

NEW YORK CITY WATER BOARD MEETING

AGENDA

Friday, February 15, 2013 - 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 December 7, 2012 Meeting
3. Presentation: Financial Update
4. Motion to Proceed to Executive Session: Discussion of Potential Litigation



Water Board Update

February 15, 2013

Revenue Collections - FY 2013



- FY13 collections are ahead of plan by \$59 million

Revenue Collections vs. Plan (\$M)

Against FY 2013 Plan

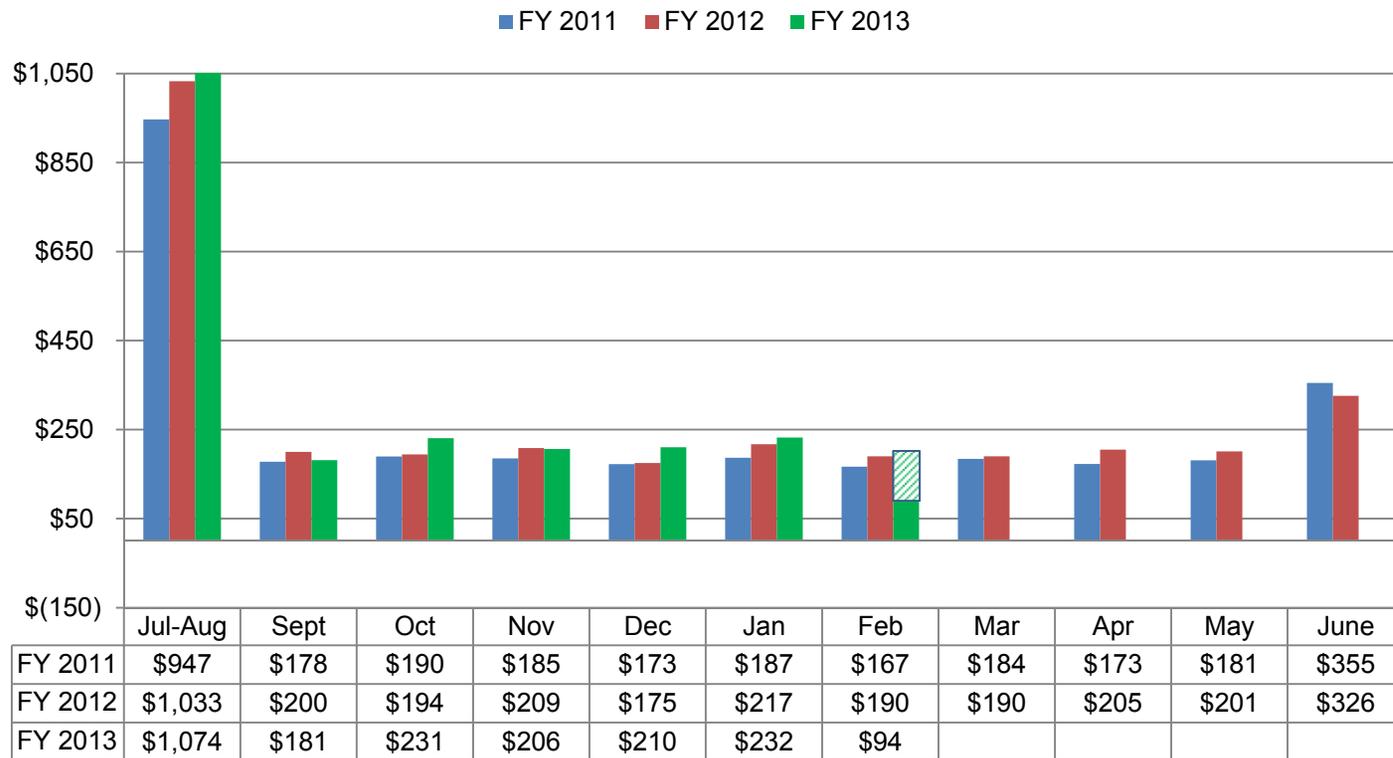
	FY 2013 Collections	Prorated FY 2013 Plan	Difference in Amount	Percentage Difference
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August	\$309	\$302	\$8	3%
September	\$181	\$204	-\$23	-11%
October	\$231	\$206	\$25	12%
November	\$206	\$205	\$2	1%
December	\$210	\$186	\$24	13%
January	\$232	\$212	\$21	10%
February (9 collection days)	\$94	\$91	\$3	3%
Total	\$2,229	\$2,170	\$59	3%

	FY 2013 Plan through February	Amount Uncollected (YTD)	February Plan	Amount Uncollected (February)	Percentage Uncollected (February)	Per Day Collections to Make Plan
Total	\$2,271	\$42	\$192	\$98	51%	\$10

Data as of February 13, 2013

Revenue Collections

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

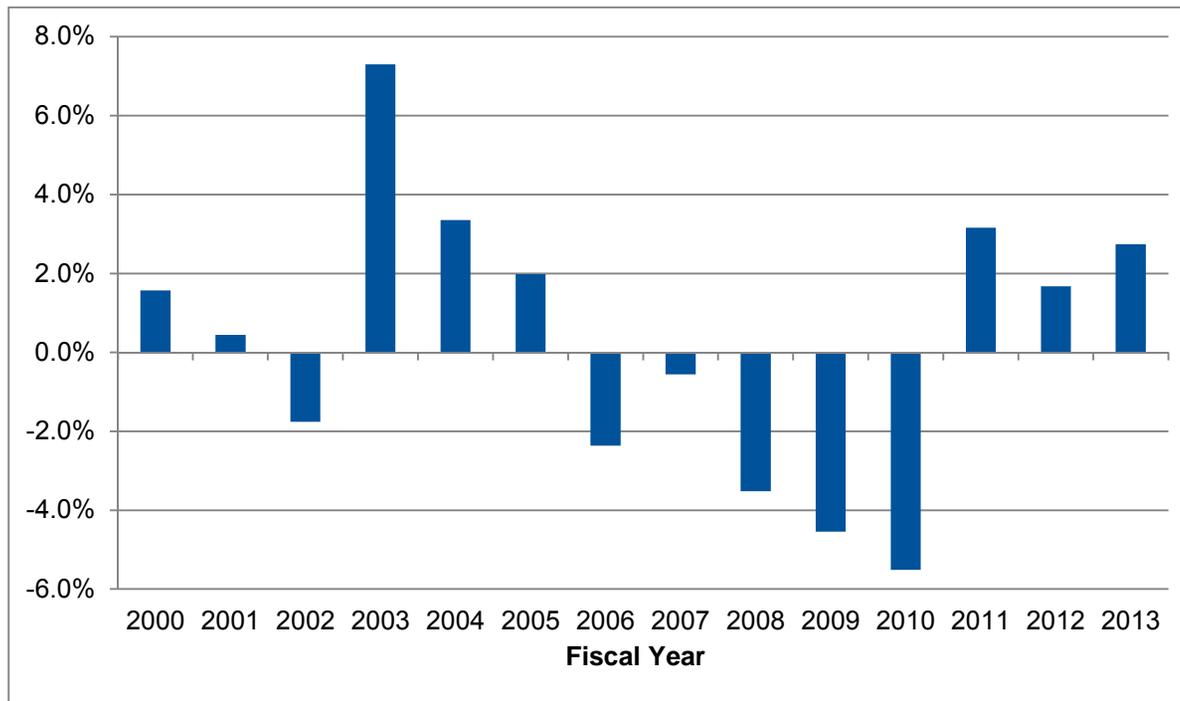


Revenue Collection – Historical Comparison



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Collections vs. Plan



Data through end of February 2000-2012; FY 2013 data as of February 13, 2013

In-City Distribution

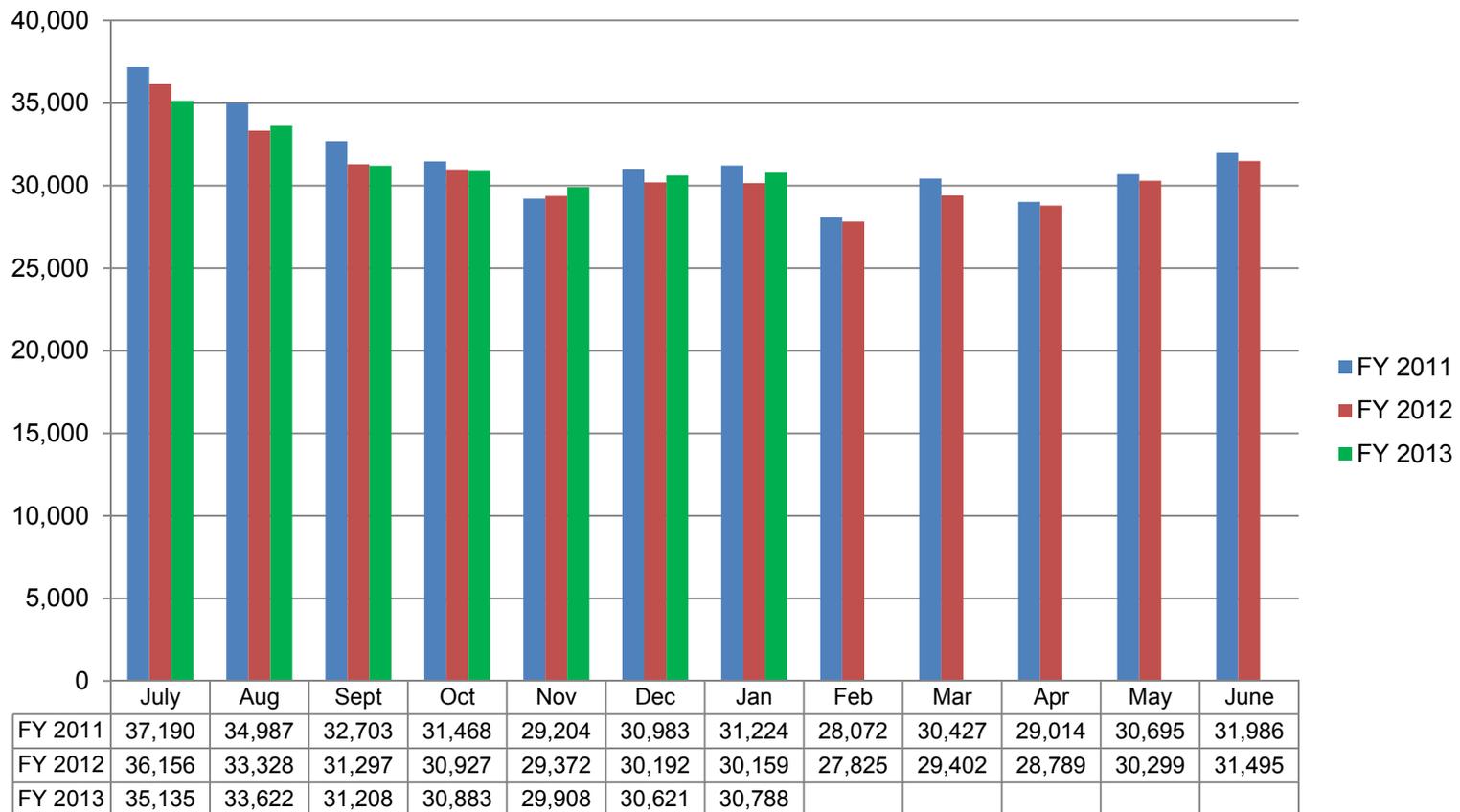
Millions of Gallons of Water Distributed

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May	30,695	30,299	-	-396	-1.3%
June	31,986	31,495	-	-491	-1.5%
July - January Total	227,759	221,431	222,165	734	0.3%

In-City Distribution

- FY 2013 to-date, DEP distributed 0.3% more water than during the same period of FY 2012, and 2.5% less water than in FY 2011

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



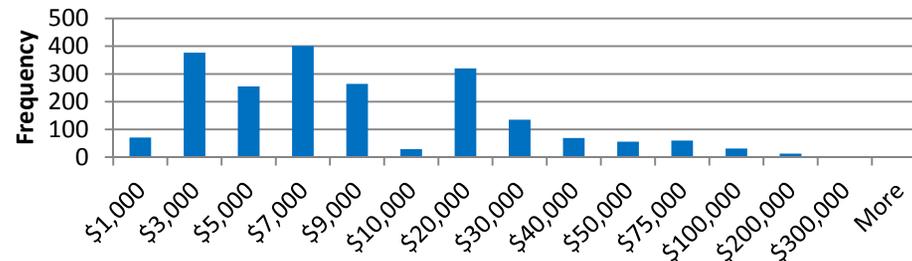
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Metered Conversion Comparison

- The pace of customers converting from flat rate to metered consumption charges initially accelerated in FY 2013 due to the MCP conversion
- 30,283 accounts were billed on the MCP rate in FY 2013; of these, 2,144 customers with annual charges of \$28.2 million have converted to metered charges

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May - January	1,853	\$17,174,333	2,144	\$28,187,282	16%	64%

Frequency vs. FY13 MCP Bill

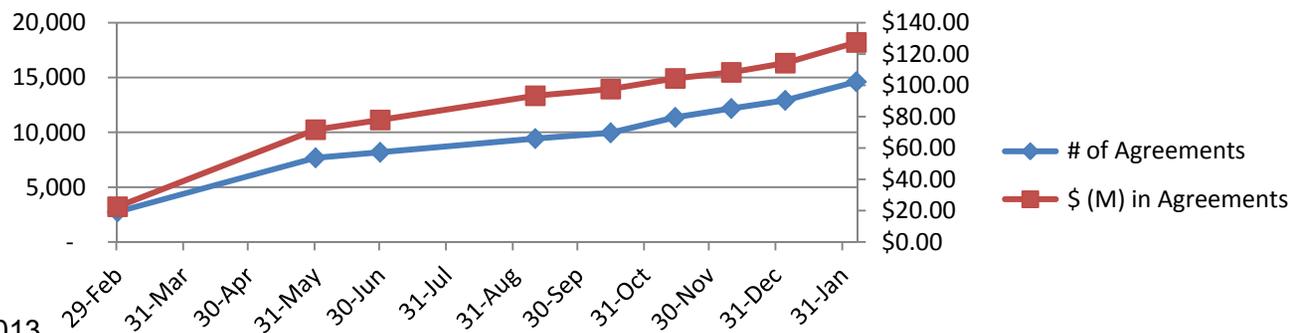


Revised Payment Agreement: Down Payments*



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Total	14,624	\$127.4	5%



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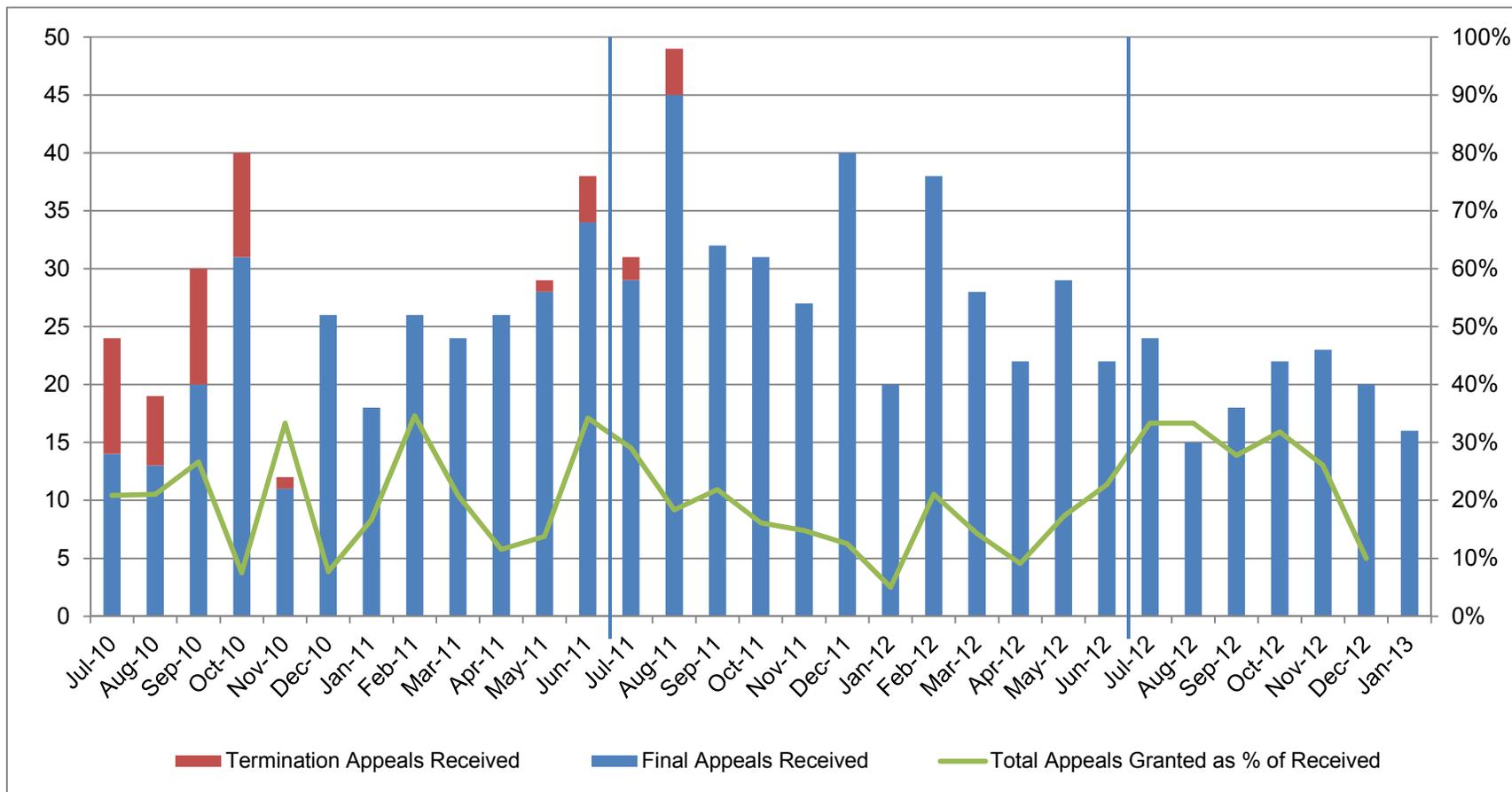
Lien Sale



- The 90-day notice was mailed on February 11, 2013
- Approximately 20,000 properties with \$217 million in outstanding chargers were noticed
- These customers have until May 16, 2013 to pay the charges they owe or enter into a payment agreement to avoid the lien sale
- Properties classified as Red or Yellow due to Sandy damage were excluded from the lien sale

	FY 2012 Lien Sale #2		FY 2013 Lien Sale		% Change	
	BBL Count	Lien Amount	BBL Count	Lien Amount	BBL Count	Lien Amount
90-Day Notice	15,449	\$150,779,801	19,924	\$216,824,488	29%	44%
60-Day Notice	10,643	\$92,705,003				
30-Day Notice	7,529	\$63,557,634				
10-Day Notice	5,628	\$50,383,592				
Regular Sale	855	\$8,213,312				
Subsequent Sale	305	\$2,538,570				
Total Sold	1,160	\$10,751,882				
Percentage Sold	8%	7%				

Final Appeals



	Final Appeals Received	Final Appeals Granted	Final Appeals Partially Granted	% Granted of Appeals Reviewed in FY	Termination Appeals Received	Termination Appeals Granted	Termination Appeals Partially Granted	% Granted of Appeals Reviewed in FY
FY 2010	227	13	13	11%	23	12	N/A	52%
FY 2011	271	13	36	18%	41	13	N/A	32%
FY 2012	363	19	42	17%	6	1	2	50%
FY 2013*	138	3	30	27%	0	0	0	0%

* Includes all appeals received through January 2013; 15 appeal decisions are pending as of February 6, 2013

AMR Installation Summary

Wireless Meter Reader Installations - Revised Goal*

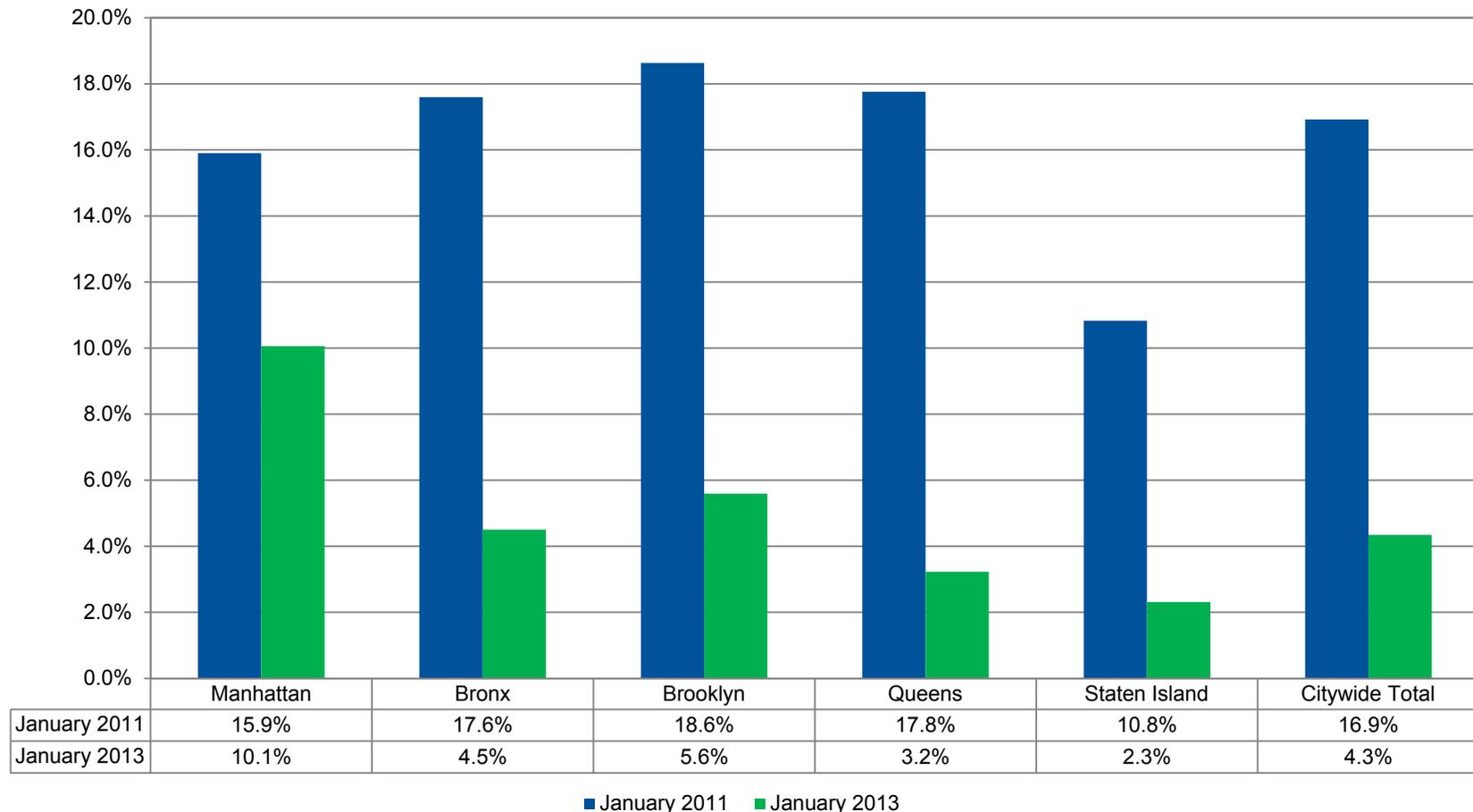
Borough	Total	Borough Target	Percent Complete
Manhattan	53,247	57,813	92%
Bronx	85,074	89,236	95%
Brooklyn	256,407	269,634	95%
Queens	311,085	320,466	97%
Staten Island	114,674	117,041	98%
Citywide Total	820,487	854,190	96.1%

- We have reached the 98% completion mark using the original citywide target
- Based on AMR data, DEP has mailed 26,526 letters and sent emails to 8,830 customers on leak notifications, saving customers what could have been \$29 million in leak-related charges

Estimated Bills: Before and After AMR

- DEP has installed 820,000 wireless reading devices, or 96% of target
- As a result, the percentage of estimated bills in January has dropped 74% since 2010 to 4.3% Citywide

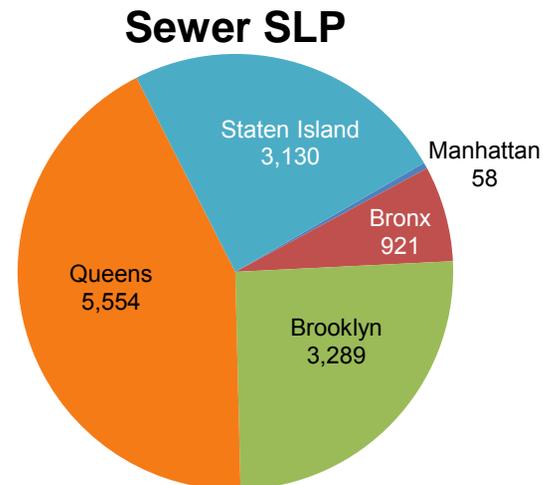
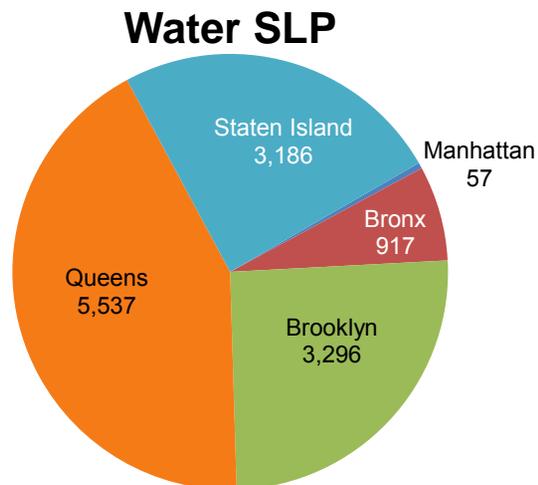
Estimated Bills: January 2011 to January 2013



Service Line Protection Programs

- 13,223 customers, or 2% of eligible customers, have enrolled in at least one of the Service Line Protection Programs

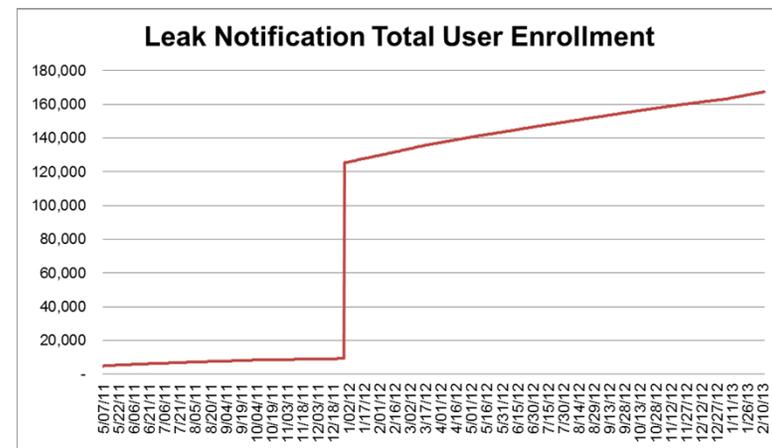
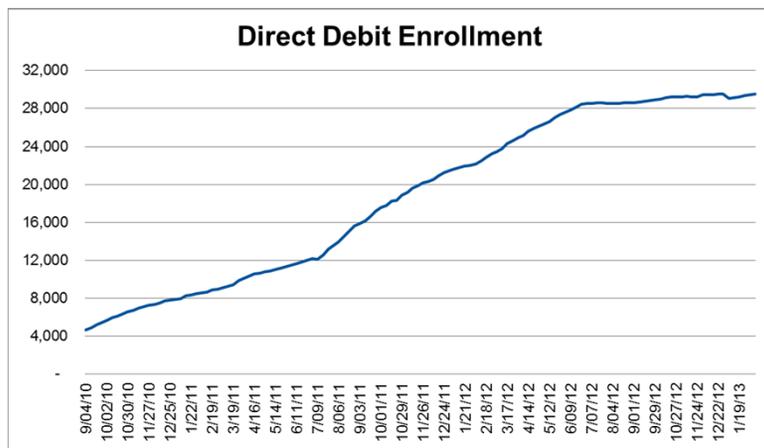
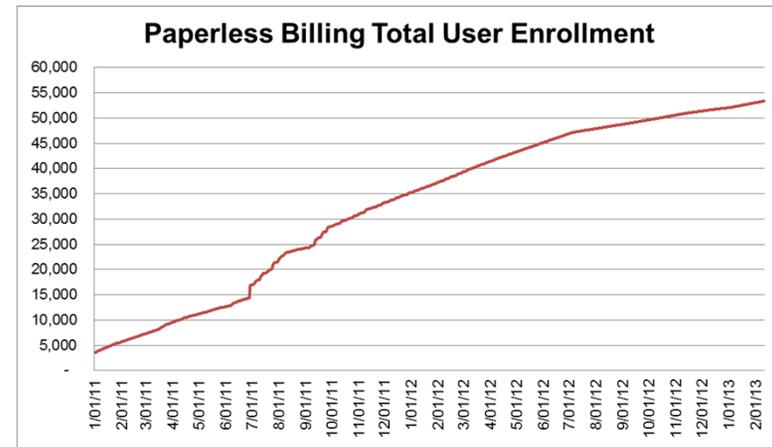
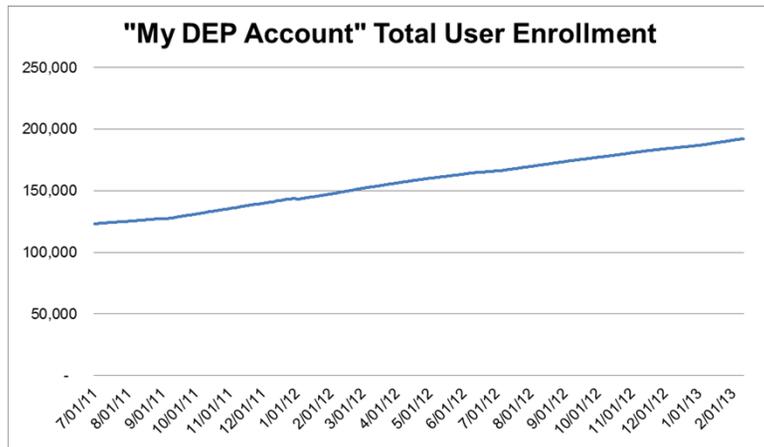
Borough	Total Eligible Customers	Enrolled in Water Program	% Enrolled in Water Program	Enrolled in Sewer Program	% Enrolled in Sewer Program
Manhattan	23,664	57	0%	58	0%
Bronx	60,464	917	2%	921	2%
Brooklyn	205,598	3,296	2%	3,289	2%
Queens	261,646	5,537	2%	5,554	2%
Staten Island	101,614	3,186	3%	3,130	3%
Citywide Total	652,986	12,993	2%	12,952	2%
Single Program		271		230	
Both Programs		12,722		12,722	



DEP Online Initiatives



DEP Online Services	My DEP Account		Direct Debit	Paperless	Leak
	Total Enrollees	Total Accounts	Users	Billing Users	Notification Users
Enrollees	197,996	256,162	29,503	47,195	166,163



OpX – Impact Projections

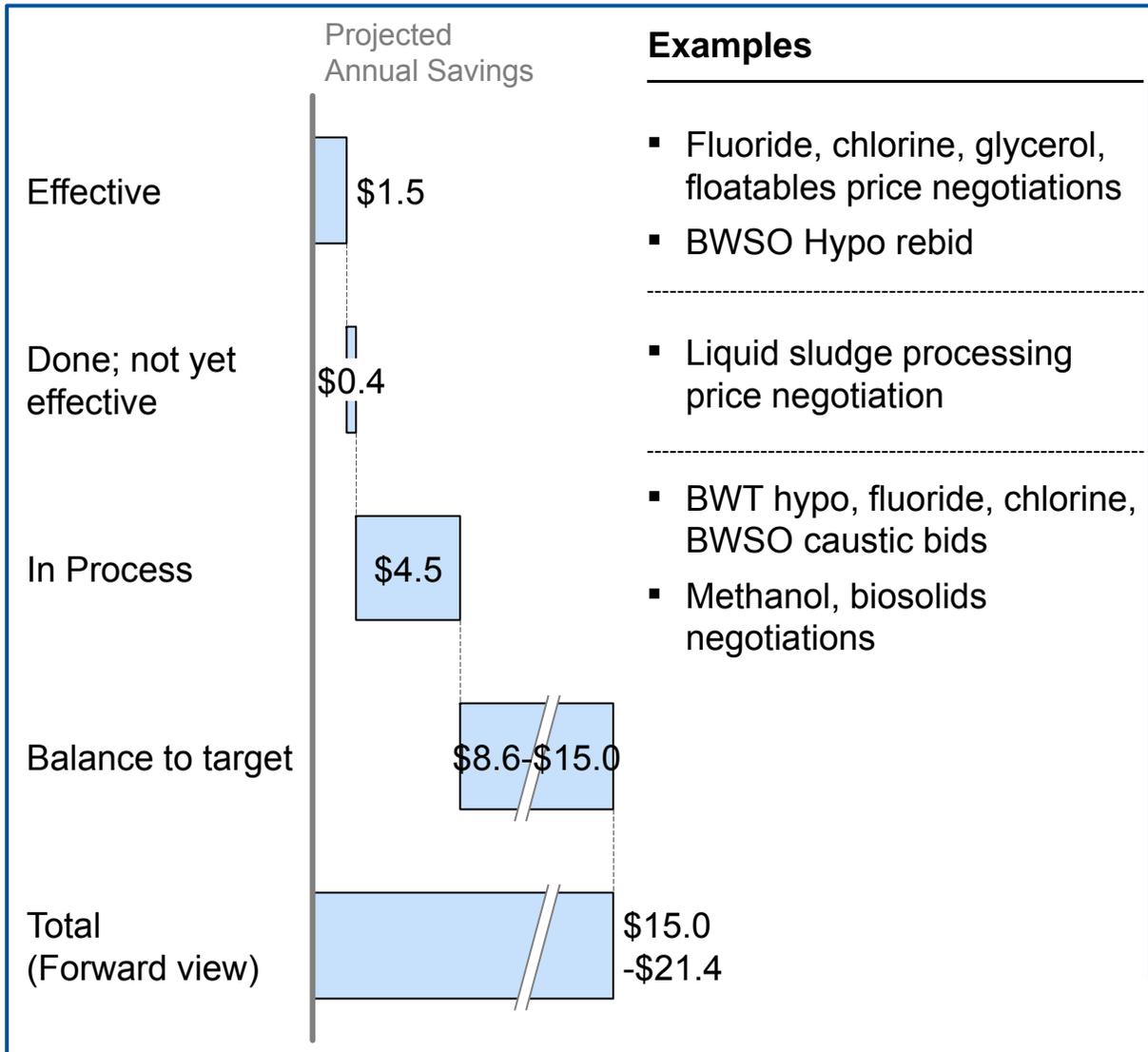
Annual Impact of Implemented Initiatives (\$ in millions)



	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Cumulative Effective Benefits, \$M*	0.84	1.18	1.59	2.01	2.46	3.19	4.05	5.05

* Cumulative effective benefits includes all cash benefits since the beginning of the OpX program, including benefits implemented in FY 2012
Note, February 2013 numbers are preliminary

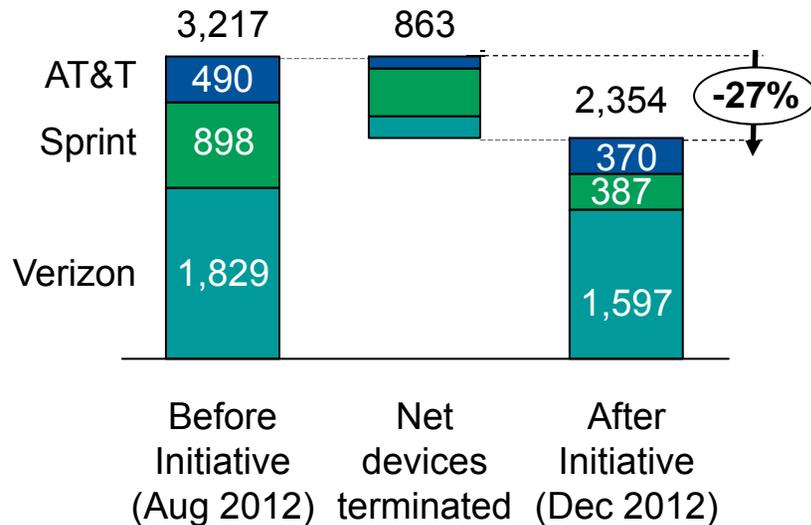
OpX – Procurement Initiatives



- Four different mechanisms have been used to drive value:
 - A Renegotiate contracts** to capture quick win savings
 - B Improve bid structure** to better reflect DEP demand and market characteristics
 - C Reduce unnecessary demand**
 - D Build capability** in employees to improve outcomes
- Continue to identify new opportunities to improve procurement outcomes in Phase 2 of OpX, including:
 - Routing demand for biosolids disposal contracts in most optimal pattern

Wireless Devices

Wireless device inventory (phones, smartphones, data devices)



- Termination of 863 devices and a review of all devices to match service plans to usage will save DEP ~\$500k per year
- New wireless device policy developed
- Monthly management dashboard drafted

Expanding approach to other assets

Approach to reducing unnecessary demand built upon asset management best practices:

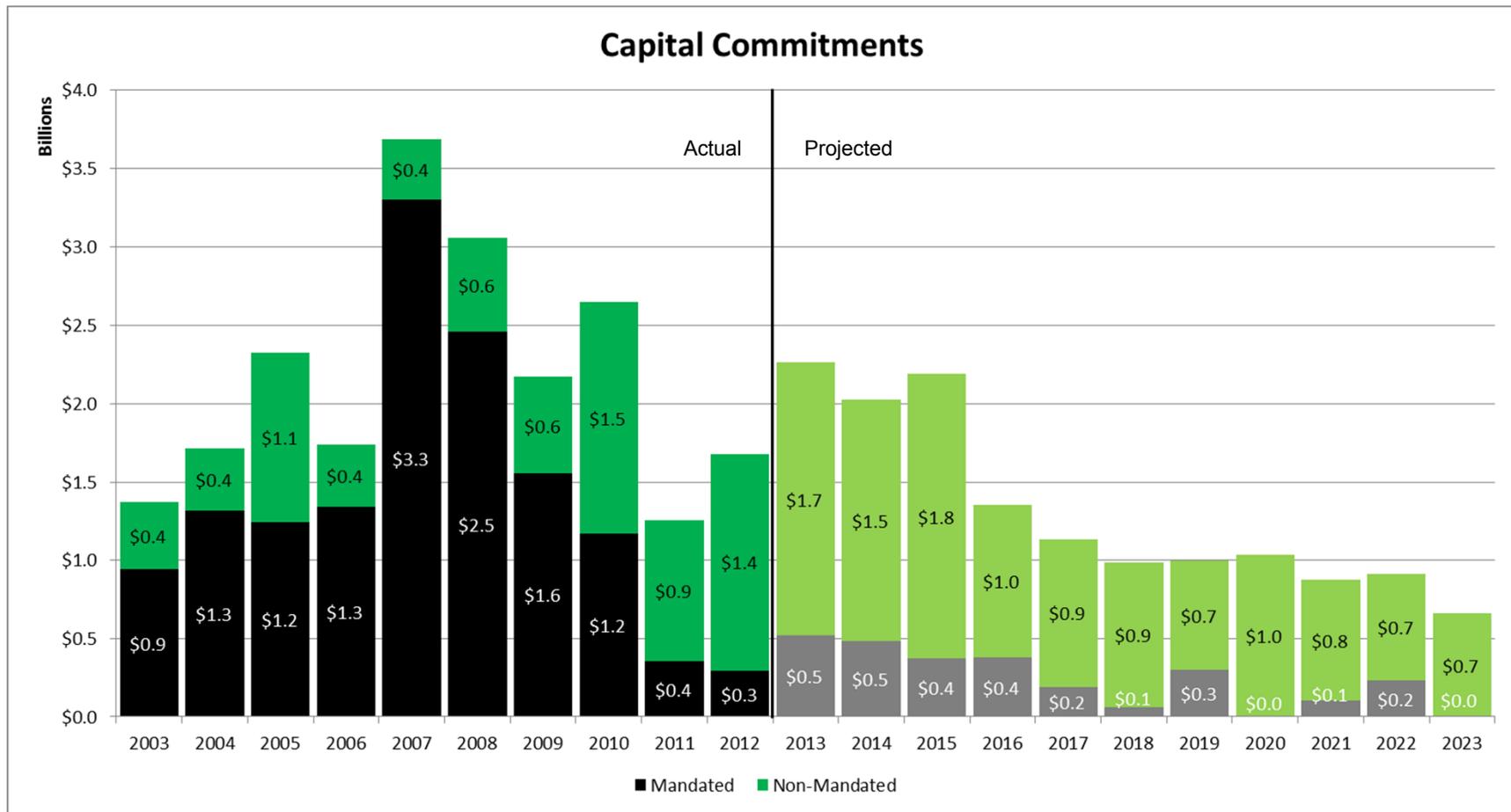
- One time clean-up of asset database to ensure correct information is collected on which to make decisions
- Run analytics to determine usage and remove unused lines / equipment / licenses
- Institute continuous improvement process
 - Strengthen asset management systems
 - Introduce regular management controls (cost dashboards, spend reports)
 - Revise policies and implement processes to enforce compliance

Cost-conscious asset management approach being expanded to:

- Landlines and data networks (equipment and connections)
- Software licenses
- PCs and peripherals

10-Year Capital Plan

- The 10-year capital plan released in January contains \$14,425 million of capital commitments
- The number of mandated projects is projected to decrease from 65% of total spending in the past 10 years to 17% of total spending in the next 10 years





Water Board Update

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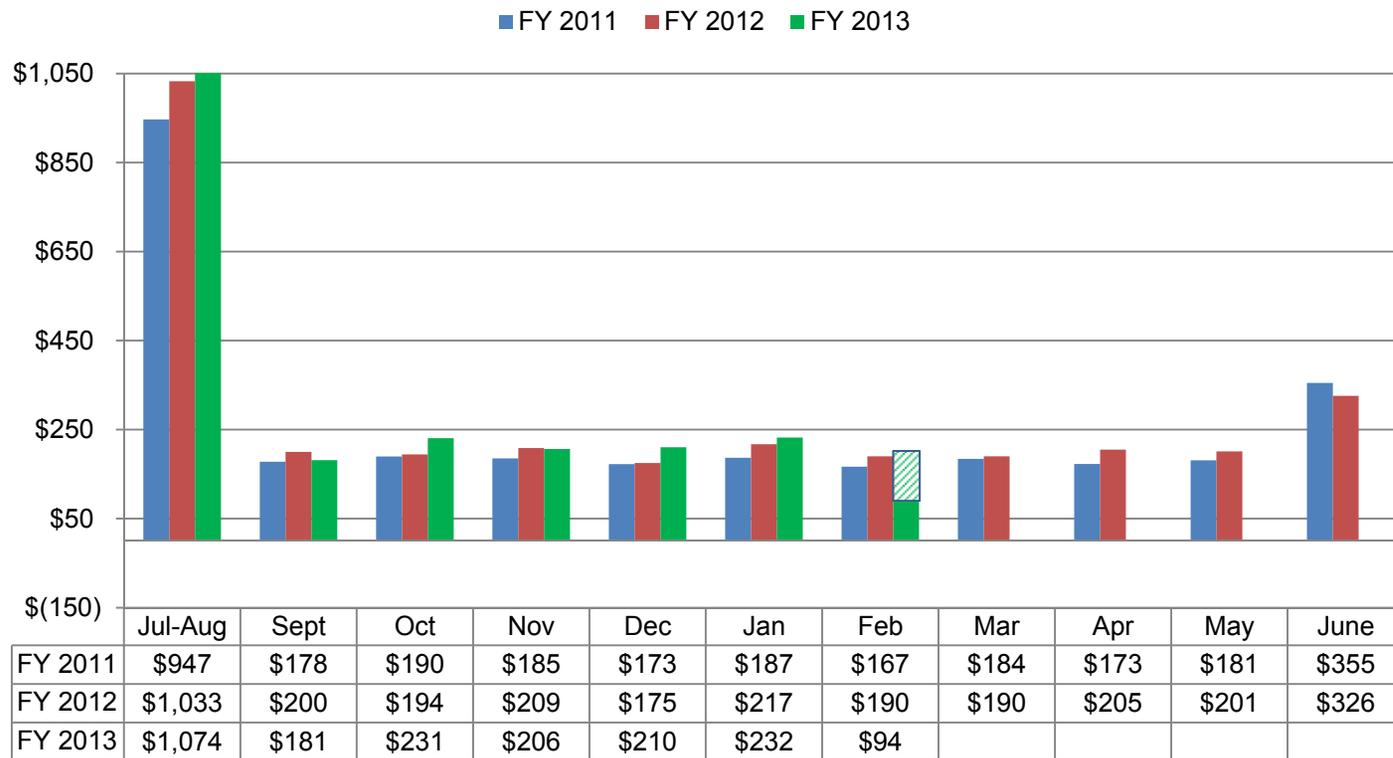
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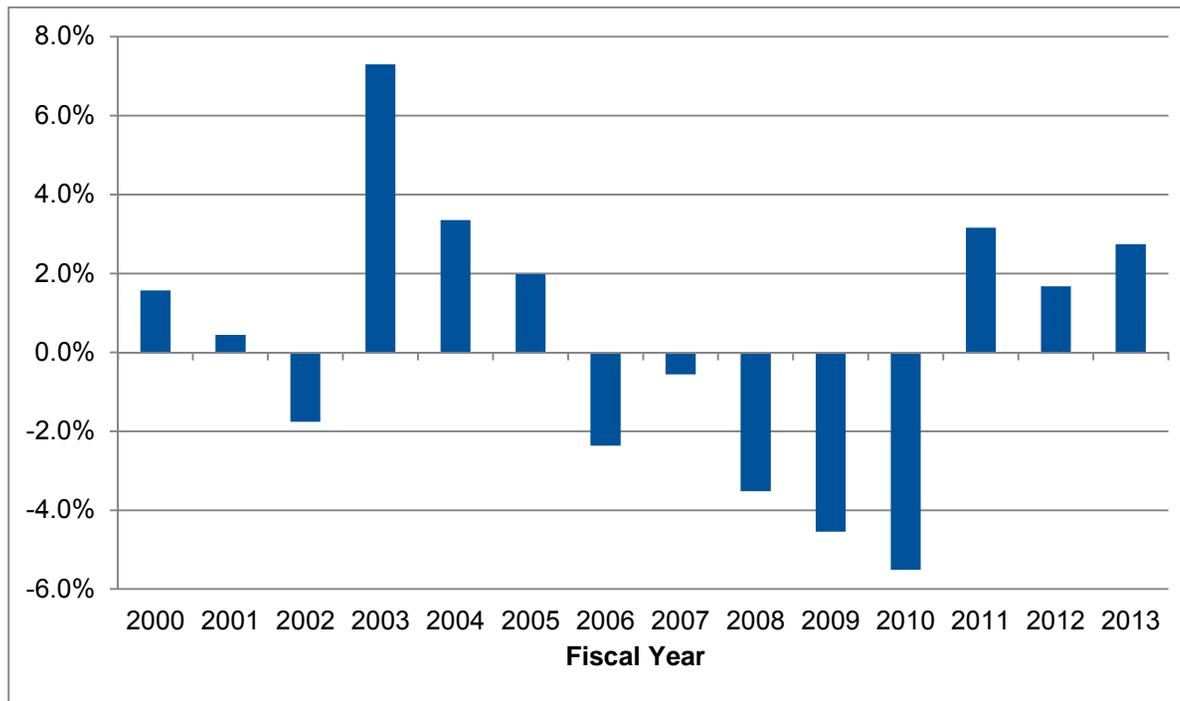


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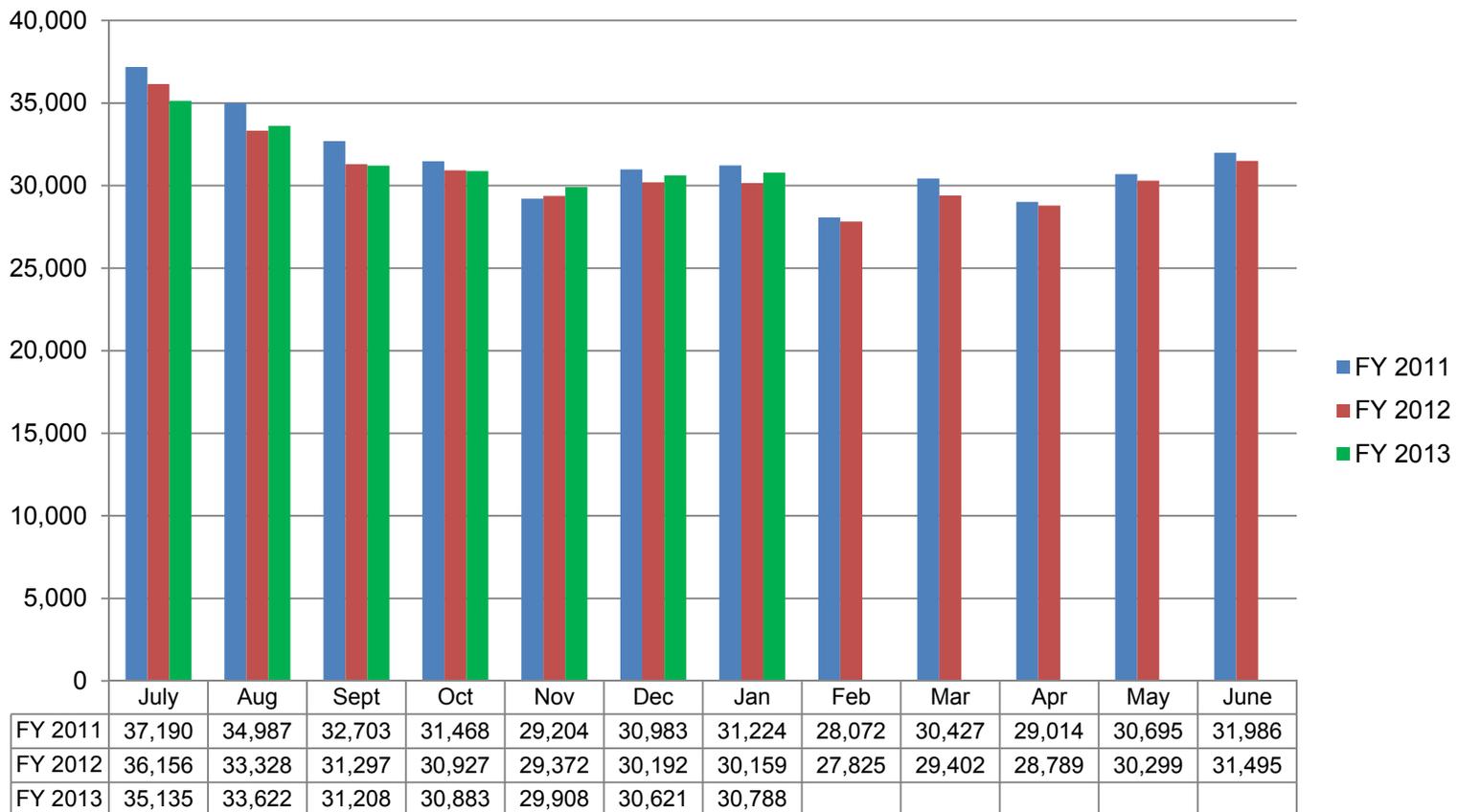
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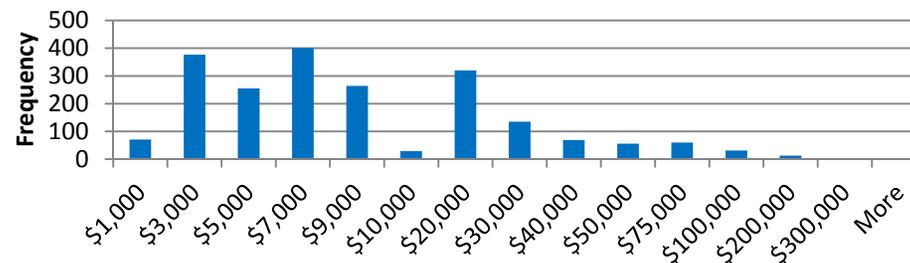
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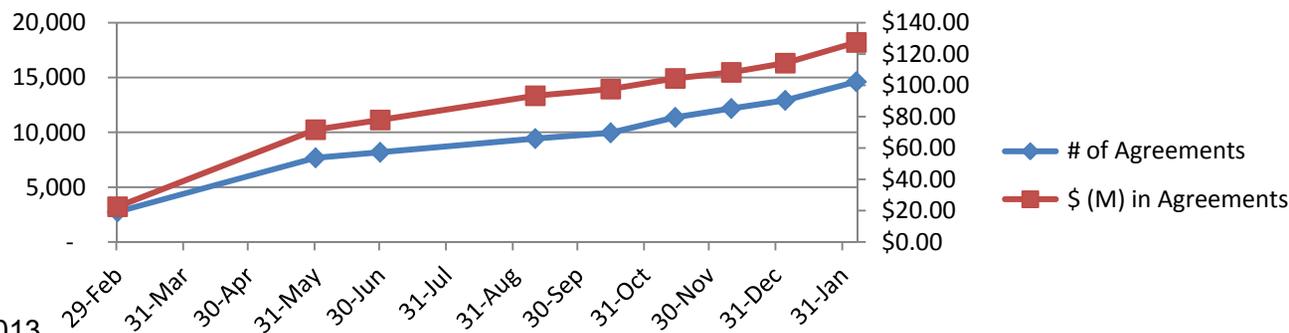
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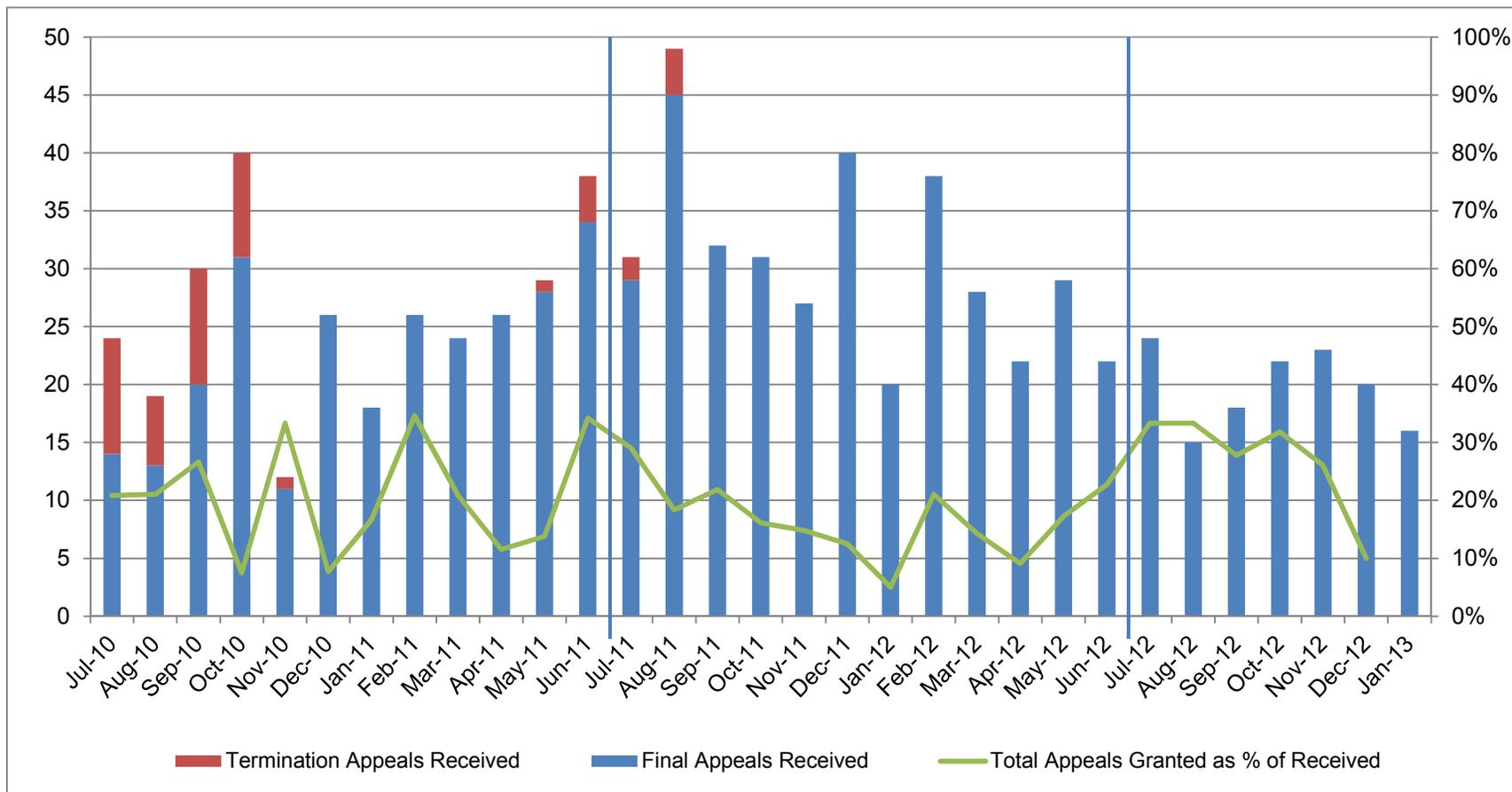
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AMR Installation Summary

Wireless Meter Reader Installations - Revised Goal*

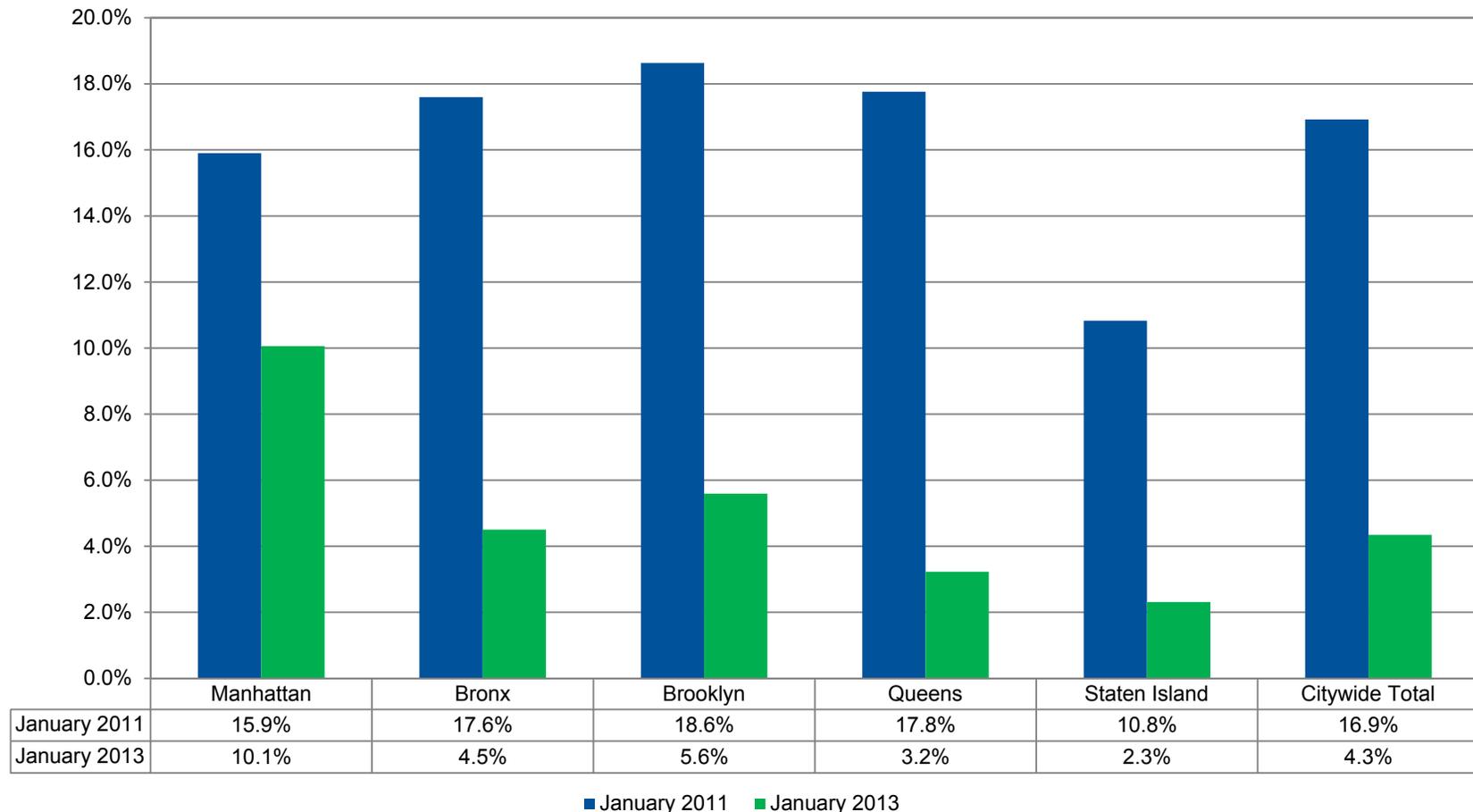
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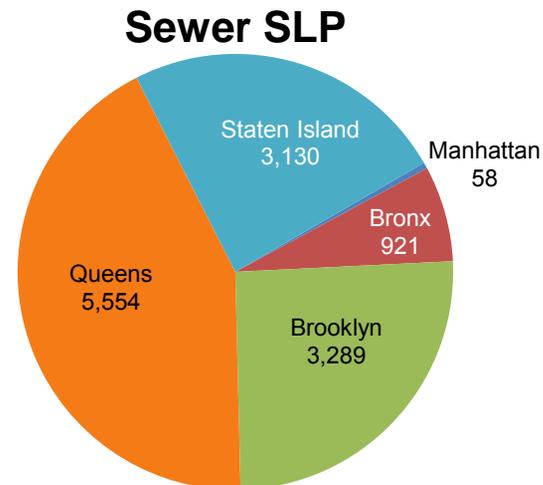
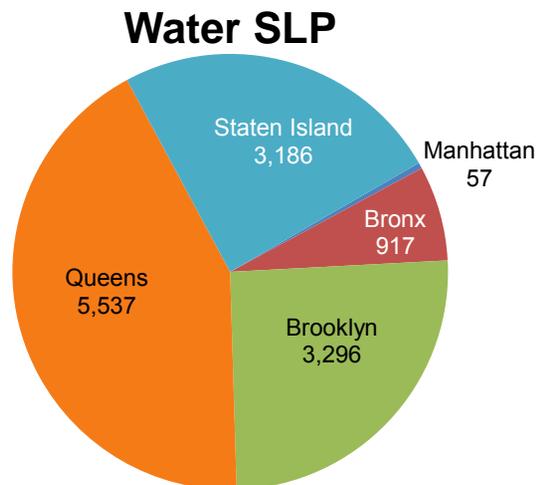
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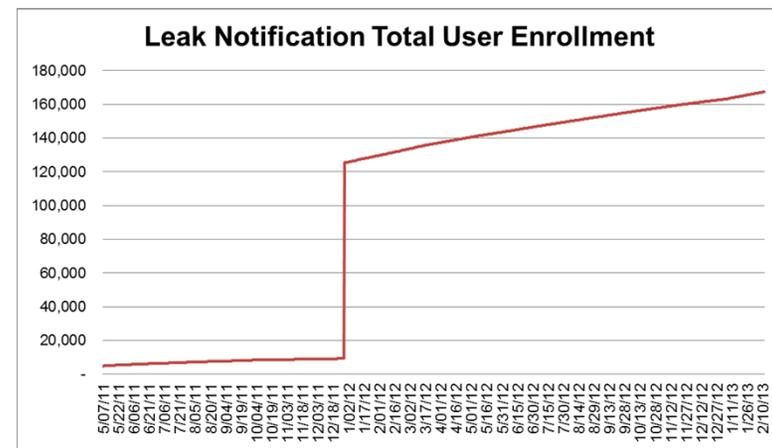
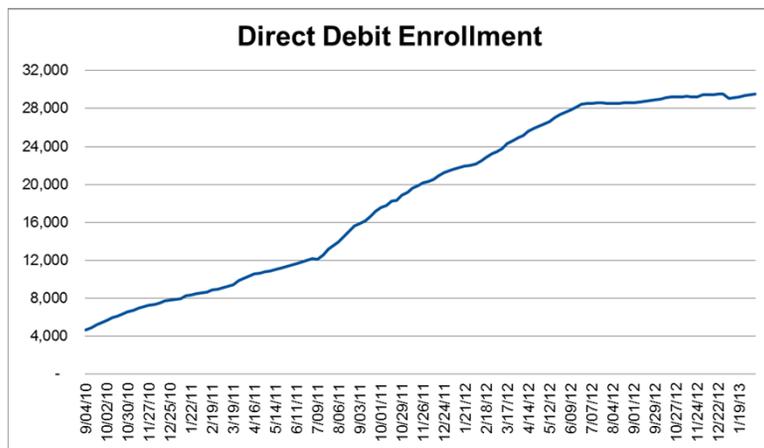
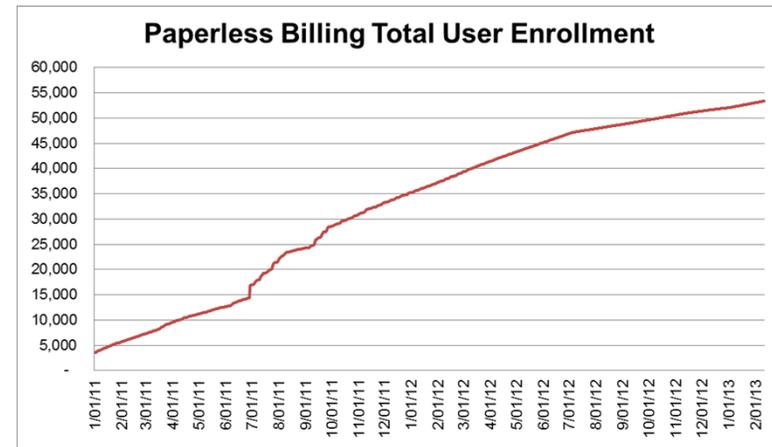
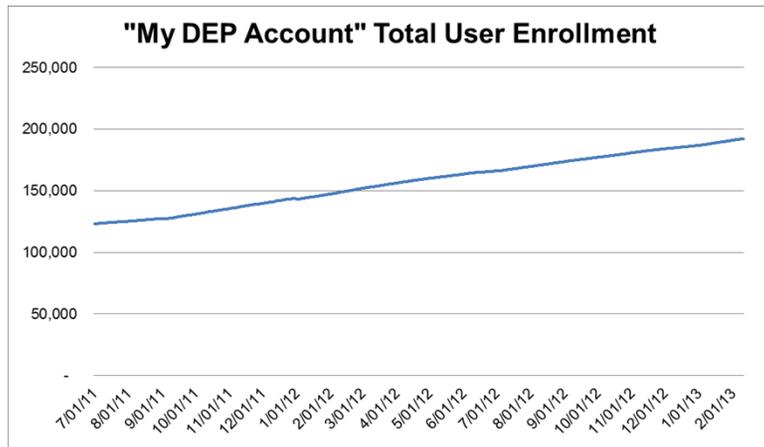
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Single Program		271		230	
Both Programs		12,722		12,722	



DEP Online Initiatives



DEP Online Services	My DEP Account		Direct Debit	Paperless	Leak
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Enrollees	197,996	256,162	29,503	47,195	166,163



OpX – Impact Projections

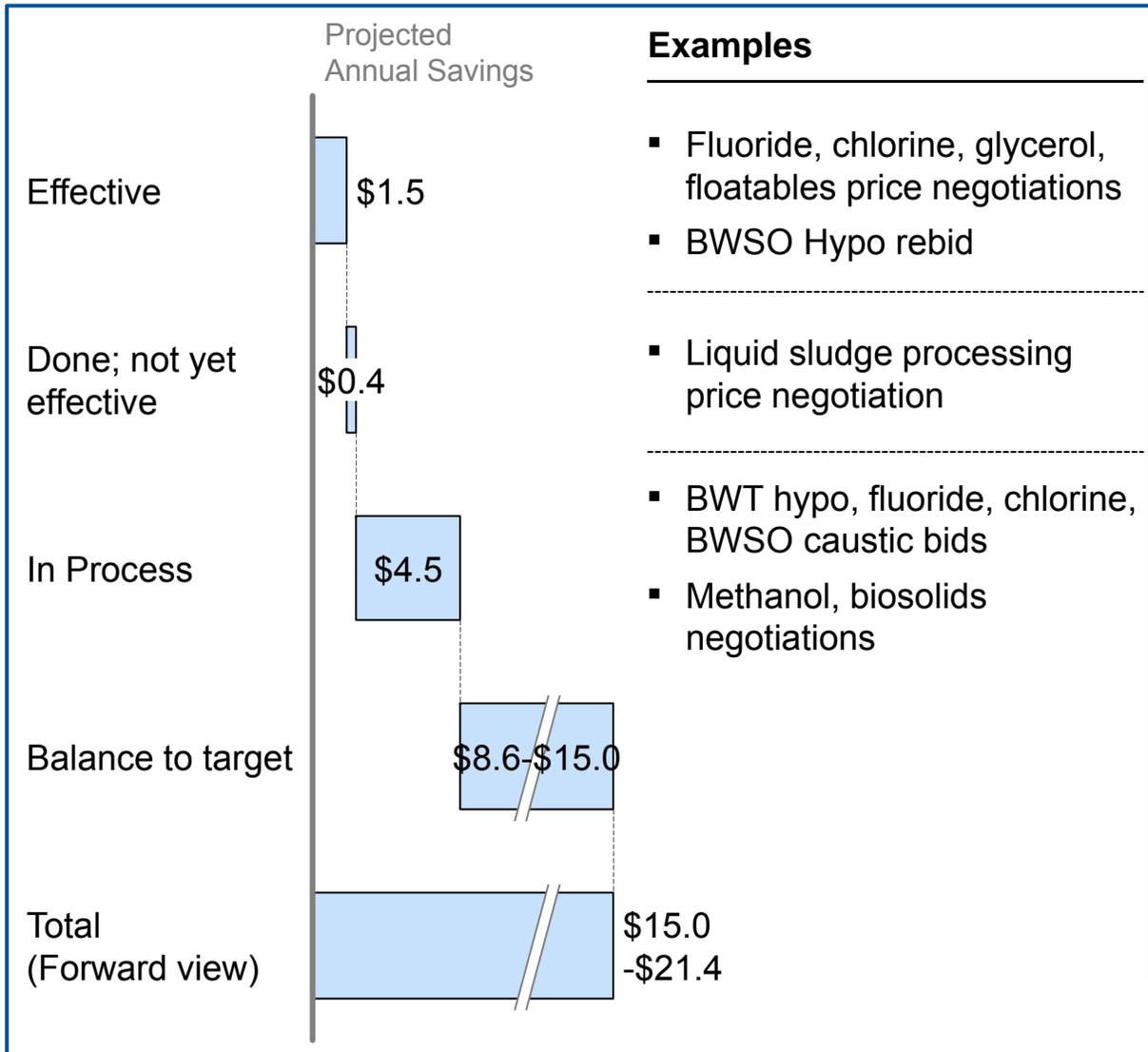
Annual Impact of Implemented Initiatives (\$ in millions)



	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Cumulative Effective Benefits, \$M*	0.84	1.18	1.59	2.01	2.46	3.19	4.05	5.05

* Cumulative effective benefits includes all cash benefits since the beginning of the OpX program, including benefits implemented in FY 2012
Note, February 2013 numbers are preliminary

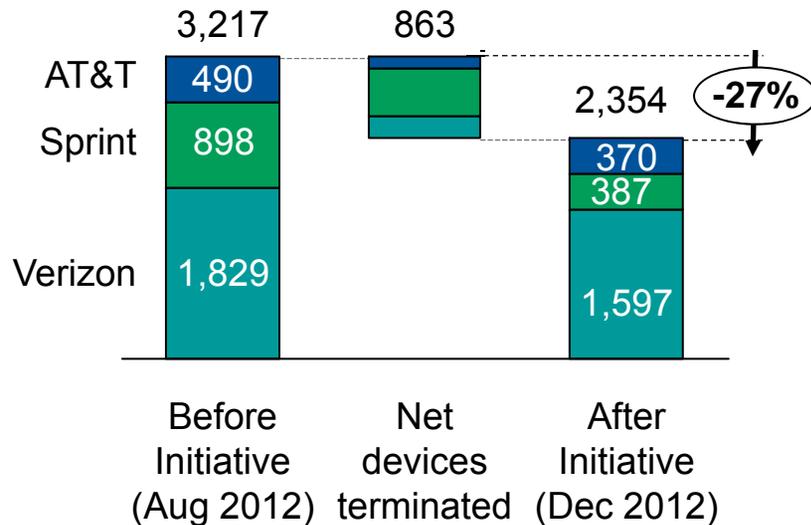
OpX – Procurement Initiatives



- Four different mechanisms have been used to drive value:
 - A Renegotiate contracts** to capture quick win savings
 - B Improve bid structure** to better reflect DEP demand and market characteristics
 - C Reduce unnecessary demand**
 - D Build capability** in employees to improve outcomes
- Continue to identify new opportunities to improve procurement outcomes in Phase 2 of OpX, including:
 - Routing demand for biosolids disposal contracts in most optimal pattern

Wireless Devices

Wireless device inventory (phones, smartphones, data devices)



- Termination of 863 devices and a review of all devices to match service plans to usage will save DEP ~\$500k per year
- New wireless device policy developed
- Monthly management dashboard drafted

Expanding approach to other assets

Approach to reducing unnecessary demand built upon asset management best practices:

- One time clean-up of asset database to ensure correct information is collected on which to make decisions
- Run analytics to determine usage and remove unused lines / equipment / licenses
- Institute continuous improvement process
 - Strengthen asset management systems
 - Introduce regular management controls (cost dashboards, spend reports)
 - Revise policies and implement processes to enforce compliance

Cost-conscious asset management approach being expanded to:

- Landlines and data networks (equipment and connections)
- Software licenses
- PCs and peripherals

10-Year Capital Plan

- The 10-year capital plan released in January contains \$14,425 million of capital commitments
- The number of mandated projects is projected to decrease from 65% of total spending in the past 10 years to 17% of total spending in the next 10 years

