

Multiple Factors Contributed to the Delay in Constructing Combined Sewer Overflow Tanks at the Gowanus Canal Superfund Site in New York City

Why We Did This Audit

To accomplish this objective:

The U.S. Environmental Protection Agency Office of Inspector General conducted this audit to determine the status of the construction of the combined sewer overflow tanks at the Gowanus Canal Superfund site in Brooklyn, New York City. We initiated this audit in response to an OIG Hotline complaint and congressional interest. The hotline complaint alleged that New York City has failed to construct the tanks in a timely manner and that EPA Region 2 failed to enforce the administrative orders that require the Gowanus Canal Superfund site to have these tanks. These orders were issued pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, informally known as Superfund.

Combined sewer overflow tanks collect rainwater runoff, domestic sewage, and industrial wastewater and then transport this untreated water to a treatment plant. Such tanks would thus act to prevent untreated water from flowing into the Gowanus Canal.

Superfund authorizes the EPA to oversee the cleanup of contaminated sites. The Gowanus Canal Superfund site is contaminated by multiple pollutants that may cause cancer and other health effects.

To support this EPA mission-related effort:

· Cleaning up and revitalizing land.

To address this top EPA <u>management</u> challenge:

 Maximizing compliance with environmental laws and regulations.

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List of OIG reports.

What We Found

Construction of the two combined sewer overflow, or CSO, tanks for the Gowanus Canal Superfund site is approximately six-and-a-half years behind the original schedule, based on a comparison of Region 2's estimated project timelines in the 2013 Record of Decision, or ROD, that detailed the selected remedy for cleaning up the site against the revised project milestones outlined in a 2021 administrative order. Multiple factors contributed to this delay:

- New York City and Region 2 disagreed about important aspects of the ROD's CSO remedy, including CSO tank design and siting. They also disagreed about the estimated costs and schedule for constructing the CSO tanks.
- New York City and Region 2 agreed years after the ROD was issued that the city could acquire privately owned land via eminent domain rather than siting the tanks on city-owned land, as initially recommended by Region 2.
- Despite waiving its right to change the CSO tank remedy, the city spent approximately two years designing a CSO tunnel in lieu of tanks, and Region 2 spent another year evaluating and ultimately denying the CSO tunnel design.
- New York City defunded design efforts for the smaller Owls Head tank for about four years and allocated those funds to the larger Red Hook tank design.
- Region 2 required New York City to salvage building materials from existing structures at the larger CSO tank site after the city had completed a significant portion of the design work. This caused an approximate two-year delay.
- Region 2 waited until 2021 to issue an administrative order that cited New York
 City's noncompliance with prior administrative orders and required the city to
 construct the CSO tanks by specific dates.

The causes for the delay occurred primarily before 2021, and Region 2 told us in February 2024 that "the city's current level of performance on the [CSO] tank projects has been highly satisfactory." The past delay, however, has prolonged exposures to contaminants in the Gowanus Canal, and could result in increased costs, such as redredging the canal. As of this audit, the project cost is estimated to be more than \$1 billion—a more than 1,300-percent increase from Region 2's original estimate.

CSO tank construction delays may increase taxpayer costs to complete the cleanup remedy at the Gowanus Canal Superfund site and prolong community exposure to contaminants.

Recommendations and Planned Agency Corrective Actions

We recommend that the regional administrator for Region 2 closely monitor CSO tank construction progress and take immediate action if New York City does not meet the construction requirements and milestones listed in the 2021 administrative order. We further recommend that Region 2 keep the community surrounding the Gowanus Canal apprised of the city's progress. The Agency agreed with our recommendations and provided acceptable planned corrective actions and estimated completion dates. We consider the recommendations resolved with corrective actions pending.