



THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

JEFFREY DINOWITZ  
Assemblyman 81<sup>st</sup> District  
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May 29, 2007

CHAIR  
Committee on Alcoholism  
and Drug Abuse

COMMITTEES  
Election Law  
Environmental Conservation  
Health  
Judiciary

MEMBER  
Puerto Rican/Hispanic Task Force

Honorable Rose Gill Hearn  
Commissioner, NYC Department of Investigation  
80 Maiden Lane  
New York, NY 10038      By mail and fax

Dear Commissioner Gill Hearn:

Please accept this as an official complaint for review by your office. There are astronomical cost overruns in the Croton Water Treatment Plant (CWTP) currently being constructed under Van Cortlandt Park, a project of the New York City Department of Environmental Protection (DEP), and coordinated by the Department of Design and Construction, and the Office of Management and Budget. In the past two and one half years, I have been patiently waiting to hear about the results of an investigation to no avail. Frankly, I am shocked that your office has not undertaken an investigation about this apparent scandal.

While the joint task force between DOI and DEP is a beginning, it could not possibly address the issues that need to be investigated. In this case, the Inspector General's work can not be in connection with the agency the IG is reviewing. Instead, you should appoint a Special Inspector General to handle the review of three agencies mentioned above. The Special IG's should be ordered to immediately convene an expert panel or Value Engineering (VE) of the process chosen, minimal plant size, siting and the bidding of the entire project from the date of the City Council approval on September 28, 2004, including but not limited to each of the agencies' staff, consultants, and contractors. In addition, if anything should become evident, the Special IG should review the DEPs activities after January 1, 2003.

The problem is that the DEP's initial estimates presented construction costs at \$1.3 billion, apparently making it the lowest cost site, which was therefore used as justification for changing public policy allowing building on City parkland. But with the mysterious disappearance of the first General Contractor (GC), the DEP has engaged a new GC at \$1.3 billion. But that additional \$200 million does not include the considerable excavation necessary for the underground project (Note: this was bid and started with great speed by the end of 2004). There are other costs that render this an exorbitant undertaking, including all that will be necessary to complete the project. Any reasonable analysis puts the cost to taxpayers approaching \$3 billion!

It is essential that the city investigate the reasons for this mammoth discrepancy. While at this time I am not making any specific allegations of corruption, certainly the possibility must be considered given the extraordinary difference between what was projected and what is real.

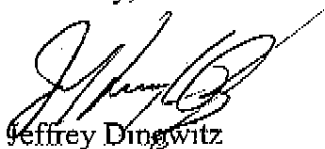
Many are suspicious that cost estimates were underestimated to convince legislators to approve the Van Cortlandt Park location. In fact, it has been confirmed by the DEP that budget column headings in the FEIS were switched. This had the affect of artificially minimizing the relative costs. Also, it appears that other comparisons were exaggerated.

Equally disturbing is that former DEP Commissioner Christopher Ward, who oversaw the site selection process for the city, abruptly resigned his post the day after the City Council approved the site location and precisely one year later, took a prominent position as head of the General Contractor's Association, which was the chief advocate for the Bronx location. Certainly this gives the appearance of a conflict of interest and raises questions as to whether Mr. Ward was serving two masters when he was commissioner.

Additionally, the antiquated chemical filtration process the DEP selected for the project is more expensive and uses considerably more acreage than the industry-standard of membrane filtration. This would not be the first time the public has been right about the judgment of the DEP in choosing the lowest equivalent project size, process and site (i.e., prior extravagant CWTP project components: office building, triple sized capacity, using Diatomaceous Earth and Ozone). Remarkably, the DEP spent millions studying whether or not the Croton needed to be filtered, but refused to study membrane filtration for this project even though it is an internationally accepted state-of-the-art methodology.

I urge you to conduct an investigation to insure that the City's regulations, procedures, and policies have been properly followed through this troubling process. New York City taxpayers deserve no less. Please advise how you will proceed.

Sincerely,



Jeffrey Dingwitz  
Member of Assembly, 81st AD

c: Mayor Michael Bloomberg  
Mark Davis, Executive Director, Conflicts of Interest Board



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May 29, 2007

Mark Davis, Executive Director  
Conflict of Interest Board  
2 Lafayette Street, Suite 1010  
NY, NY, 10007 By mail and fax

Dear Executive Director Davis:

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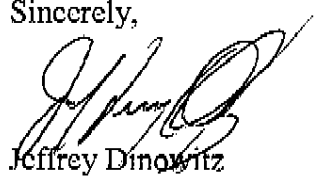
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Sincerely,



Jeffrey Dinowitz  
Member of Assembly, 81st AD

c: Mayor Michael Bloomberg  
Rose Gill Hearn, Commissioner, NYC Department of Investigation



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May 29, 2007

Honorable Michael Bloomberg  
Mayor  
City Hall  
New York, NY 10007      By mail and fax (212) 788-8123

Dear Mayor Bloomberg:

Attached please find copies of letters I have sent to the Department of Investigation and the Conflicts of Interest Board concerning the Croton Water Treatment Plant (CWTP) currently being constructed under Van Cortlandt Park.

Thank you for your time and consideration of this very important issue.

Sincerely,

Jeffrey Dinowitz  
Member of Assembly, 81st AD

Enclosures (2)