



# Environmental Facilities Corporation

ANDREW M. CUOMO  
Governor  
SABRINA M. TY  
President and CEO

September 18, 2017

Honorable Thomas P. DiNapoli  
Comptroller  
Office of the New York State Comptroller  
110 State Street  
Albany, New York 12201

**RECEIVED**  
EXECUTIVE CORRESPONDENCE

SEP 25 2018

OFFICE OF THE STATE COMPTROLLER  
THOMAS P. DINAPOLI  
COMPTROLLER

RE: Green Innovation Grant Program (GIGP) Audit 2017-S-19  
Response to Final Report Findings and Recommendations

Dear Comptroller DiNapoli:

Pursuant to Section 170 of New York State Executive Law, I hereby report the steps the New York State Environmental Facilities Corporation (EFC) has taken to implement the recommendations of the Office of the State Comptroller's (OSC) final audit report 2017-S-19 entitled, "Monitoring the Green Innovation Grant Program."

The recommendations contained in OSC's final audit report are set forth below. EFC has taken action to address the recommendations as follows:

Final Report Recommendation #1 – Implement steps to increase the completion of site visits during the 50 to 75 percent completion window.

The goal of site visits is primarily to ensure that projects are being constructed in accordance with approved plans and specifications. EFC strives to use the most cost-effective means to ensure that projects are constructed in accordance with approved plans and specifications.

Oftentimes, site visits during the 50 to 75 percent completion window are not the most cost-effective means to achieve the goal of monitoring project progress. For instance, EFC obtains numerous photographs per project showing key aspects of each project and documenting progress to completion. Many of these photographs fall within the 50 to 75 percent completion timeframe and verify proper project construction.

Although the proper timing for a site visit should always be determined on a case-by-case basis, based on the findings of the audit report, EFC has refocused its efforts to ensure more site visits occur during the 50 to 75 percent completion window when appropriate.

Final Report Recommendation #2 – Develop and implement a plan for post-construction monitoring.

The audit's findings demonstrated that there were no instances of critical maintenance issues at any of the sampled project sites.

Nonetheless, EFC has increased its monitoring of certain key aspects of grantee post-construction compliance. For example, EFC no longer releases retainage to grantees until they provide proof that proper signage has been installed at the project site.

Since the audit, EFC has evaluated its post-construction monitoring procedures and believes that they are adequate. Post-construction monitoring is not a Clean Water State Revolving Fund or federal Green Project Reserve requirement and is only cost-effective when meaningful results can be obtained. Based on the findings of the audit report, EFC continues to believe that meaningful results are being achieved with the current level of post-construction monitoring.

Final Report Recommendation #3 – Remind grantees of their responsibility to maintain their projects.

The GIGP grant application clearly lists all GIGP requirements and explicitly references long-term maintenance. The GIGP Grant Agreement signed by every grantee requires, among other things, that grantees maintain the project after construction. Additionally, all final retainage release letters also remind grantees of the obligation to maintain their GIGP project.

Nonetheless, based on the recommendation of the audit report, EFC added a new section to the standard GIGP Feasibility Study dedicated to operation and maintenance. This new section requires grantees to provide a detailed maintenance plan for the project.

In addition, going forward the GIGP webinar available to all GIGP applicants will include a section regarding the importance of properly maintaining green infrastructure practices, including GIGP project maintenance requirements.

Sincerely,



Sabrina M. Ty  
President and CEO

cc: Basil Seggos  
Kenneth Lynch  
Michael Malinoski  
Brian Hahn