

New York City Water Board

Activities, Operations and Accomplishments – Fiscal Year 2009

The operations of the New York City Water Board (the “Board”) consist of setting water and sewer rates at a sufficient level to fund the operating, capital and financing needs of the New York City water and sewer system (the “System”). The Board is obligated by an Agreement of Lease with New York City (“the City”) and a Financing Agreement among the Board, the City, and the New York City Municipal Water Finance Authority to establish rates and charges in each year at a level that will provide required revenue. The Board collects all System revenue and disburses it as follows: 1) to fund debt service bonds issued to finance capital improvements to the System, 2) to reimburse the City for operating and maintenance costs, 3) to pay a rental fee to the City for the lease of the System and 4) to fund required reserves and any other required payments.

The Board actively monitors billings and collections throughout the year. In addition, the Board maintains various contractual obligations necessary to achieve its requirements and objectives. Presented below are highlights of the Board’s activities, operations and accomplishments for the period of July 1, 2008 through June 30, 2009:

On September 12, 2008, the Board received public comment on the scheduled expiration of frontage transition billing and the implementation of the Conservation Program for Multiple-Family Residential Buildings

On November 20, 2008, the Board:

- Removed the application deadline for the Conservation Program for Multiple-Family Residential Buildings to allow additional time for properties to upgrade their water consuming fixtures and qualify for the program.
- Commissioned an assessment of the impact of natural gas drilling in the watershed.
- Consented to the City’s granting of conservation easements to the New York State Department of Environmental Conservation.
- Approved a Payment Incentive Program for properties facing an immediate threat of termination of service or lien sale.

On April 3, 2009, the Board consented to the granting of mutual easements between New York City and the County of Westchester in connection with the construction of the Catskill/Delaware Ultraviolet Disinfection Facility.

From April 27 through April 30, 2009, the Board held public hearings concerning System rates and charges in each Borough of the City.

On May 15, 2009, the Board:

- Adopted its annual budget based on System certifications.
- Adopted a rate increase of 12.9% based on the budget requirements and the testimony and reports submitted at the public hearings.
- Extended flat-rate frontage transition billing through the end of Fiscal Year 2012 to allow additional time for properties to upgrade their water consuming fixtures and qualify for the Conservation Program for Multiple-Family Residential Buildings.
- Approved an amended Denial of Access Regulation and adopted a Theft of Services Regulation to improve the Board's ability to collect rates and charges in a fair and equitable manner from all System customers.
- Established an Account Administration Fee and Attributed Consumption Charge in connection with the Denial of Access and Theft of Services regulations.

On June 16, 2009, the Board held a public hearing concerning a proposed rate increase for water sold to users outside of the City pursuant to the Water Supply Act of 1905.

On June 26, 2009, the Board increased the regulated rate for water sold to users outside of the City to \$922.23 per million gallons and continued the rate for water that exceeds the allowance quantities at the in-City metered rate.