

NEW YORK CITY WATER BOARD MEETING

AGENDA

Friday, November 18, 2011 - 8:30 A.M.

Location: New York City Department of City Planning
22 Reade Street, 1st Floor, Spector Hall
New York, New York 10007

1. Roll Call
2. Resolution: Approval of Minutes of October 7, 2011 Meeting
3. Resolution: Approval of Investment Guidelines and FY 2011 Report
4. Resolution: Approval of Updated Whistleblower Policy and Procedures
5. Presentation: Contracts Update
6. Presentation: Financial Update

NEW YORK CITY WATER BOARD

November 18, 2011

RESOLUTION

WHEREAS, the New York City Water Board (the “Board”) adopted Investment Guidelines to establish policies for the investment of its funds on May 2, 1986 and subsequently amended the Investment Guidelines on October 24, 1990 and February 14, 1997; and

WHEREAS, pursuant to the Investment Guidelines, the Board is required annually to review and approve both the Investment Guidelines and an Investment Report; and

WHEREAS, the Board has reviewed the Investment Guidelines as contained in the Fiscal Year 2011 Investment Report and finds both the guidelines and report to be reasonable and appropriate; it is therefore,

RESOLVED, that the Investment Guidelines and the Fiscal Year 2011 Investment Report, copies of which will be filed with the minutes of this meeting, are hereby approved.

NEW YORK CITY WATER BOARD

November 18, 2011

RESOLUTION

WHEREAS, the New York City Water Board (the “Board”) adopted a Whistleblower Protection Policy on September 15, 2006 pursuant to New York State Public Authorities Law (“PAL”) Section 2824-1 (e); and

WHEREAS, pursuant to Article 9, Title 12 of the PAL, the New York State Authorities Budget Office recently developed a model whistleblower protection policy to assist authorities in implementing an effective whistleblower protection program; and

WHEREAS, Board staff has incorporated the model policy in a revision of the Board’s whistleblower policy, and the Board has reviewed this proposed policy and finds it to be reasonable and appropriate; it is therefore,

RESOLVED, that the Board’s Whistleblower Policy and Procedures, a copy of which will be filed with the minutes of this meeting, is hereby adopted and effective immediately.



Contracts Update

November 18, 2011

Operational Excellence – “OpX” – Team

- ❖ OpX Team comprised of 14 Veolia staff & 26 DEP employees
 - Veolia staff assigned to operating bureaus
 - Additional 8-member Steering Committee comprised of senior management
- ❖ Global experts have been part of energy & procurement audits to date
- ❖ Held 1st Steering Committee meeting this Wednesday

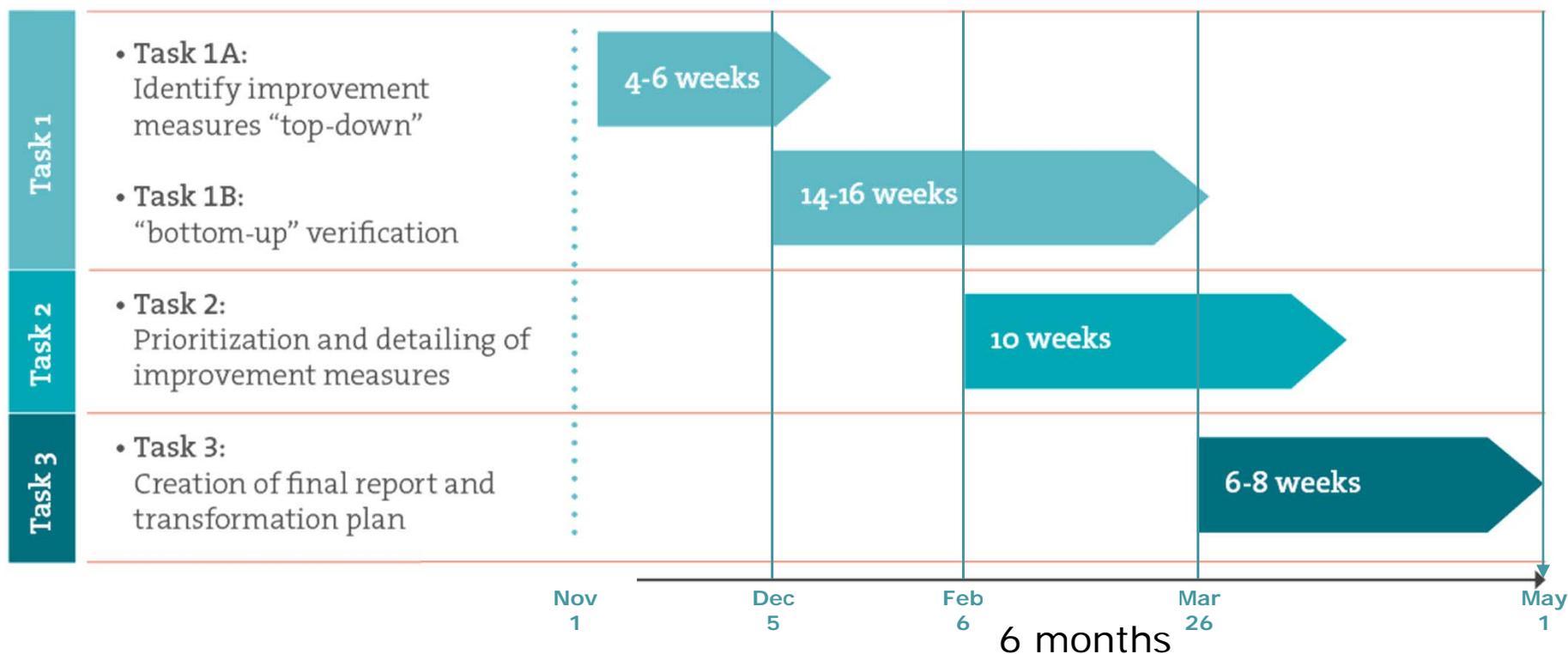


Operational Excellence – OpX

- ❖ Contract was signed November 1st
- ❖ Two-day kick-off workshop with Veolia & DEP teams November 1st & 2nd
- ❖ Meetings with union leaders on November 3rd & 17th



High-level work plan for Phase 1

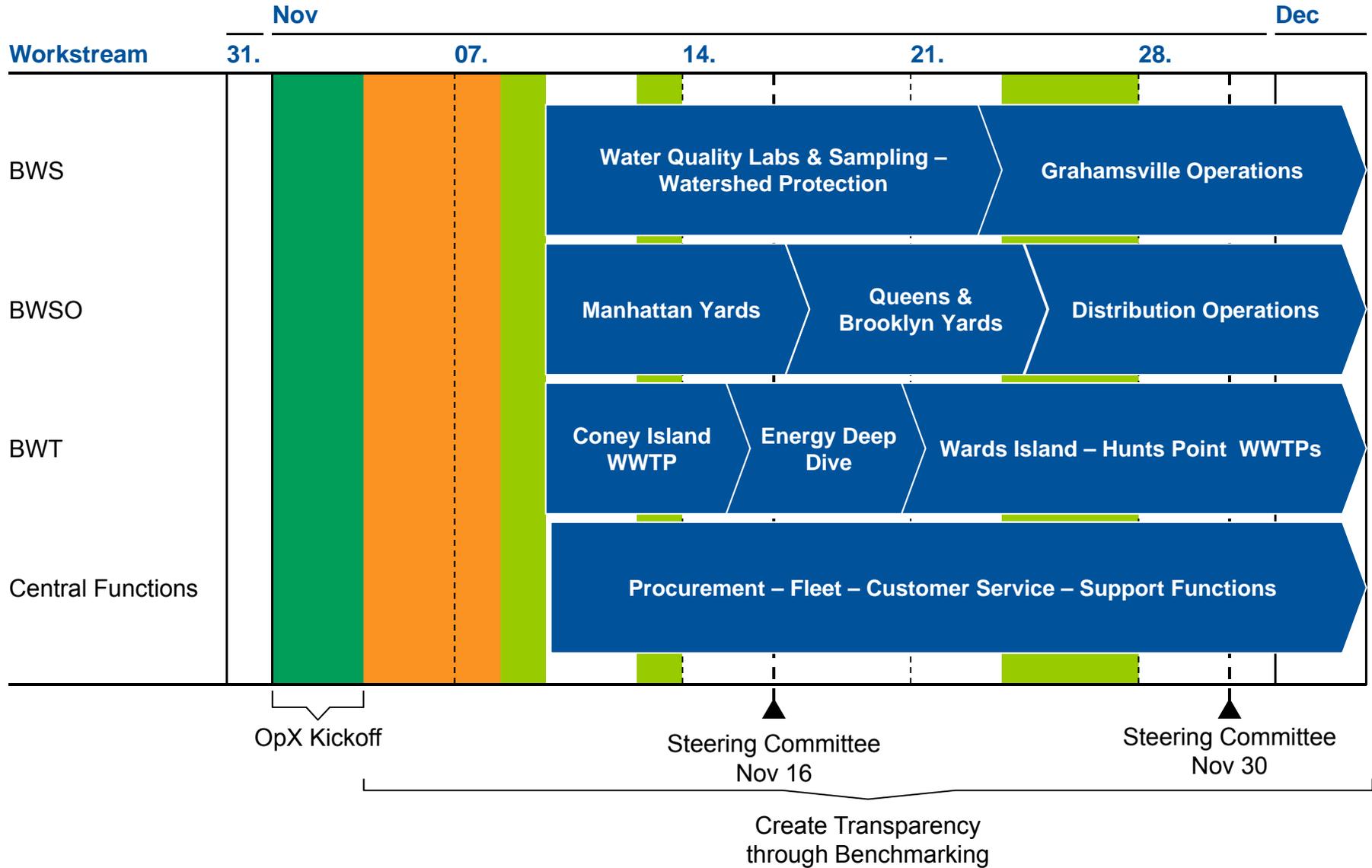


Bureau Benchmarking Plan

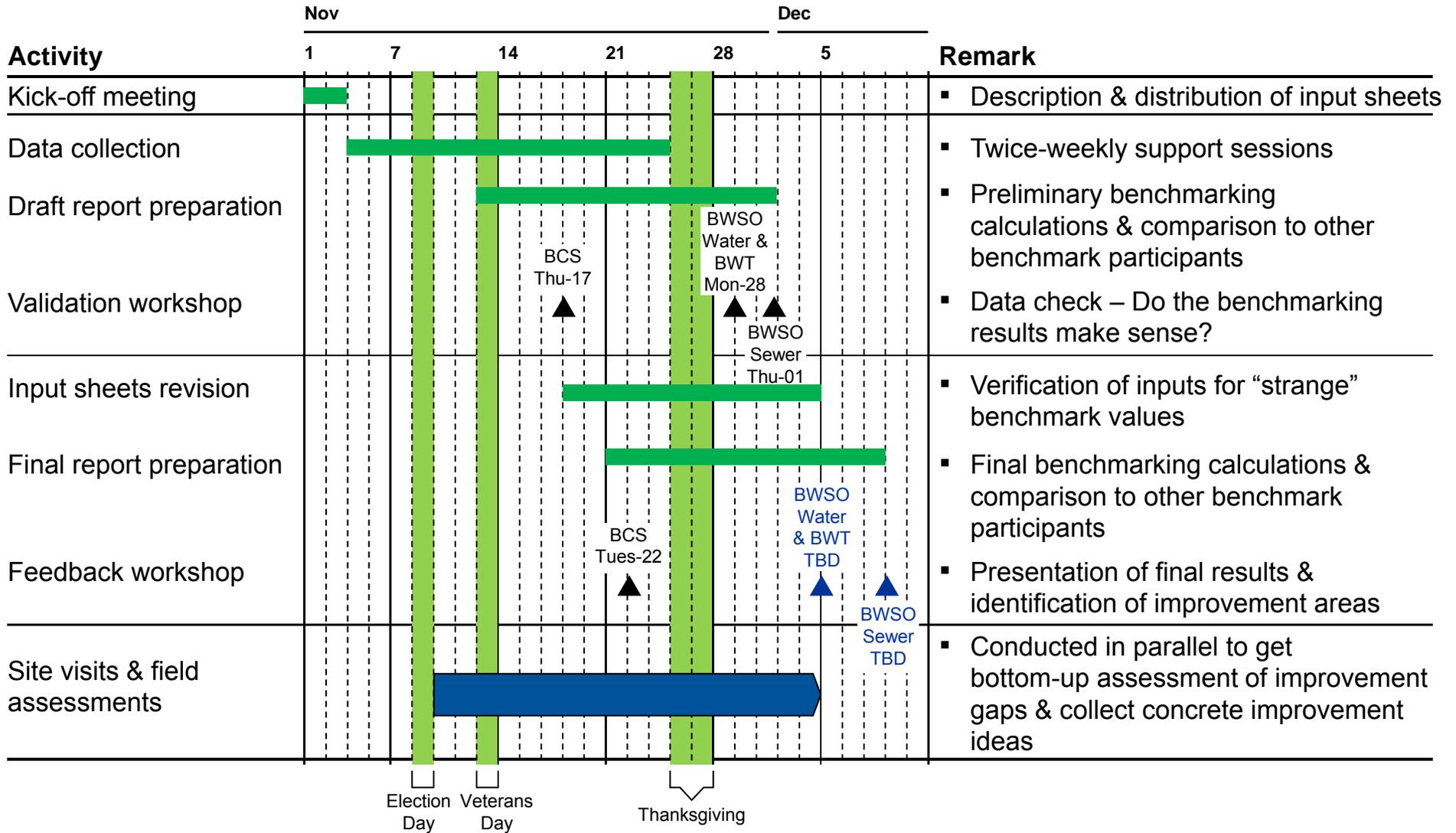


■ Holidays

❖ Top-down benchmarking process & initial site visits underway



Benchmarking Process



Amawalk

- ❖ Adapted rate model for September capital plan
- ❖ Analyzing Water for the Future capital costs
- ❖ Reconciling property lists of BCS' Customer Information System with DOF's FairTax system

Raftelis

- ❖ Working with BCS on frontage analysis
 - Evaluating simplified, per-dwelling-unit billing charge that will include conservation requirements
- ❖ Evaluating "rental" payments nationwide
- ❖ Surveying other utilities' large meter policies

Willis

- ❖ Assisting in review of Builders Risk coverage for Gilboa Dam damage incurred during Hurricane Irene
- ❖ Met with Assistant Commissioners of Bureau of Design & Construction (BEDC) for review of water & wastewater projects
 - Visited three facilities under construction
- ❖ Reviewing list of capital projects to determine scope & contractors utilized

Greenhill

❖ Catskill/Delaware UV Disinfection Facility – Alternative Operations

- Leading negotiated acquisition process with DEP's ACCO
 - PQL list determined Monday
 - Next steps – obtain MOCS approval & conduct site visits for PQL

❖ Wards Island Cogeneration

- Suggested analytical process for evaluating development options
 - DEP negotiations with State Office of Mental Health to determine demand profile are ongoing

KPMG

❖ Biosolids Procurement

- Participated in interviews & review of proposals
- DEP is proceeding with contract award process
 - Vendor's VENDEX submission is under review

❖ Hydroelectric Development

- Prepared preliminary financial analysis for draft FERC application filed September 20th
- Evaluating business case options



Water Board Financial Update

November 18, 2011

Revenue Collections – FY 2012

❖ Year-to-date collections are ahead of plan by \$8 million or 1%

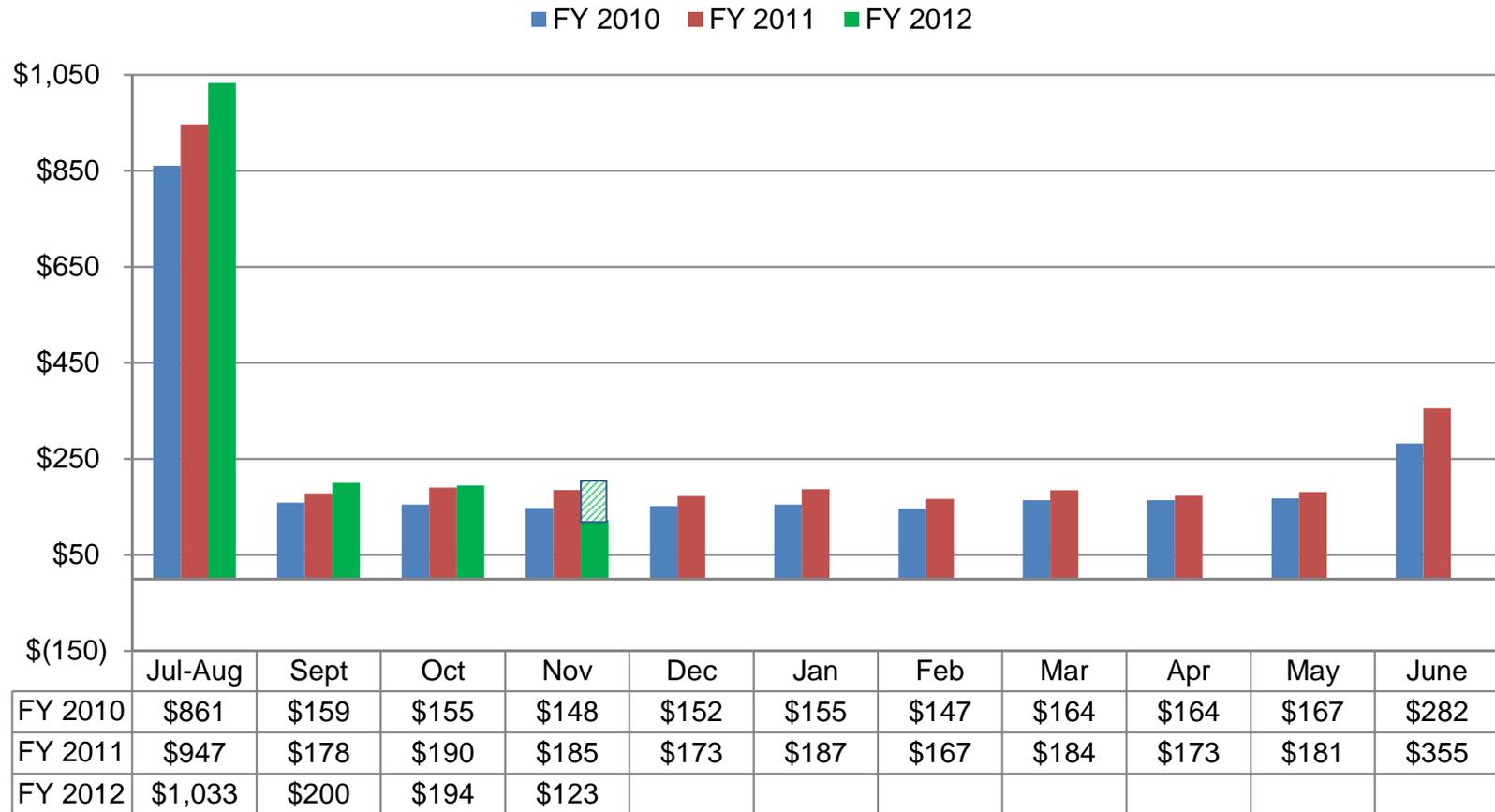
Revenue Collections vs. Plan (\$M)

	FY 2012 Collections	Prorated FY 2012 Plan	Difference in Amount	Percentage Difference
July - August	\$1,033	\$1,040	-\$7	-1%
September	\$200	\$191	\$9	5%
October	\$194	\$205	-\$11	-5%
November (11 collection days)	\$123	\$105	\$18	17%
Total	\$1,550	\$1,541	\$8	1%

	FY 2012 Plan through November	Amount Uncollected (YTD)	November Plan	Amount Uncollected (November)	Percentage Uncollected (November)	Per Day Collections to Make Plan
Total	\$1,627	\$78	\$191	\$69	36%	\$8

Revenue Collections

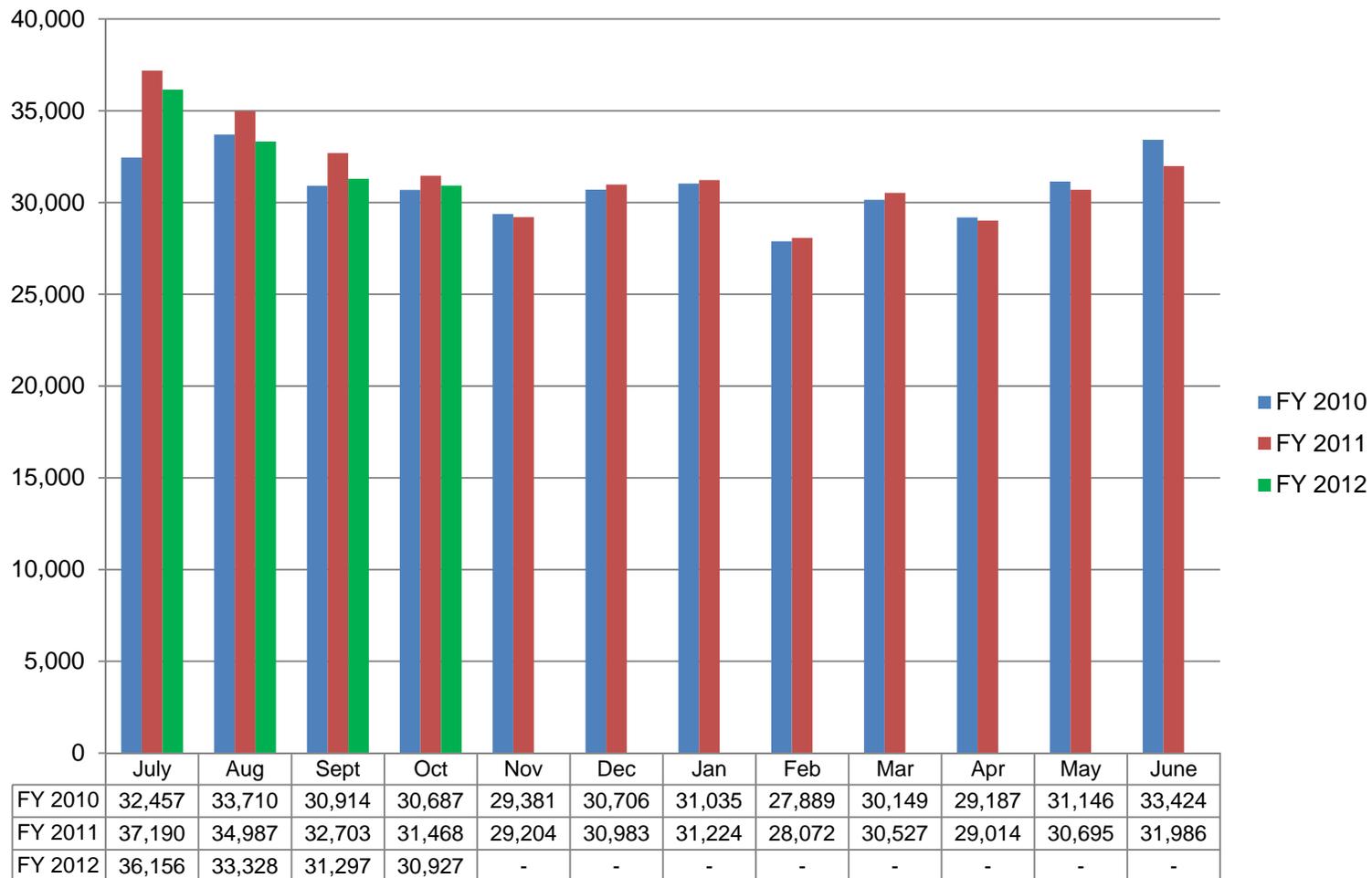
Monthly Revenue Collection – Year-Over-Year Comparison (\$M)



In-City Distribution

- ❖ For the first four months of FY 2012, DEP distributed 3.5% less water to customers than during the same period of FY 2011

Millions of Gallons of Water Distributed – Year-Over-Year Comparison

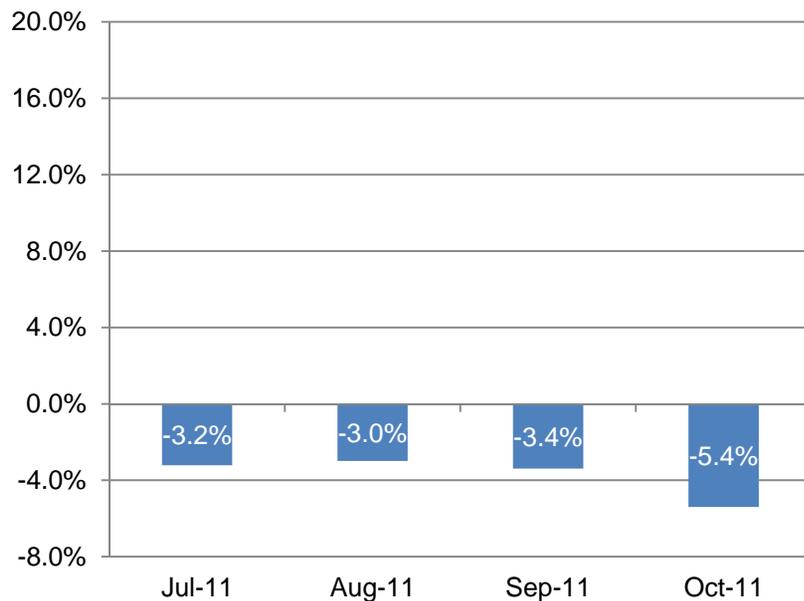


Data as of October 31, 2011

Change in Metered Consumption

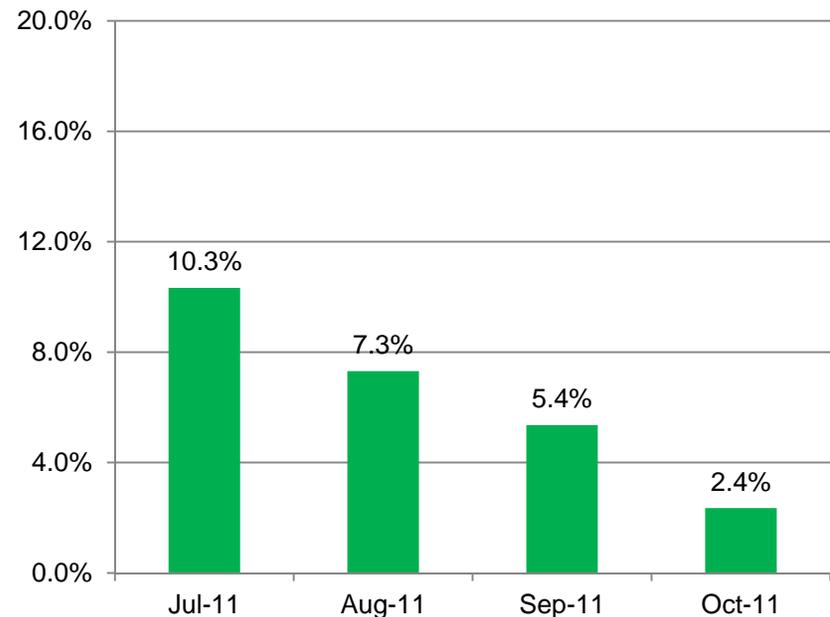
“Same-customer Sales” Year-over-year Comparison

1. Year-over-year percent change in billed consumption



Metered consumption year-over-year continued to fall in October

2. Year-over-year percent change in total billed dollar amount



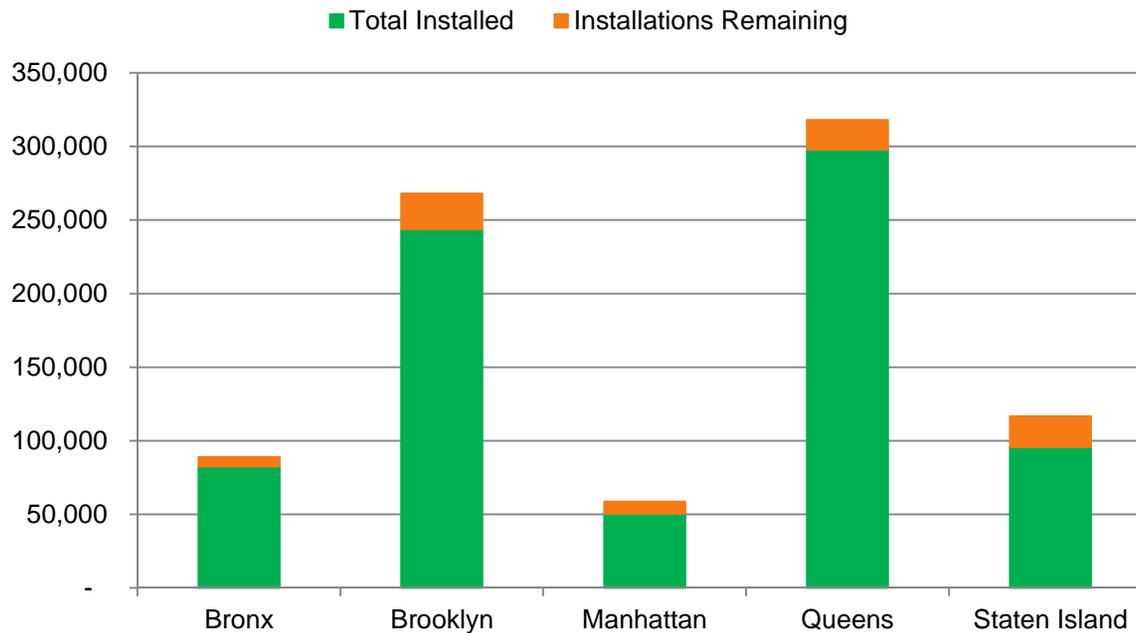
In October of FY 2012, we billed 2.4% more on a year-over-year basis

Wireless Meter Reading Update



Progress Towards Goal: DEP has installed wireless meter reading devices for 91% of accounts Citywide. Queens is the most built out borough, with 94% of wireless reading devices installed

Wireless Meter Reading Device Installations

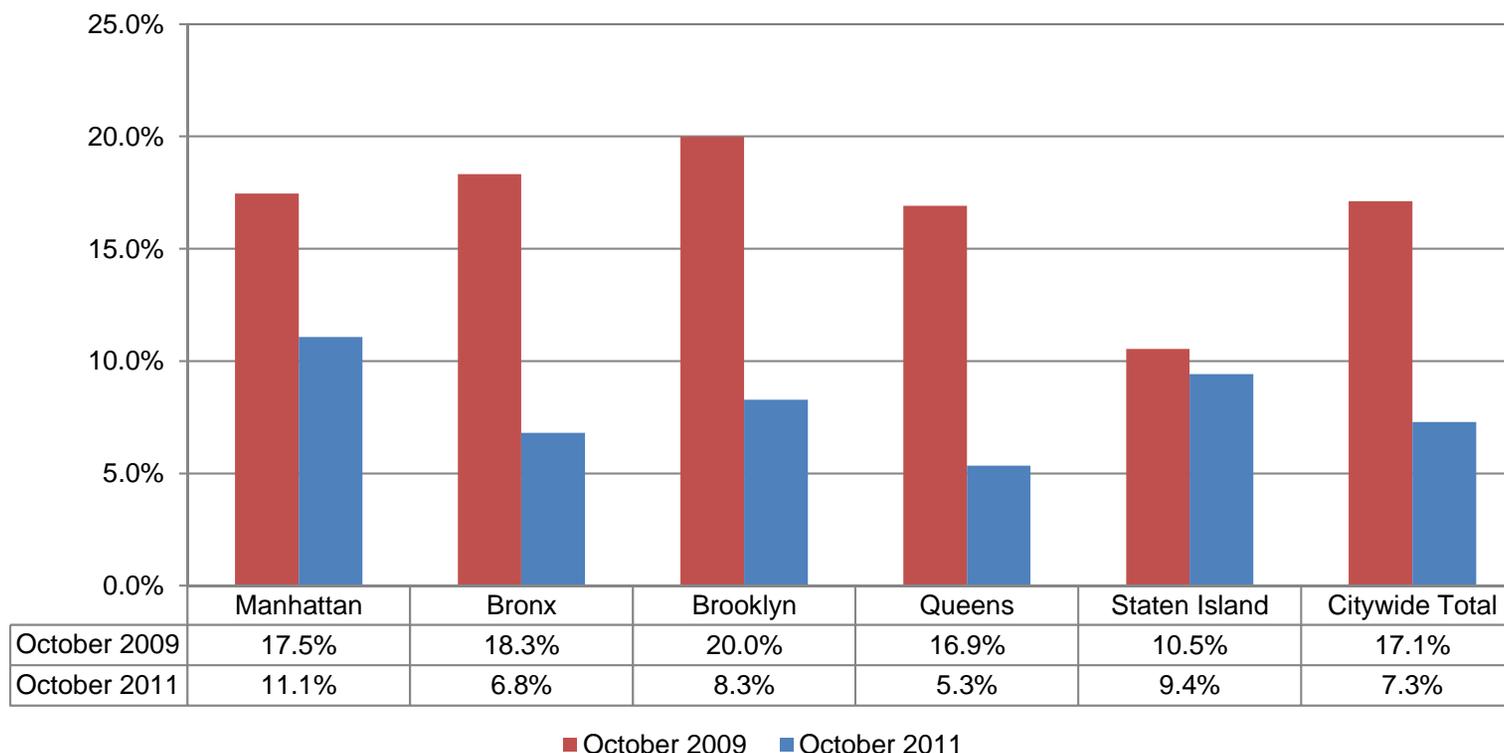


	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Citywide Total
Total Installed	82,388	243,796	50,540	297,878	95,579	770,181
Borough Target	89,039	268,112	58,605	317,980	116,544	850,280
% of Target Installed	93%	91%	86%	94%	82%	91%

Estimated Billing: Before and After AMR

Progress Towards Goal: Citywide, the percentage of estimated bills has dropped by 57% since October 2009 to 7.3% of all cycle bills

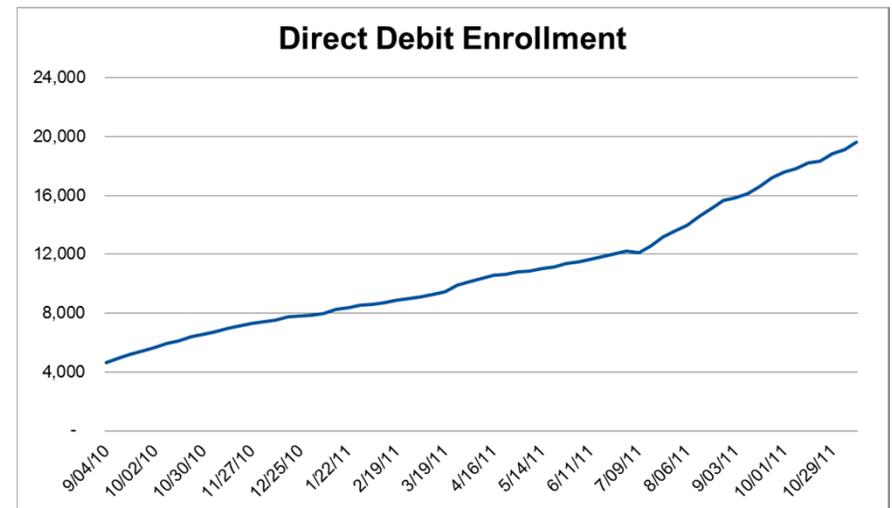
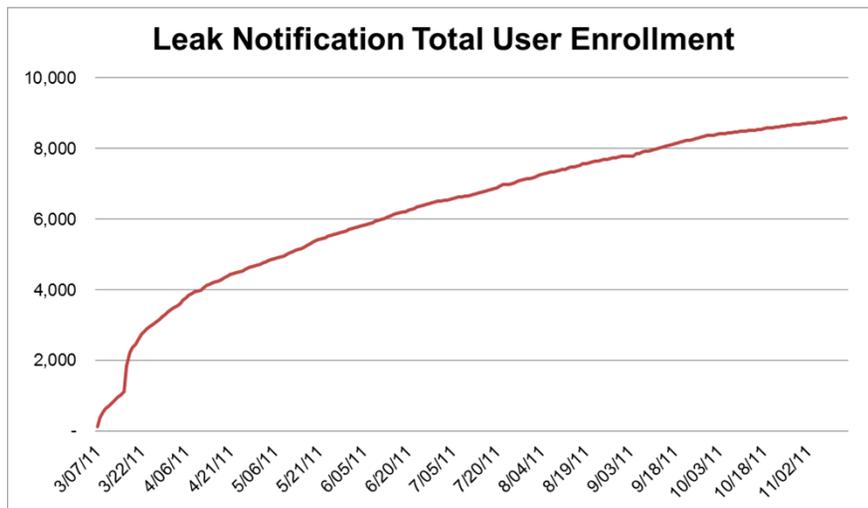
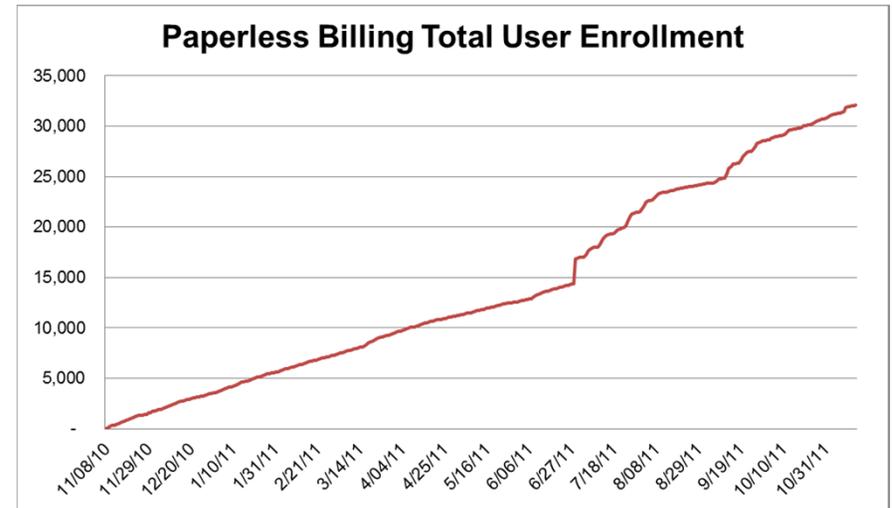
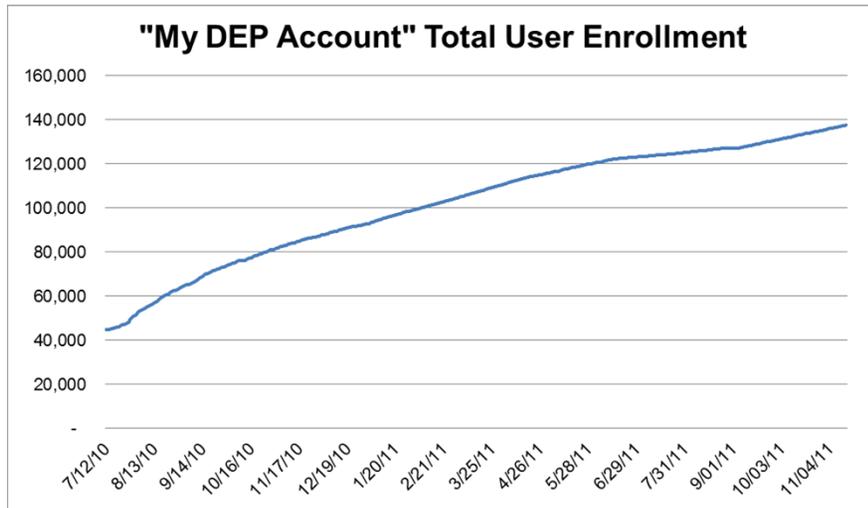
Estimated Bills: October 2009 to October 2011



DEP Online Initiatives



DEP Online Services	My DEP Account Total Enrollees	Direct Debit Users	Paperless Billing Users	Notification Users
Enrollees	137,603	19,615	32,095	8,859



Data as of November 15, 2011

* Includes users & accounts automatically registered at initiation

Direct Debit & Paperless Billing Enrollment



Direct Debit & Paperless Billing 2% Discount Enrollment

	Wk of 6/25/2011 & FY 2011 Totals	→	Wk of 11/12/2011 & FY 2012 YTD Totals
Total Enrolled	11,981		19,615
4 1/2 months of FY 2012 Enrollment			
Total Payments Received This Week	789		1,301
Value of Payments Received This Week	\$582,982		\$1,054,448
Discount Paid This Week	\$11,656		\$21,082
Cumulative # of Payments Received	26,882		21,739
Cumulative Amount of Payments Received	\$18,852,353		\$23,407,572
Cumulative Discount Paid	\$383,202		\$465,582