

**Queens Civic Congress opposed this wasteful project.  
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April 24, 2008

## **For Bronx Water Plant Being Built 10 Stories Down, a Towering Price Tag**

By ANTHONY DePALMA

In a city of big projects, it ranks among the biggest. New York City's Department of Environmental Protection is building one of the largest water filtration plants in the world in a 10-story-deep hole it blasted out of bedrock in the Bronx. When completed in 2012, the plant, capable of purifying 300 million gallons of water a day, will be buried there.

But the plant, which will filter water from the Croton watershed in Westchester County, is no Bronx treasure chest. Even as construction moves forward, questions about soaring costs and delays continue to plague the project.

The cost is now estimated at nearly \$3 billion, a huge jump from the \$660 million city officials estimated when they announced an audacious plan in 1998 to build the plant below the surface of Van Cortlandt Park. They vowed that the park would be made as good as new, even if that meant replacing whatever was lost during construction. They now plan to rebuild a driving range on top of the buried plant.

Some officials and others fear the final tab could climb even higher, and in the process push up water rates. On April 1, the city comptroller, [William C. Thompson Jr.](#), announced that he was starting an independent audit to determine whether city officials understated the original price, to get the plant built in the Bronx rather than Westchester. Besides scrutinizing the complicated accounting, Mr. Thompson will have to sort through accusations by some residents and officials of deliberate distortions of costs, and intimations that the project has been tainted by mob influence, though nothing has been proved.

His would not be the first effort at monitoring the expenses since work on the big hole began in late 2004. The city's [Independent Budget Office](#) examined the project and came up with a cost estimate last September of \$2.8 billion, significantly higher than the Bloomberg administration's last previous estimate of \$2.1 billion. The budget office is now comparing its cost estimate with the city's earlier projections and is expected to report on it in the next few months.

The city's Department of Investigation hired a law firm, Stier Anderson L.L.C., last year to monitor the progress of the construction. The law firm is now affiliated with Thacher Associates, a fraud detection company. Keith Schwam, a spokesman for the department, said the firm was keeping track "of various contractors, subcontractors and personnel" at the Bronx site.

While the plant's opponents concede that it is too late to stop the work in Van Cortlandt Park, they say that shining more light on the project's financing will reveal whether there was any wrongdoing in the site selection process.

"We were blindsided by the whole thing," said Karen Argenti, a resident of the Bronx and a longtime opponent of the project. She, like many other residents, says that city officials deliberately underestimated costs to make it seem that building the plant underground in the Bronx would be cheaper than building it above ground on land the city owns in Westchester.

"Intuitively, no one ever believed that it could be cheaper to dig a huge hole and build it here," said Assemblyman Jeffrey Dinowitz of the Bronx, who for more than a decade has fought against putting the plant in the borough. "When we look back at this project years from now, it will rank up there with the Tweed Courthouse as a monument to municipal incompetence and worse."

City officials say the original figure of \$660 million was the "roughest of estimates" and should not be used in any evaluation of true costs. They say the starting point should be the \$992 million that was included in the project's final environmental impact statement in 2003.

"I can understand how this comes as almost a surprise," said Steven W. Lawitts, first deputy commissioner of environmental protection.

"Unless you spend a good part of your time tracking this market, tracking the trends," he continued, "it comes across as, and often is portrayed as, the D.E.P. underestimated the project." Mr. Lawitts said the \$992 million estimate was in 2003 dollars, not adjusted for inflation, and was labeled as such in the document.

But in several places, the final environmental report, available on the department's Web site, clearly states that the \$992 million estimated cost of building the filtration plant in the park was "based on a 2.75 percent annual inflation rate." Community residents have accused city officials of deliberately misleading the public with contradictory explanations.

Mr. Lawitts said the \$992 million construction cost was, in fact, not adjusted for inflation. The annual inflation rate of 2.75 percent was applied to the cost of operating the plant over 30 years. He did concede that charts in the 2003 statement were confusing and that the footnote about the inflation rate was misplaced.

But the inflation factor does not fully explain the cost increases. The city's explanation, outlined in several meetings with Bronx residents in the past year, is that the cost of concrete, steel and other raw materials, and the cost of labor, have gone up by as much as 14 percent since the environmental statement was completed.

Mr. Lawitts said that the city has continually updated its estimates, but that no one anticipated the building boom for big projects in the metropolitan region, like the sports stadiums under construction, which has driven up the prices of materials. With four more years of construction ahead, the costs may well continue to rise above even the best estimates now.

On the nine-acre construction site, a vast amphitheater has been blasted out of an ancient stone called Fordham gneiss (pronounced nice), which now forms the pit's 10-story-high walls. Trucks carrying concrete — behemoths when they rumble through city streets — look like toys inside the pit. The pipe that will bring in untreated water from the Croton reservoir system is 12 feet in diameter. The two outflow pipes have 9-foot diameters. The water will be purified in a “stacked dissolved air flotation system”; that, said the project manager, Bernard J. Daly, is standard technology and uses several layers of filters to remove impurities, but is being done here on a gigantic scale.

The city was forced to build the plant because water from the Croton watershed did not meet federal standards for safety and purity. Although the Croton system can supply nearly 30 percent of the city's 1.1 billion gallons a day of drinking water, generally it supplies just 10 percent, mostly in the Bronx and northern Manhattan. The rest of the city's water comes from the Catskill Mountains and the Delaware River, and is so clean that the city last year won a 10-year exemption from federal regulations requiring that all surface drinking water be filtered.

Opponents of the Bronx plant have also expressed concern about the federal indictment in February of a key manager for the Schiavone Construction Company, which was the principal contractor responsible for digging the pit and putting in the water tunnels. The company's offices were raided by federal agents, who seized files, and the manager, Anthony Delvescovo, was charged with having committed extortion beginning in February 2005 — around the time that work was beginning on the Croton project.

Mr. Delvescovo's lawyer, Avi Moskowitz, said he would fight the charges. “The government has produced hundreds and hundreds of hours of consensually recorded conversation, none of which involve him, and we expect that at the end of the day, when he has his day in court, he will be completely exonerated,” Mr. Moskowitz said.

Officials say the indictment of Mr. Delvescovo has not had any effect on the project, and the Schiavone company continues to work on the tunnels.

Mr. Dinowitz has called for an independent investigation by the Bronx district attorney and others into every aspect of the filtration plant, saying the cost of the project has a direct impact on water rates. Officials announced this month that they would ask for a rate increase of 14.5 percent, higher than expected, to take effect July 1.

“There may be nothing here, but it smells,” the assemblyman said. “And the people who in the end are going to have to pay the price are the ratepayers.”