



ANDREW M. CUOMO  
Governor

Thruway  
Authority

Canal  
Corporation

JOANNE M. MAHONEY  
Chair

ROBERT L. MEGNA  
Executive Director

August 21, 2015

Honorable Andrew Cuomo  
Governor, State of New York  
State Capitol, Executive Chamber  
Albany, NY 12224

Dear Governor Cuomo:

On behalf of Chair Mahoney, I am submitting the following response to the Office of State Comptroller's Audit Report (2014-S-45) – Canal Corporation Infrastructure Inspection and Maintenance. The purpose of this audit was to determine whether: 1) all structures determined to be of high- and intermediate-importance are periodically inspected in accordance with Canal Corporation (Corporation) inspection scheduling procedures; and, 2) maintenance activities are prioritized based on inspection results.

**Recommendation:**

***Promptly conduct inspections of any high- and intermediate-importance structures that have never had inspections or where significant time has elapsed since the last inspection.***

**Response:**

The Corporation has conducted inspections and addressed the backlog for high and intermediate-importance structures. The Corporation has also suspended the internally imposed two-year requirement for structural inspections prescribed by the current Canal Structure Inspection Manual. The Corporation is finalizing a new, risk-based inspection schedule matrix and expects to formally revise the Canal Structure Inspection Manual accordingly this fall.

**Recommendation:**

***Account for the Corporation's true inspection program resource needs and incorporate them into budget requests.***

**Response:**

Responsibility for the Corporation's structural inspection program has been transferred to the Thruway Authority's Department of Engineering (Engineering). A comprehensive review of the program's resource needs is underway

and being conducted by Engineering. With the assistance of the Corporation resource needs identified to date were incorporated into Engineering's 2016 budget request.

**Recommendation:**

***Enter into a formal agreement with DOT that covers inspection responsibilities for all State-owned Canal System bridges and adhere by its provisions.***

**Response:** The Corporation has reached an agreement in principle with the Department of Transportation (DOT) clarifying responsibilities for movable bridges over the Canal System. This agreement places inspection responsibility with DOT. Corporation and DOT attorneys are currently finalizing this agreement.

**Recommendation:**

***Improve the process for prioritizing infrastructure maintenance by taking the following steps, including but not limited to:***

- ***Ensuring all high- and intermediate-importance structures, and all inspection results, are considered when deciding on maintenance priorities and capital plans.***
- ***Implementing reliable maintenance prioritization tools to identify the highest repair priorities for improving the overall condition of the Canal System and maximizing the impact of capital investments while balancing safety, operational, and legal considerations.***
- ***Using the Canal Infrastructure Management System (CIMS) and other available maintenance prioritization tools to develop maintenance schedules and capital plans, and documenting the basis for decisions.***

**Response:**

The Corporation is integrating these recommendations in day-to-day operations and implementing enhancements to CIMS. The Corporation will continue to incorporate inspection results and integrate all available tools to fully support the professional judgment and decision making of the Corporation's engineering and executive staff.

**Recommendation:**

***Routinely re-evaluate whether the Canal System's current maintenance and capital plans target funding toward its most pressing needs, and redirect funding when necessary.***

**Response:**

This recommendation continues to be addressed through the ongoing Thruway Authority and Canal Corporation budget and fiscal management processes.

**Recommendation:**

***Work with the Thruway Authority to develop a realistic, long-term, detailed strategic and financing plan aimed at improving the overall condition of the Canal System's infrastructure while also dealing with emergency response. As part of this process, take the necessary steps to:***

- ***Seek all available funding for infrastructure repair and promptly meet funding reimbursement requirements.***
- ***Ensure the Thruway Authority Board of Directors and other State decision makers are aware of the Canal System's most critical maintenance needs when making funding decisions.***

**Response:**

As stated in the official response to the report, the Corporation will continue to seek all available funding for infrastructure repair, and promptly meet funding reimbursement requirements. All decisions made relative to funding the Corporation's maintenance and capital programs will be fully informed by an accurate assessment of the Canal's most pressing needs.

Incorporating the recommendations of Report 2014-S-45, and utilizing the resources of both the Thruway Authority and Canal Corporation to greatest efficiency and advantage, we will continue to enhance the way we preserve, maintain, and operate one of New York State's most iconic and enduring treasures.

Sincerely,



Robert L. Megna  
Executive Director

Cc: Thomas P. DiNapoli, NYS Comptroller  
Senator John J. Flanagan, Temporary President of the Senate  
Senator John A. DeFrancisco, Deputy Majority Leader for Legislative Operations & Chair, Senate Finance Committee  
Senator Jeffrey D. Klein, Independent Democratic Conference Leader  
Speaker Carl E. Heastie, Assembly Speaker  
Assemblymember Joseph D. Morelle, Assembly Majority Leader  
Senator Andrea Stewart-Cousins, Democratic Conference Leader  
Senator Liz Kruegar, Ranking Democratic Member, Senate Finance Committee  
Assemblymember Herman D. Farrell, Jr., Chair, Assembly Ways and Means Committee  
Assemblymember Brian M. Kolb, Assembly Minority Leader  
Assemblymember Bob Oaks, Ranking Member, Assembly Ways and Means Committee  
Mr. John Buyce, Audit Director, Office of the State Comptroller