

Long Island Regional Planning Council
Summary Minutes

Meeting of October 2, 2018 Meeting
Bank of American Building
300 Broadhollow Road
Melville, NY 11747

LIPRC Members Present

John D. Cameron, Jr., Chair
Theresa Sanders, Secretary
Barbara Donno
Elizabeth Custodio
Robert Kennedy
Laura Gillen
Jeffrey Guillot
Edward Wehrheim

Staff and Guests Present

Richard V. Guardino, Jr.
Elizabeth Ridge Cole
Rachel Titus
Missy Leder
Regina Zara, Suffolk County Dept of Economic Development and Planning
Kelly Morris, Deputy Executive Director, Suffolk County IDA
Kellie Woznick, Town of Islip, Planner
Andy Kraus, Epoch 5
Valerie E. Smith, Suffolk County Attorney Office
David Pollicino, Cameron Engineering
John Walser, Town of Islip Economic Development
Peter A. Scully, Suffolk Deputy County Executive
Mary L. Byrne, NYMTC-NSTCC
Paul Grosser, P.W. Grosser Construction
Trudy Fitzsimmons, Laible & Fitzsimmons Inc.
David Berg, LIRPC/DLB Planning
Steven Hearl, H2M Architects and Engineers
Thom Lupo, Office of the SC Comptroller
Katherine Heavisidy, Epoch 5
Michael Fitzpatrick, NYS Assembly
Kyle Rabin, LIRPC
Bob Resch, The Greens HOA
Michael L. Borsuk
Zahid Syed, Town of Hempstead
Bert Patterson, Town of Hempstead
Andrew Mulvey, Nassau Comptroller
Marvin McMoore, Nassau Comptroller

Matthew Donno, Douglas Elliman Real Estate
Cheryl Rice, Town of Hempstead
Lorraine Deller, Nassau-Suffolk School Boards Assn.
Neal Lewis, Molloy College Sustainability Institution
Jay Korth, Catholic Charities

Meeting Commenced:

- John D. Cameron, Jr., opened the meeting at approximately 10:15am
- Pledge of Allegiance

Roll Call

We have a quorum. Adoption of April 17, 2018 minutes. All in favor.

Motion to Accept: Theresa Sanders
Seconded: Elizabeth Custodio
All in Favor. So Moved.

Laura Gillen, Edward Wehrheim and Jeffrey Guillot abstained as they were not present.

John Cameron: Thanks. Rich, we have a number of resolutions. If you could proceed with that I would appreciate it.

Rich Guardino: The first resolution amends an agreement for consulting services with the PFM Consulting Group LLC. Many of you were present for the April Meeting where PFM did their presentation on the study on Alternatives to the Property Tax. We entered into a contract with PFM in February of last year. In terms of the scope of the agreement, they had completed all the tasks in the month of December 2017 and had a draft final report ready to go.

You may recall in December of 2017, there was the first change in the Federal Tax Law since 1986 and that had a significant negative impact both on New York State and the Long Island region. In particular, the new law limits the deductibility of the combined state and local taxes, (SALT) to \$10,000 per Federal tax return per year. Following the enactment of the Federal legislation, the State also made attempts to circumvent the limit on the SALT deductions. They had two pieces of legislation they passed. One is the use of charitable contributions as a substitute for local property taxes and the other one is options for payroll tax. Based on the actions on both the federal level and on the state level, PFM was required to revise their original report. They had to conduct additional study, analysis, modeling of the financial impacts. They had to incorporate the changes that had been made into the analysis and final report. They had to change some of their recommendations. This resolution authorizes a payment to them for the items outside of the scope of the original agreement in the amount of \$20,000.

John Cameron: Thank you very much Rich. Many of you may recall that our experience with PFM went back to our LI2035 in 2010 when we conducted the 25 year sustainability plan and they most capably worked with us on that effort as well as when they worked with us on the school working group on school tax issues, etc. We are highly impressed with them. They work with both counties. They are the largest government consulting finance group in the country and they have done an outstanding job for us.

Motion to Accept: Laura Gillen
Seconded: Theresa Sanders
All in favor.

Rich Guardino: The next resolution authorizes the hiring of Kyle Rabin as the Long Island Nitrogen Action Plan Program Manager. We've had Dave Berg as our Program Manager for the past two years. He has done an excellent job for us. He wants to step back from some of the administrative responsibilities as Program Manager and focus bio-extraction and fertilizer management. For those of you not familiar, the Project Manager provides overall coordination, administration, short and long-term planning for LINAP in cooperation with the LINAP Project Management team. The position was advertised, the Council received over twenty applications for the position. A review of the applications and interviews took place. They were conducted by a selection committee including a Representative from the New York State Department of Environmental Conservation. We are very fortunate to have Kyle as an applicant. He has a wide range of experience including strategic planning, program development, sustainable operation and government relations. He has a Masters in Environmental Science and a Bachelor of Arts in Environmental Studies. The position is part time and paid out of the LINAP grant.

Motion to Accept: Theresa Sanders
Seconded: Laura Gillen
All in favor.

Rich Guardino: The next resolution authorizes the hiring of David Berg as a LINAP Program Consultant. We want to continue with David as he has done a great job. You all have his biography attached to the resolution in the Council book. It is very extensive. He has been a terrific asset and resource to us. The New York State DEC came to us and said, "We want David to stay on. He has the expertise in bio-extraction and has been very important in terms of the negotiation that has taken place with fertilizer management." This will allow him to continue and this is a part time position is to be paid from the LINAP grant.

Motion to Accept: Theresa Sanders
Seconded: Elizabeth Custodio
All in Favor.

Rich Guardino: The next resolution authorizes the hiring of Missy Leder to serve as part time Executive Assistant to the Planning Council. We have been very fortunate to have Rachel Titus with us for the last several years. She has done an excellent job. She is moving on from a part time to a full-time position. So, she will be leaving us and we are recommending that Missy take her place. Her bio is included in your Council books next to the resolution.

Motion to Accept: Barbara Donno
Seconded: Laura Gillen
All in Favor.

Rich Guardino: Next resolution authorizes an agreement with Suffolk County to transfer the LINAP grant funds to Suffolk County to assist Suffolk County in establishing a County Wide Water Quality Improvement District. The resolution authorizes an agreement to transfer \$500,000 of LINAP grant funds to Suffolk County. In 2014, Suffolk County was selected by the IBM Corporation to participate in an IBM Smarter Cities Challenge and a team of experts from IBM recommended the establishment of an organizational structure to support the County's waste water management program. In 2015, Suffolk County issued an updated comprehensive Water Resources Management Plan which documented significantly elevated concentrations of nitrogen in ground water and recommended the establishment of a Countywide Waste Water Management District to administer Suffolk County's overall waste water infrastructure program. This was also an early action item for the project management team for LINAP. In your binder, there is a copy of a letter from Jim Tierney who is the New York State Department of Environmental Conservation Deputy Commissioner for Water supporting the transfer of funds. The proposed agreement would assist Suffolk in seeking a qualified consulting team through an RFP to build on the recommendation of both of those studies by assessing the financial implications and clarifying the process for the establishment of the Countywide Water Quality Improvement District. We are very fortunate to have with us this morning Suffolk Deputy County Executive Peter Scully to do a presentation on the establishment of the district.

PRESENTATION

Suffolk Deputy County Executive Peter Scully "Establishing a Countywide Water Quality District"

Peter Scully: Thank you and thank you to the Council generally for your strong support of the Long Island Nitrogen Action Plan. We would not be moving forward without the involvement and support of the Council and its collaboration of government and private sectors. We have been making progress on an issue that historically has been very difficult to deal with. I will try to move quickly through a bunch of slides that deal with our situation.

This is a problem that has been long in the making in Suffolk County and dates back to the late 60s and early 1970s when Suffolk County was booming and residential development was moving steadily eastward. The County was warned at the time that it needed to make arrangements for waste water management in the areas that were being developed and you can see at one point in the lower right hand corner (Newsday clips), the federal and state governments were warning the County that if it didn't sewer the area between Blue Point and Moriches, the state and federal government might move in and do the job themselves.

For a variety of reasons, much of Suffolk County, unlike Nassau, is not sewered. Much of the predictions of the results in terms of water quality unfortunately have been documented. This is the 2015 Suffolk County Comprehensive Water Resources Management Plan that Mr. Guardino

referred to. It dealt with a lot of issues, you can see them listed on the right hand side, but the one that we are here to talk about today is nitrogen. This graph plots data from the plan that shows significant increases in the concentration of nitrates in ground water over the period between 1987 and the time the plan was completed. It is really not a mystery because without sewerage, Suffolk County has suffered the results of impacts from cesspools and septic systems. We now know that those impacts are significant. This is how they manifest themselves in ways that people can understand. The pie chart in the middle is from a study of the Great South Bay, but all of the academics and scientists put the numbers at about the same as they are in this pie chart which shows that septic and cesspools contribute about 70% of the nitrogen to our ground water and by extension to our surface water so if anything gets into our aquifer, it ultimately finds its way into our bays, harbors and Long Island Sound.

The problem in Suffolk County is huge. We have 74% of our population relying on cesspools and septic systems. The approximate opposite is true in Nassau County where 75% of the County is sewerage for a variety of reasons. But in the residential sector alone, we have 360,000 on site disposal systems, either cesspools or septic and 209,000 of those are in areas considered priorities based on travel times to surface water or depth to ground water. Importantly, in 1973 the Suffolk County Board of Health amended the sanitary bill to add a requirement that you needed a septic system in new construction in Suffolk County. Prior to that you just needed rings in the ground which allows waste water to recharge directly into the ground and ultimately to surface water. More than a quarter of a million of the systems that are in the ground predate the requirement for septic tanks. We know that we have a very steep slope and big job ahead of us, but County Executive Bellone has made clear since taking office that he wants to establish clear priorities and make a little bit of progress every year and he is focused on doing that. I think we have made more progress in the past four years than have been made in the prior forty with the help from our friends in the federal and local governments and in the private sector.

Sewerage is part of the solution in Suffolk County. Even though we are largely unsewered, there are some areas where sewerage makes sense. Typically, what will happen is that the Suffolk County legislature will respond to the community by asking the Department of Public Works to examine the feasibility of sewerage in a community. This is a list of projects that the Department of Public Works has been asked to look at. Some of them are moving forward, some are not. The small box on the right hand lower portion of the slide is important. The value of the projected cost of the projects is about \$2.2 billion. Sewerage is a very expensive solution that is not a solution for all areas in Suffolk County. This project is a project that Jim Tierney at DEC and I can take a little bit of credit for. I served as Regional Director of the DEC between 2003 and 2015 when I left to join County Executives in the Administrative to deal with water quality issues. It was after Super Storm Sandy and it was a very exciting period in government. We were dealing with so many impacts at the same time. We were helping people get debris off the streets. We were finding ways to get debris off Long Island. We were dealing with situations along the south shore. Peoples' homes had flooded; their basements had flooded; their fuel tanks were overturned in the basements. There were over 2,000 fuel spills. We had 3 bridges on the barrier beach along Fire Island. We had a lot of things going on. After things quieted down a little bit, I was in the office at DEC and Jim Tierney called down and said you know "Peter, there is over one billion dollars in post Sandy relief/resiliency funding out there. We might be able to make the argument that nitrogen in ground water and surface water degrades wetlands and

wetlands serve as a protection against storm surge. Therefore, we can argue to the federal funding agencies that they should provide funding for sewer projects.” We went to Nassau County, which was largely sewerred and it wasn’t really difficult. They just wanted to get Bay Park fixed.

In Suffolk County things were a little different. We went into Suffolk County and they just rolled out a map and proposed four projects. We were awarded \$388 million for these four projects which are moving forward now. The Suffolk County of Legislature is holding a public hearing tonight on the extension of the sewer districts to facilitate the connection of about 7,000 homes along the south shore to sewers. Two projects on the left will connect additional communities to the Southwest sewer district number 3 and the one second from that in the Village of Patchogue would connect 648 parcels to the village’s existing facility. And then the longest or largest of the projects would create a new treatment facility out in Mastic to serve the Forge River watershed. Forge river is considered one of the most polluted water bodies not in the County, not in the state, but in North America.

The thing about sewer is that it’s expensive. This is a chart we have been using to show people how just how expensive sewerage can be in the absence of any subsidy. These are three projects that are part of our post Sandy Resiliency Package in the Suffolk County Coastal Resiliency Initiative. It’s estimated that the cost of the project will be \$390 million and it’s benefiting from \$374 million in outright grants. And even with that grant funding, we are still seeing projected costs to property owners of \$532 in Babylon, \$755 in Islip and \$470 in Mastic. If you look at the numbers in red in absence of any subsidy, the home owners would be bearing costs like that on an ongoing basis, every year. No elected official is ever going to tell their constituents that they have good news for them and that is they will be connected to sewerage and they will face \$3,000 in new taxes every single year moving forward. Sewerage cannot move forward in the absence of some form of subsidy to mitigate or reduce the debt burden which would be otherwise be borne by the benefitted parcels.

Sewerage is expensive on a per parcel basis. Of the projects that we are doing here, the Forge River project will cost over \$100,000/parcel. The other two are in the range \$50,000–\$55,000/parcel because there is an existing treatment burst to connect them to. Nassau County completed a review of unsewered areas in the north shore which found that the cost of connecting people to sewer in north Nassau on a per parcel basis could be as much as \$120,000/parcel. That is very expensive. Another thing we have to concern ourselves with in Suffolk County is the areas of the County that are largely rural still which are on large lots and so the efficiency of connecting people to sewer in those type of suburban areas just doesn’t exist. It doesn’t make economic sense. People are very concerned about the implications in terms of future land use, increased density and changing the quality of life in their communities. So, in places where you can’t sewer, there has to be an alternative that is more effective in treating waste water that is not sewer and is not cesspools and septic systems which are polluting. And that solution is new technologies that we are calling Innovative and Alternative On-Site Waste Water Treatment systems. In 2014, the County Executive said “Let’s make sure that all these manufactures who are representing that these systems can treat down to 10 or 19 milligram/liter of total nitrogen. Let’s make sure that these systems actually work.” So, in 2014, the County reached out to these manufactures in this industry and said, “Nobody is required to participate.

Any manufacturer can participate, but we are Suffolk County and we have 360,000 of these systems in the ground that need to be replaced. Would you be willing to donate systems to show that they work as advertised. We will hold a lottery and we will select homeowners who will be willing to have them installed on their properties and we will see how these things work.” In 2014, during the first phase, we had 4 manufacturers donate 6 different technologies, 19 systems. We got those in the ground. We began testing those. By the time we did phase 2 in 2016, we began to get international attention. We had 6 additional manufacturers with 7 different technologies at another 19 or 20 sites. We began pilot testing these technologies to augment our sewer program.

This slide shows some of the systems we have been testing. They are all like miniature sewerage treatment plants. They are different from cesspools and septic systems, which are largely “set it and forget it” unless you have a problem with backup or some sort of maintenance issue. We have been moving forward and pilot testing these systems. We have a requirement in our sanitary code that says these systems treat down to 19 mg/liter of nitrogen. A typical septic system will discharge about 65mg/liter, although we are seeing concentrations in some systems of over 100mg/liter. Therefore, a 19mg/liter discharge standard is a reduction of about 70%. We’ve had these 6 systems provide 6 months of steady operating data showing that they can treat down to these standards and so can be proficiently used in Nassau County which means that you can purchase them today and get them installed on your property. They are still moving away from a multi-tier process to get general approval. If we were to purchase them today, there would be two years of subsequent testing showing they consistently operate at these levels. The wisdom that the County Executive showed in making the manufacturers meet these standards over time is demonstrated by the fact that some of these are in the ground and are not meeting the requirements. So, it is very important that we pilot test.

As the County Executive often points out, preparing for an evolution away from these systems is a complicated matter because these systems are not like other systems. On the far left, you see this idea of a pilot program. We have talked about that a little bit whereby certifying for use. Second, from the left is a very important part of this overall planning effort which is making sure there is an industry in place to install and service these systems. People have to be trained and certified. The County reached out to the liquid waste industry in about 2014/2015 to just pole the industry which is largely the cesspool and sewer business. The County explained that they are going to be moving in this direction and the industry is going to change and there would be great economic opportunity associated with that. Would they help us put in place and design a local law that required people to be trained. That was a successful effort. We continued to collaborate closely with them. The Suffolk County legislature enacted a law in 2015 which took effect in 2016 adding certifications to our program requiring people to be trained to install and maintain these systems. We have been training hundreds of people since.

Mr. Guardino talked a little about the IBM Smart Cities Challenge. A team of international experts came in to look at the waste water situation in Suffolk County. They concluded it wasn’t an \$8 million or \$80 million or even an \$800 million problem but it was an \$8 billion problem.

One of the things IBM suggested was the idea of a surcharge on water rates. Nobody is endorsing this right now as a proposal. IBM proposed it and we raised it for a discussion in 2016

and unfortunately it ran into a partisan political buzz saw, which sometimes happens with issues that are important for public policy. IBM looked at our water rates and pointed out that we pay among the lowest water rates in the nation. They suggested that, “If you charged \$1/1000 gallons of water usage, it would be incentive for people to conserve and you would also raise \$78 million per year and the average homeowner would be looking at a charge of about \$96/year.” They thought it would be a decent thing to consider. This is a 2017 bar chart that the staff prepared. You can see that the rate at the time was \$1.81/1000 at the Suffolk County water authority. This is orders of magnitude less than neighboring municipalities. So even if you added \$1/1000 gallons surcharge, you would still be looking at a rate that is a little bit more than half of what neighboring municipalities are paying. At the time, staff banged out a chart that said you could propose a surcharge on water use of \$0.50/gallon generating \$37 million a year. You could propose one at \$1.50/gallon and generate \$111 million per year. These are significant sums of money. They wouldn’t solve the problem by any means because it is an \$8 billion problem, but they would provide a steady and recurring revenue stream so that you could bucket every year to advance the process on both the sewerage side and on the I/A side.

Another idea they suggested was to look at a fee similar to the one that the State of Maryland proposed to fund its Chesapeake Bay watershed recommendation efforts. Initially, they are charging home owners who are connected to a sewer \$2.50/month or \$30/year and those not connected and relying on an individual system are paying \$5/month or \$60/year. At those rates, we could generate these types of sums of money to augment an overall effort to deal with water quality.

Consolidating Suffolk Counties existing sewer districts (there are now 24) into a single Countywide district would have more benefits as well. On the far right column, you can see that we have an organized series of residential sewer rates that varies significantly. In one district, for example, folks are paying as little as \$71/year. In another district, folks are paying over \$1,100/year. The goal over time would be to create equitable and predictable sewer charges so that there is stability, sustainability and predictability to it. We wouldn’t be scurrying like the County has over the last 20 years to create things like our assessment stabilization reserve fund, which we use every year to try to flatten out the rates and make them even. One of the goals of a Countywide district would be to try to quantify the efficiencies and cost saving that would result from consolidating our district into a single district with tiers of service. In the same manner, the methodology varies from sewer district to sewer district. We would look for consistency if the Countywide district were to be created.

Importantly, there is a need for people to have confidence in the process. The government unfortunately at times when the budget is tight has utilized what is supposed to be dedicated funding sources to make its general fund whole. What we found when we went and talked to the community about this, is that they are looking for what is called a “lock box” or a level of confidence that this funding would only be used for water quality, and only water quality, purposes. So, we came up with the idea of creating an advisory committee to help make decisions about the use of the funding. This would give town officials and environmentalists a seat at the table. Ultimately, because the district would be a Countywide district, the executive of the legislature would make the final decision about the use of the funding, but we still have a variety of needs. We talked about replacing cesspools with I/A systems and because the

homeowners in the district might provide funding at this level of over \$23 million recurring for cesspool replacements. It could provide funding for staff to administer this new district and oversee this evolution away from the use of cesspools and septic. It could fund sewer and waste water infrastructure, that trench in the middle. It could offset the cost of sewer connections, so the homeowner can connect to sewer and bring that cost down in order to avoid carrying that entire cost to debt service. It could also provide funding to the few towns and villages in Suffolk County that operate their own sewage treatment plants.

Finally, priorities change over time. As you are successful in addressing one need, you should have the funds to allow the flexibility for policy makers to steer money on an annual basis to the places where priorities arise.

The purpose of this Water Quality Improvement District project would be to figure out how this district might work. We envision the District would serve properties in tiers. In other words, if one property was served by sewer it would be one tier of service and taxed accordingly and if it was served by I/A systems it would be dealt with as part of a septic tier of service. That is important because this is a huge and diverse County. There are areas in eastern Suffolk County which are much like New England. They are very sparsely populated and they want nothing to do with sewers in eastern Suffolk County. In order to get the total confidence of the entire population, we must respect the varying needs of those areas. One thing that we can do is separate the sewer piece of it from the I/A piece. The overall project goal is to develop implementation guides, figure out exactly how it would work, find out what actions need to be taken by the local government and finally, establish a timeline of critical path for the project to move forward.

We have a lot going on and we are trying to create an organized structure allowing these things to work together smoothly. This is a key goal and we would look forward to utilizing this investment of LINAP funds support by the LINAP management team to work to see how that might happen.

John Cameron: Thank you. Questions from the Council?

Supervisor Wehrheim: Did you say that some of the newer systems are not working up to the standards at which they were advertised?

Peter Scully: Yes, we have situations in which many of the systems we were comfortable with only had data that was produced from other states. It showed that they performed to a certain level. We have decided that we will not approve the use systems in Suffolk County based solely on data from other states. They need to show us that the systems work effectively here. Some have had difficulty performing down to 19mg/liter standard. Our basic approach is to give them an opportunity to come and tweak the operating status in the systems to try to get them to work more effectively. But after a year or so, if they are not effectively doing that, we have given ourselves the flexibility under the code to penalize them or to eliminate their approval for continued testing in the County.

John Cameron: Before we take vote, I want to say that we have been involved since before the beginning of the LINAP program. Both the LIRPC and the DEC recognize that water quality is not a localized issue, but a regional issue. The issue encompasses drinking water quality, shell fishing, bathing beaches, economic development and more. The only way we felt that the County could effectively address this issue of nitrogen contamination of our environment was on a regional basis which would be a Countywide basis. Peter's leadership and the County Executive basically calling nitrogen "public enemy number one" has directed a lot of public attention to this problem. The Council and the DEC have always believed that the \$500,000 is really state money, tax payer money, and is being well spent on enabling the County to address this problem on a regional basis and to basically establish the framework. It is allowing the ability to deal with issues or priorities where some areas may be sewerred, but others may not be, and are in environmentally sensitive areas or in large lot areas which may not even have an I/A system. It can also help deal with the problems stemming from fertilizers. We are going to be addressing that. The County is going to take a leadership role and we are happy to support the efforts. One more question.

Bob Resch: The Greens Homeowners Association board. There are many communities where in order to get building permits, sewers and sewer lines were necessary. Many of these systems are already in compliance with nitrogen discharge. Will they be given some consideration since they have already paid for the improvement when the County decides how to pay for those areas that never paid for those improvements?

Peter Scully: I think the simple answer to that is yes. One of the things the IBM report also suggested is the County take over all the privately-operated sewer treatment plants in the County. That is not a short-term goal of ours. We need to establish the organizational structure of the project first. But, it is entirely possible that it will be considered by policy makers in the 5-year window and I think there would be some consideration for the investments already made by homeowners.

John Cameron: Motion to move forward with the transfer of \$500,000 of LINAP Grant Funds to Suffolk County in establishing a Water Quality Improvement District.

Motion to Accept: Theresa Sanders

Seconded: Laura Gillen

All in Favor.

Rich Guardino: The final resolution on the calendar is the agreement authorizing consulting services with Epoch5 Marketing Inc. In September 2016, the Council offered a solicitation for competitive proposals, inviting proposals from qualified consultants to rebuild our website, provide public relations, marketing and communication and social media strategies. Our website was in desperate need of being upgraded. The selection committee reviewed the proposals and recommended Epoch5. The Council approved an agreement with Epoch5 to provide the services. They have worked very closely with us to rebuild the website, build social media satisfied strategies and provide communications and public relations support. We are happy with the work that they have done. It has been done in a very professional manner. This resolution recommends a second consulting services agreement to continue their services, but also to work

very closely on the LINAP in terms of both communication and education. We are glad to have the President of Epoch5 with us this morning, Katherine Heaviside.

Motion to accept: Laura Gillen

Seconded: Theresa Sanders

All in favor.

John Cameron: The next presenter is Janno Lieber, Chief Development Officer of the Metropolitan Transportation Authority. Mr. Lieber has a very distinguished career in real estate and finance. Most recently before joining the MTA, Mr. Lieber was the President of World Trade Center Properties for the Silverstein Organization. He is a graduate from Harvard University and has a law degree from NYU. We look forward to hearing about Third Track in addition to other MTA projects.

PRESENTATION

Janno Lieber, Chief Development Officer of the Metropolitan Transportation Authority “MTA”

Janno Lieber: Thank you for having me. I am glad to be with any organization that passes unanimous resolutions. Working at the MTA, there is not a lot of unanimity in major public infrastructure these days. I am thrilled to be here today. Part of the fun is to talk about what we are doing with you. Long Island is really the epicenter of major transportation. I would like to start by recognizing the elected officials. We at the MTA rely on the leadership of the elected officials who recognize the importance of infrastructure to our future, to our economy, to our families, and to the communities we are trying to create. Assemblyman Fitzpatrick, Mayor Kennedy, Supervisor Gillen, Supervisor Wehrheim, I want to thank you for being here and thank you for supporting everything we are doing.

As I said, I am a refugee of the private sector. I spent 14 years at Silverstein Properties doing the rebuilding of the World Trade Center which was part of the story. I have a background in transportation. I was in city government during the Koch era. I worked in the federal government in another administration. Part of the story which makes me excited to come work at the MTA is what I saw in the rebuilding of downtown which is the roll of transportation infrastructure in fundamentally changing that neighborhood. We all know what the status of the area Lower Manhattan was after 9/11. Many different people, factors and forces contributed to rebuilding and to the success of that neighborhood. But it was in large part attributable to the investments in private sector in mass transportation. If you just go to Lower Manhattan, the experience of commuting there, the experience of arrival is so fundamentally different than it used to be. That is what made people want to live downtown and made all those businesses want to return downtown when the world had given up on downtown as a business district. It's bringing tourists downtown and now all of a sudden a lot of the energy of NYC, which is so great, has come back down south to lower Manhattan. In large part, much of this is because of wise transportation investments that I think this group understands.

This is a historic time for Long Island because for the first time in the 150 plus year history of the Long Island Rail Road, we are having a major expansion. The Governor likes to talk about

the 100 projects that are going on. I won't go through 100 projects, but we did create a website amodernLI.com, which many of you know because it was previously one of the sources for the advocacy on behalf of Third Track. We have converted it and now use it to keep track of the 100 projects that are going on at once on Long Island.

Today I am going to talk about the three major ones: Double Track which was recently completed, what we call the Long Island Rail Road mainline expansion known as Third Track to many of you, and the biggest and most challenging East Side Access, which is one that I inherited and one where we are starting to make some real progress. Collectively, these 3 projects are going to increase peak period capacity by 45%. This will save a lot of time and give all of Long Islanders more options, increasing flexibility and operational rationality so you can bypass stalled trains and avoid problems that create delays. And, for the first time, have a truly functional, first class, reverse commute pattern which is, I think, transformative for businesses on Long Island that want to compete for knowledge workers in the 21st century economy. I have heard so much about this from places like Brookhaven National Labs, which is desperate for that reverse commute service enabling them to get some folks to come out east.

I will start with the Double Track project which was formally opened September 17th. It is 18 miles between Farmingdale and Ronkonkoma. It has a lot of additional reverse peak service. I used it this morning. It also includes new stations at Pine Lawn and Wyandanch and another new project underway where we are renovating and adding enhancements to Farmingdale, Deer Park, Brentwood and Ronkonkoma. This group, considering all the planning experts that are around us, probably know about the benefits of Double Track. When you have a line with 50,000 plus people per day and you are operating on a single track, you are asking for trouble. I think everyone who lives in this neck of this woods knows that with any little hiccup, service is basically over for the time being. We are obviously going to change that now that we have Double Track: additional reverse peak service and increase service inbound especially when we get the benefit of Third Track and East Side Access. The other benefit is the connection to Macarthur airport. We know the connection to Long Island airports is something we want to strengthen over time as we know that JFK and the other New York City regional airports are getting a little overcrowded. We are seeing significant benefits in terms of the economics for the communities on the 18 mile stretch. This is the rare project that really has across the board support. Speaking as someone who has worked in controversial projects like the World Trade Center and other major transportation projects, it is great to have a project where everybody buys in and you get the new station like the one we have at Wyandanch and you start to see a tremendous acceleration of transit oriented development on that corridor because people get the importance of rail transportation and connectivity. The major project at the hub in Ronkonkoma is kind of a state-wide model of transit oriented development and taking advantage of transportation to create economic growth.

Third Track is often called the Long Island Rail Road Expansion project. This is essential to the whole railroad. Right now, the main line in that zone carries more than 40% of riders daily for that segment. That is approximately 250 trains on a typical weekday. And the same problem develops, where there are two tracks and anything can go wrong and things do. Any hiccup is like a wave that emanates through literally the entire railroad and you get real delays. In the last 3-4 years where we have full statistics, there were 4,400 late or cancelled trains on the mainline

attributable to problems. Millions of customers were impacted. Safety is a big problem because there are seven major grade crossings in this area. We are talking about an extremely heavily trafficked corridor in terms of trains and in the meantime during peak times, there are people getting back and forth to get kids to school and getting where they need to go. Apparently, sometimes there are 30 minute backups. In that circumstance, people can start to do dangerous things. They ignore the grade crossing gates, ignore the lights and do all sorts of crazy stuff. There were 24 deaths in the last 30 or so years on the mainline and just in 2015 gates were struck 140 times. This is a dangerous condition. Also, the railroad bridges, which were built in another era, are low by today's standard. There is a massive problem with truckers, who are frequently from other regions and maybe don't always follow signs and rely on GPS or have inaccurate information, running into bridges which forces a shutdown of the line until the structural integrity of the bridge can be confirmed. Part of this project is lifting seven different bridges in addition to seven grade crossings eliminations including five new under grade crossing where we are going to dig under and lift the railroad so you can actually drive under it. There are also seven bridges being raised. All this is happening to address core problems. It was done in a way that is exceptional for all of us to learn from. There was a real community conversation. John McCarthy, who is here today, is a MTA leader talking to all the villages, all of the towns, all the stakeholders and all the community groups to address peoples' concerns, which for many years led to this project not going forward. Again, there are all kind of stakeholders involved. I mentioned all of the elected including those present, (I know Supervisor Gillen was deeply involved), the Long Island Association and dozens of others. The outcome of that dialogue was the plan to do this without residential property takings, which is an amazing thing considering the density of this corridor residentially. We have put our money where our mouth is in what is kind of a novel approach by putting some of the contractors' compensation at stake in community evaluations of their performance. We have already conducted 150 plus meetings since the project was approved and officially started. The meetings are ongoing, multiple being held every week. People are being asked to rate the contractors' performance because the contractors are truly responsible for a lot of the community outreach. They are keeping people up to date in terms of communication, timing, progress. The first ratings were in the nine out of ten number for contractors' performance, which is better than I expected. We are very hopeful that this idea partnership with the community can be pathbreaking. The goal obviously is to have a project which is not just in the interest of good politics, but in the interest of a project which succeeds profit, cost and budget wise because if you can avoid the hiccups that come when communities get outraged about some condition or aspect of a project (which will inevitably lead to a slowdown), you are going to have a better and faster project. The MTA is trying to learn how to do that more effectively.

The other good thing that is going on in terms of community is that the reality of more service, (reverse peak and inbound peak) is prompting communities to think about rezoning in an effort to be more transit friendly and create a more urbanistic type land use arrangement. Farmingdale has done some of this with apartment houses and garden apartment type of arrangements near the station. There is new zoning underway in New Hyde Park. Westbury is going through downtown revitalization right now and they have been partnering with us. Hicksville has rezoning under way and Mineola is obviously well on the way to having a lot of downtown development. Putting aside the issues that this group deals with like traffic, congestion and other impacts, there is no question that an urbanistic feel around your downtown is hugely attractive to

the next generation of young people who are thinking about in which communities that they want to raise a family. I think the wisdom of Long Island leaders in seeing this and starting to move toward a land use pattern that will be attractive to those communities and those kinds of families who are the “knowledge workers” of the twenty first century is visionary and something that we want to support. We will continue to keep working with the team on all of this.

Third Track is very exciting to me personally because it is a chance to pioneer what I hope will be a model of good project management. We all hear of the ways in which government doesn't do projects well (overbudget, behind schedule, things going wrong). I inherited a few with East Side Access which have that reputation. Third Track is a chance to do it right from the beginning. The team that is running this project is managing how fast we are turning around submittals. It is a design build contract which means that the architect, designer, engineering team and builder are one team which allows you to think about how most efficiently you want to build. This prevents the designer from designing something that is going to take longer or be more expensive to build. The build will be faster, better and cheaper as you get less of the second guessing from the owner, the MTA in this case, looking over the design saying change this, change that and being very specific about specifications. You give them performance based specification from the beginning and let them design it; let them think about how to design something that can be built out fast and effectively. That is the power of design build. It is what got the new Tappan Zee, known as the Mario Cuomo Bridge, done so fast. It is what got the Kosciuszko Bridge in New York City finished so fast. This is a real very powerful tool. We want to use this for Third Track in a way that models good project management. The design build joint venture is a team and gives us things to review, reject and/or approve in 21 days and we are getting it done much faster. We are paying them faster. Having been in the private sector, I believe if you drag out the payments to your subcontractor, you are just costing yourself in the long run. We are trying to model good behavior on Third Track and make Long Island the model of a different kind of MTA.

Let's talk about how I am fixing a very old problem for the MTA called East Side Access. I don't necessarily think the MTA has communicated well the reasons why we are doing this huge project: what is the benefit, what is coming, when is it going to be done. Nobody understands any of this because it hasn't been addressed. It has been discussed as a nice project for some commuters who live on Long Island who might want to go to Grand Central rather than Penn Station because its nearer their offices and it might save them some time. This is not a great justification for a ten billion dollar project. I came in with some of those prejudices, but as I have started to look at this project I see it as transformational in terms of the growth of service. We will have a new eight track terminal where we control the dispatcher, rather than workers from Amtrak who are worrying about the 50 people who are going to Philadelphia. We are not at the mercy of somebody else in terms of when the trains leave and when they are allowed to get into the station. Another positive is being in the basement of Grand Central, right next to the largest concentration of the highest paying jobs in America, east midtown. East midtown is being rezoned so there is more real estate and more jobs. Right on top of the East Side Access terminal is JP Morgan Chase, the headquarters of the largest private sector employer in New York City. This is exciting for Long Island. There is another variable that has gone undiscussed. I ask you to remember Superstorm Sandy. Superstorm Sandy reinforced that we need more than one way to get people on and off the island of Manhattan. Things do go wrong. Having those

East River tunnels, which are old and damaged by Sandy, as your sole access point is not a good idea. This project will be another way to get people on and off the island of Manhattan.

Please watch our video which will explain this better than I can.

EAST SIDE ACCESS VIDEO

Thank you for indulging us in a little bit of propaganda. I think it does convey the aspects of this that make this project important. We are far along. Construction is 75% finished. We literally just awarded the last major contract. It's not about execution. I am spending a lot of time worrying about systems. This is daunting because we have 49 different systems that are all connected to 4 different control centers and it is very complicated. This requires people much smarter than I to get it all done. It is a sign of how far along we are. The civil construction is pretty close to being finished. Some of you have visited the terminal and the concourse recently. We welcome everybody to come on a tour to visit to see what is going on and how quickly it is moving.

Let me address the hiccups. The concourse, the terminal and the tracks are all far along. The one problem we are having is how to interlock it. This is the biggest railroad intersection in the United States. People don't really know the name Harold. Harold is what we think of as Sunnyside Yard as you get close to the city. They store during the day in Sunnyside. Adjacent to and around Sunnyside is what we call Harold Interlock which is intersections, tracks, cross overs and interlockings. This is a before and after photo of Harold and you can see all of the investments that are going on. The lighting and the signaling systems are all brand new and Amtrak owns it. As New Yorkers, we are spending billions of dollars on this. Amtrak's attitude is that when the governors said we are going to build Amtrak a new station in a flagship location in the Farley Post Office building and it's going to be called Moynihan station, Amtrak said thanks, but we aren't spending a dime on that. In the same way, we are building this all at our own expense. This is part of the problem with budget and schedule on this project. We can't get the work at Harold done because Amtrak doesn't have the ability to hire and provide enough electrical workers or other kind of track workers and they have to supervise the work that we are doing on their property. We can't touch the electrical. They have to do a lot of the work themselves because of union rules and safety rules. We haven't been able to get a lot of the work done and that has cost \$100s of millions of dollars in delays and so called change orders. We are fighting with Amtrak and I am the one from the private sector who is calling foul on this. We are trying to get them to acknowledge that they must provide the work for this. They cannot let this go on and on and on. Additionally, they have some accountability for future delays and cost increases to this project. This is one of the challenges that we face. That fight among friends is taking place at the highest levels of the MTA and Amtrak right now. Just so you understand, that is the principal boundary we have faced in trying to get this project done on time. It will all be finished in 2022. I looked at this project very hard for about 6 months and came to the conclusion that we can and must double down on 2022. We cannot let this slip time again. We are going to get organized around that date focusing on the systems, which like I said are the major risk area. We increased the budget a little bit which I wasn't thrilled to do, but we have to be honest to all the stakeholders involved. I have to solve some of these problems by throwing money at them, but I am determined to solve these problems so we can get to the finish line and

meet the schedule. I talk to project managements and government professionals about what we did and we are doing some things to reform how this project is managed. As I said, it long predates me, but we are trying to bring it into line with more of reformist approach working toward a design build approach in keeping with what we are doing now at the MTA.

In conclusion, thank you. I am honored to speak to a knowledgeable group like yours. John Cameron with his strong leadership has been one of the major players in the Third Track thinking and development and is a good partner for us and I'm sure a great leader for you.

I am happy to take questions.

John Cameron: Thank you very much. Any questions from members of the Council?

Barbara Donno: I want to say that I was running for state office in 2007 when Third Track was originally proposed and that was a major disaster. I was President of the Nassau County Village Officials Association when the Governor proposed it again a few years ago. I was part of the conversation and I was involved with John. I attended many meetings. I have to say he said he would work closely with the voters who were along that Third Track and he did as did the MTA.

Janno Lieber: Thank you.

John Cameron: Thank you. We have had a very busy meeting. I want to address one final issue. We had Deputy County Scully make a presentation today and the council voted to appropriate \$500,000 toward the County Wide Water Quality Improvement District. As you all know, we are a Bi-County working agency. We have been working with Nassau County on a number of other issues. As Peter eluded, about three quarters of Nassau County is already sewerred, but that doesn't mean that Nassau doesn't have environmental issues. He also eluded to the improvements of the Bay Park sewage treatment plant. As many of you may know, Bay Park was severely impacted by Superstorm Sandy. The County has been working with the assistance of local townships and state officials as well as the federal officials on over \$800 million worth of improvements. The County is also looking to remove the discharge of the Bay Park sewage treatment plant from Hempstead Bay and Reynolds channel, in particular, which is part of the Hempstead Bay network system. That discharge has been going on for 60 years and severely impacting the water quality there. The County has come up with a very innovative solution. Rather than tunneling under the Long Beach barrier island to extend its sewage treatment plant outfall to 2-3 miles south of Long Beach. It's actually going to divert its sewerage effluent up through an aquaduct that runs along Sunrise highway and pump its treated effluent over to Cedar Creek which is the second largest treatment plant in Nassau County and already has an ocean outfall. A very innovative and creative idea was to utilize this aquaduct and to put a slip line with a force main pipe inside to pump the treated affluent to Cedar Creek and then that effluent would be pumped into the outfall which is already going a couple of miles south of Jones Beach. It will not only save hundreds of millions of dollars, it will save years of permitting work and design work and construction work. It is a tremendous innovative idea from Nassau County. Getting those discharges from Bay Park and the Long Beach treatment plant out of Hempstead Bay affords the County and Long Islanders the opportunity of seeing possible major water quality improvements in Hempstead Bay. The highest level of potential use for Hempstead Bay

is called “class SA”. The best intended use is for shellfishing. It has been a long time since that area could be considered for shell fishing. The severe water quality impacts have taken place over six decades. Once these discharges come out, there is the potential to work toward restoring that water quality to SA standards by getting colorform bacteria out, nitrogen out, etc.

To be able to ascertain what the potential impact and improvements could be, the LIRPC is planning to work on assessing water quality improvements to Hempstead Bay. The Council plans to look at the impairment that has taken place over decades. At our next meeting, we are intending to award a contract for water quality monitoring of the south shore bays in Nassau County which would basically enable us to discern what that potential improvement would be. We will be discussing the potential of seeing and ideally restoring Hempstead Bay back to shell fishing water quality. This would be an accomplishment not just from an environmental standpoint, but from an economic development standpoint. To actually have clamming in Hempstead Bay is almost unheard of, but it is a goal that could possibly be realized. Once we get those point sources removed, the focus is going to be on non-point sources, in essence, storm water discharges, fertilizers, animal run-off, etc. We are making significant improvements here.

The Supervisor of Hempstead is here and she should be commended for her work. She is restoring the marine lab in Point Lookout which was being dismantled. She is providing funding to restore the lab and possibly this new program which we would be looking to move forward with in terms of monitoring Hempstead Bay collaboratively with the town officials and County officials. Our goal is to say that we are making a real difference here in water quality. This is something the LIRPC is focused on with our partners in the government and private sector. We are hoping to make an award and discuss that next month. We plan to discuss LINAP. It is very exciting for us that in a number of years we could get Bay Park out of Reynolds Channel and Hempstead Bay. As someone who grew up on Long Beach and swam in Reynolds Channel, wake surfed probably 50 yards away from the sewage effluent, it would be wonderful if we could do this for generations to come. We are excited about it. I wanted to let you know that this is also something we are focused on and working toward. While today we focused on Suffolk County, I want you to know there is a lot going on in Nassau and we will be discussing it at our next meeting.

I will turn it over to Rich.

Rich Guardino: The only thing I would add John in terms of nitrogen inputs is that believe it or not, Point Lookout is not connected to a sewer. It is still on cesspools and septic tanks and that is also a problem in terms of nitrogen loading in Reynolds Channel and the south shore bays. The great news is that Nassau County is going to start an engineering study. They have allocated funds towards it to take a look at what would be involved to actually connecting to the pipe which eventually would go to Long Beach (the pumping station), go to Bay Park and then to go to Cedar Creek. The Water Quality Monitoring project is a very exciting project. We had a request for qualifications for a consultant to do this study for us. We had two excellent proposals come in. We are reviewing their qualifications and as John said, next month we hope to have a recommendation for the Council to move forward with that study.

The only other thing I will mention is that we have been working in Patchogue and looking at the economic impact of the revitalization of Patchogue over the past ten years. There has been an investment of \$450 million both in public and private money in Patchogue. It's a model in terms of transit oriented development which Janno spoke about in his presentation. That report should be completed at the end of this month and we are planning a presentation of that study at our next meeting.

John Cameron: Any other new business? Questions or comments? Otherwise I think we had a very full meeting. Theresa?

Theresa Sanders: Just a comment: I have sat on this Council for many years. This issue of water is not just an issue but a basic right to life. Not only human life, but different forms of life. So, in my work of equity, I look at the communities that can be impacted by something that we are doing which is just providing access to clean water and innovative ideas of access to clean water. I want to commend Rich and John because you do a lot of work. We share in the meetings and votes and so forth, but you do the deep dive. Thank you for all the volunteer hours you commit to this. Rich, you and your team are doing great work. I have a great sense of pride today.

John Cameron: Thank you Theresa. We are planning to have our next meeting in Patchogue next month. We will have the Presentation of the Village of Patchogue and hopefully an update on LINAP. I think you everybody and look forward to seeing you next month.

Next meeting: To be decided

Meeting adjourned at 12:20PM