has held accreditation through the
15 National Environmental Laboratory Approval
16 Program. The IEC laboratory holds primary
17 NELAP accreditation through the New York
18 State Department of Health's Environmental
19 Laboratory Approval Program.

20 The commission's laboratory is
21 dedicated to producing technically defensible
22 environmental data, through sound science and
23 a comprehensive quality control and quality
24 assurance program. Through adherence to and

1 continual improvement of its established
2 quality system, the commission's laboratory
3 continuously strives to generate high-quality
4 data to be used in decision making by
5 environmental managers and researchers.

6 Further, IEC performs coordinated,
7 tailored inspections and projects designed to
8 assist rather than duplicate compliance
9 efforts of the New York State DEC. IEC has a
10 robust, coordinated, and tailored inspection
11 program which includes inspections at
12 SPDES-permitted wastewater treatment plants
13 industrial dischargers, pump stations,
14 combined sewer systems, as well as municipal
15 separate storm sewer (MS4) systems. These
16 inspections focus on state priorities
17 designed to complement efforts of the
18 regulatory authorities.

19 IEC's staff conducts inspections with
20 sampling at industrial facilities and
21 municipal wastewater treatment plants
22 year-round. These inspections, which are
23 planned in coordination with regional New
24 York State DEC staff, include effluent

1 sampling and an inspection of processes,
2 equipment, and plant records at the plant.
3 Samples collected at these facilities are
4 analyzed in the IEC's certified laboratory in
5 Staten Island to determine compliance with
6 the IEC's water quality regulations as well
7 as with each facility's specific SPDES
8 permit.

9 In New York State, IEC is frequently
10 the only agency performing effluent
11 compliance monitoring at SPDES-permitted
12 dischargers. Thus IEC's compliance
13 monitoring is, in many cases, the only
14 verification of data reported by permittees
15 on discharge monitoring reports.

16 The IEC facilitates, coordinates, and
17 participates in workgroups and projects with
18 regional partners, including participating in
19 existing and coordinating new citizen science
20 monitoring efforts.

21 In 2016, IEC partnered with the
22 New York-New Jersey Harbor Estuary Program
23 and EPA to promote citizen science through
24 participation in HEP's citizen science grant

1 program. In 2017, IEC plans to expand this
2 effort, with the implementation of a
3 coordinated volunteer water quality
4 monitoring program in the shared marine
5 waters of the IEC district. This effort will
6 recognize state and EPA priorities and will
7 be modeled on existing state volunteer
8 programs already in place, such as WAVE and
9 CSLAP, but it will also emphasize synergies,
10 efficiencies, and the desire of the public
11 for consistent efforts in recreational
12 waters.

13 The program will target areas which
14 are not routinely monitored by regulatory
15 agencies or other established monitoring
16 programs and will focus on water quality
17 parameters, such as pathogen indicators, that
18 are of particular concern as they relate to
19 recreation in the shared marine waters.

20 Again, having an ELAP-certified
21 laboratory located in Staten Island, IEC is
22 uniquely positioned to assist citizen
23 scientists with the analyses and quality
24 assurance oversight needed for their data to

1 be used to inform monitoring and actions
2 performed by local, state and federal
3 agencies.

4 Since 2014, IEC has coordinated a
5 Shared Waterways Monitoring Workgroup
6 consisting of agencies and organizations
7 involved in monitoring the ambient waters
8 within IEC's district. The goal of the
9 workgroup is to allow regional monitoring
10 partners an opportunity to share updates on
11 their ambient water monitoring activities,
12 identify any gaps in monitoring programs,
13 share and assess their data, incorporate
14 citizen science into monitoring initiatives,
15 and discuss monitoring related to emerging
16 water quality issues.

17 While the majority of the IEC's
18 funding comes from other sources -- primarily
19 federal Clean Water Act Section 106 grants --
20 state funding is critical to enable the
21 commission to implement the work plan of the
22 grants and to meet the match required for the
23 Section 106 grant. In federal fiscal year
24 2016, IEC received \$745,000 in 106 funds.

1 Since 2014, IEC has also received funding of
2 approximately \$50,000 annually from EPA
3 Region 1's Long Island Sound office to
4 support its work in western Long Island
5 Sound.

6 New York had a long history of
7 supporting the work of the IEC until 2009,
8 when financial stresses caused the state to
9 cut previous appropriations, which were in
10 excess of \$300,000, to the statutory minimum
11 level of funding of just \$15,000, as set
12 forth in the Tri-State Compact of 1936.

13 Unfortunately, the State of New Jersey
14 followed suit two year later and in 2011 also
15 reduced its annual IEC appropriation to the
16 statutory minimum of \$15,000, while
17 Connecticut has, to date, continued to
18 contribute at a level well above its
19 statutory minimum.

20 By 2012, IEC's reserve funds were
21 depleted and we were unable to independently
22 meet the non-federal match requirement of
23 \$214,000 required to apply for and receive
24 Section 106 federal funding.

1 In 2008, IEC had a staff of 19. IEC
2 began the year 2016 with a staff of just
3 three. We are now, today, up to five
4 full-time, incredibly dedicated staff
5 members.

6 Despite the reductions in resources
7 and staff, IEC has persevered. We tightened
8 our belts, consolidated and focused available
9 resources to accomplish what was most
10 important -- maintaining the ability to
11 address the most pressing water quality needs
12 in our District and of our member states.

13 In order to preserve the ability to
14 receive federal funding, IEC entered into a
15 five-year memorandum of understanding, or
16 MOU, with the New England Interstate Water
17 Pollution Control Commission in May 2012.
18 Under terms outlined in the MOU, NEIWPCC
19 provides administrative and fiduciary
20 oversight to the IEC, and applies for and
21 receives IEC's Section 106 funding on IEC's
22 behalf. NEIWPCC also meets the federal match
23 requirement. Funding made possible through
24 the MOU currently supports IEC's staff and

1 has enabled IEC to continue its important
2 water quality monitoring work in New York
3 State.

4 The MOU with NEIWPCC ends October
5 2017, and EPA headquarters has indicated they
6 intended this to be a finite agreement and
7 will not approve an extension of the current
8 arrangement.

9 While IEC recognizes and appreciates
10 its appropriation increase to \$41,000 in the
11 fiscal year 2018 Executive Budget, we
12 respectfully urge the Legislature to increase
13 the funding appropriation to IEC in the
14 New York State fiscal year 2018 budget to the
15 amount of \$200,000. This level of funding
16 will ensure IEC's continued eligibility to
17 apply for and receive federal funding of
18 approximately \$745,000 annually, yielding
19 New York State a significant return on its
20 investment, and will allow IEC to expand its
21 activities related to water quality
22 monitoring and citizen science.

23 On behalf of the IEC, I would like to
24 thank the Legislature and, in particular, the

1 legislative committees on environmental
2 conservation, for their continued leadership
3 and diligent oversight of state environmental
4 policy. The IEC genuinely appreciates this
5 opportunity to testify at today's budget
6 hearing, is hopeful that the Legislature will
7 consider our request, and looks forward to
8 continuing our important water quality work
9 in support of New York State.

10 Thank you.

11 CHAIRWOMAN YOUNG: Thank you,
12 Ms. Powers, for your testimony. Your
13 concerns were duly noted. And we appreciate
14 you being here today.

15 MS. POWERS: Thank you.

16 CHAIRWOMAN YOUNG: The next speaker,
17 final speaker, is Mayor Robert Blais from the
18 Village of --

19 MALE VOICE: Lake George.

20 CHAIRWOMAN YOUNG: Lake George. Lake
21 George, I'm sorry. Tired. Here it is, the
22 Village of Lake George.

23 SENATOR KRUEGER: We all know where it
24 is.

1 director of the Lake George Watershed
2 Coalition, which represents nine local
3 governments, three counties, five state
4 agencies, and five not-for-profit
5 organizations that are very passionate
6 interested stakeholders in the Lake George
7 Basin.

8 As part of my presentation today, I've
9 asked Mr. Decker to speak specifically to
10 some issues facing our great state resource
11 known as the Queen of America's lakes.

12 We're here today really to discuss our
13 plans to construct a new wastewater treatment
14 plant that services the entire southern basin
15 of Lake George. Our current plant, which was
16 constructed in 1930, is presently under a
17 consent order from DEC to correct
18 deficiencies that would be extremely harmful
19 to our pristine lake and the entire region's
20 economy.

21 Lake George arguably is one of New
22 York State's premier family tourist
23 destinations. It's the magnet that attracts
24 tourists from all over the world, generating

1 millions of dollars in revenue for our local,
2 county and state coffers.

3 Our needs are entirely unique, as our
4 small village, with a population of less than
5 1,000, plays host to over 40,000 inhabitants
6 on a daily basis during our summer season.
7 Over 2,800 rooms, 1,500 homes, 560
8 businesses, two state campgrounds, and the
9 popular Million Dollar Beach are all serviced
10 by our antiquated treatment plant.

11 We also service a great portion of the
12 Town of Lake George and their Caldwell Sewer
13 District.

14 Our plant is estimated to cost
15 approximately \$17 million. Bonding alone,
16 which is all we have heard from so far, would
17 exceed our constitutional debt limit and
18 raise our real property taxes by over
19 71 percent.

20 Lake George is the water that we all
21 drink, the gifted natural resource that
22 attracts tourists, residents, and economic
23 development. Just last year, we had two
24 major chain hotels constructed in the village

1 that created more than 60 year-round jobs and
2 another 74 seasonal opportunities. Because
3 of our problem, we've had to impose a
4 building moratorium until we can find the
5 money to build our new treatment program.

6 In 1971, which was my first year in
7 office, DEC approached the village, asking us
8 to accept wastewater from their failing
9 system at Hearthstone Park campsite, which is
10 the largest campsite on Lake George. That
11 campsite is over three miles away from our
12 wastewater treatment plant, yet the village
13 agreed to go in with the state on a pipe and
14 take the sewage from Hearthstone Park, which
15 again is over \$3.5 million away {sic}.

16 Today we need your assistance, as a
17 partner in 2017, for this year or for over
18 the next three years, as we not only seek to
19 comply with our consent order, but protect
20 Lake George for the next 100 years with a new
21 wastewater treatment plant. New York State
22 and the Queen of America's Lakes deserve no
23 less than that.

24 Dave Decker will take you through,

1 very briefly, some of the issues that are
2 outlined in the flier that we brought with
3 us.

4 CHAIRWOMAN YOUNG: Thank you, Mayor.

5 MR. DECKER: Thank you, Mayor.

6 Following Mayor Blais's comments on
7 the specific needs of the village in seeking
8 a partnership with the state in protecting
9 the state's natural treasure that indeed is
10 Lake George, I wanted to take a brief moment
11 of your time with a simple illustration of
12 what the lake is facing.

13 Our message is straightforward: Lake
14 George is a natural asset that serves as an
15 engine of economic activity that is without
16 parallel in upstate. As the mayor mentioned,
17 the 25-member institutions of the Lake George
18 Watershed Coalition came together under the
19 leadership of the New York State Secretary of
20 State in 2001, in recognition of this premise
21 and with the focus to protect and preserve
22 the waters of Lake George.

23 I would like to convey to the members
24 here today a single illustration of the

1 challenges faced by the lake that the
2 proposed funding for the Clean Water
3 Infrastructure Act of 2017 will help
4 mitigate. Recognizing that a picture is
5 worth a thousand words, I figure I'm going to
6 save you about 4,000 words in the next two
7 minutes.

8 So I'm going to direct your attention
9 to pages 7 through 10 of the handout that you
10 have there in front of you and give you a
11 brief overview of what the issues are facing
12 Lake George.

13 The first graphic there depicts not
14 just a simple sampling activity that's taking
15 place on Lake George. Actually, as
16 Assemblyman Stec mentioned earlier today in
17 opening comments, Lake George is probably one
18 of the most tested, prodded, poked and
19 examined lakes in the State of New York, and
20 possibly the country.

21 What this first graph demonstrates is
22 actually 30 years of water quality
23 sampling -- month in, month out, over a
24 period of 30 years. And you can take a look

1 at and see that there's a trend that's been
2 forming over 30 years. It is a disturbing
3 trend. Unless we do something to bend the
4 curve, if you will, that trend looks to
5 continue on into the future.

6 The next page, page 8, is a graphic
7 display of the lake, three different
8 depictions. To the left you'll see that the
9 lake actually is made up of five sub-basins.
10 There are actually five lakes within the
11 lake. The lake itself is 32 miles long.

12 You'll note that on this particular
13 depiction, we are looking at the -- something
14 called chlorophyll A. Now, what is
15 chlorophyll A? It's a measure of the
16 biologic activity in the lake, and it's
17 measured basically by presence of nutrients,
18 particularly nitrates and phosphates.

19 You can see that -- and we've
20 highlighted here three different decades of
21 how chlorophyll A has migrated from the south
22 end of the lake to the north. The lake flows
23 from south to north. We exit out of the
24 LaChute River into Lake Champlain.

1 You will see that over time there has
2 been a definite progression of chlorophyll A
3 concentrations, year in and year out, in
4 these particular decades. Again, a
5 disturbing trend that, unless we take some
6 action, that trend is going to continue.

7 I then move on to the next, on page 9,
8 another same depiction of the lake. This is
9 measuring the chlorides. Now, chlorides come
10 from a whole host of sources, be it road salt
11 application around the watershed roads, be it
12 the functioning or malfunctioning of
13 treatment plants that are discharging into
14 the wetlands up in the watershed area, and
15 significant operation of on-site waste
16 treatment facilities throughout the lake.

17 You'll see in the 1980 to 1999 time
18 frame we have graphically depicted the
19 chloride levels in the lake as between 6 to
20 8 parts per million. Again, not a disturbing
21 number.

22 As the progression has gone from the
23 1980s up until the present time, up through
24 2010 on the by-decade basis, you can see

1 there's been a significant progression -- and
2 yes, we've color-coded it to show -- but the
3 significant progression of chloride
4 concentrations up the lake. Again, this is
5 not a small farm pond, this is a lake that is
6 32 miles long. So for these kinds of
7 concentrations to show up in these levels
8 over that time period, we are in a process of
9 what I call titrating the lake.

10 The last illustration I would give you
11 is remember back to your general science days
12 in middle school or entering high school when
13 your favorite teacher was standing up in
14 front of your class and you had a simple
15 pipette in front of you with a clear liquid
16 in it and a beaker of clear liquid down
17 below. And the teacher was up there
18 basically going drip, drip, drip into that
19 beaker. And at one point in time, the last
20 drip turned that beaker blue. In effect,
21 that's what we're doing. We are titrating
22 the waters of Lake George. We do not want to
23 get to the point that we turn the lake
24 something other than what it is right now.

1 Make no mistake, Lake George is still
2 the cleanest, by far the biggest and cleanest
3 lake in the state. But the disturbing trends
4 that we are seeing, we need to shut down the
5 nutrient flows into the lake. And as
6 mentioned, there's several sources.

7 And we're here today to absolutely
8 support the Governor's proposal and,
9 moreover, your proposal to increase the
10 infrastructure program and how it can fund
11 programs like this in Lake George and others
12 throughout the state.

13 We thank you for your time.

14 CHAIRWOMAN YOUNG: Thank you,
15 Mr. Decker.

16 MAYOR BLAIS: Thank you very much.

17 CHAIRWOMAN YOUNG: And thank you,
18 Mayor.

19 CHAIRMAN FARRELL: Thank you.

20 CHAIRWOMAN YOUNG: And thank you for
21 participating today, because you bring
22 forward very serious concerns. And we
23 obviously need to continue to work on
24 invasive species through the Environmental

1 Protection Fund, work on nutrient flows, and
2 also make sure that we have the
3 infrastructure dollars available so that we
4 can protect our lakes all across the state,
5 including yours.

6 So thank you so much.

7 MAYOR BLAIS: Thank you. Thank you
8 very much.

9 CHAIRWOMAN YOUNG: That concludes the
10 joint legislative hearing on environmental
11 conservation. And tomorrow we have a
12 hearing, it's -- tomorrow is Valentine's Day.
13 We love our schools, so our hearing is on
14 elementary and secondary education. So I
15 look forward to another long day.

16 Thank you so much.

17 (Whereupon, at 8:14 p.m., the budget
18 hearing concluded.)

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