

MINUTES OF A MEETING OF THE NEW YORK CITY WATER BOARD

February 19, 2010

A meeting of the New York City Water Board (the “Board”) was held on February 19, 2010 at approximately 8:30 a.m. at the New York City Department of Environmental Protection, 59-17 Junction Boulevard, 6th Floor Training Room, Flushing, New York. The meeting was held in two parts. The first was an informational meeting at which Board members Alan M. Moss and Donald A. Capoccia were present. Mr. Moss chaired the meeting and Kathy Blyn served as Secretary of the meeting.

Five-Borough Community Outreach Tour

Mr. Moss introduced Cas Holloway, the Commissioner of the Department of Environmental Protection (“DEP”). Commissioner Holloway then proceeded to describe DEP’s Five-Borough Community Outreach Tour. He informed the Board that at the outreach meetings it is explained to the rate payers that capital construction for water projects is currently at unprecedented levels due to major projects such as the ultra violet treatment plant, the Croton filtration plant and the construction of the third water tunnel. He likened the magnitude of these projects to the construction of the first and second water tunnels and also pointed out that DEP’s three largest projects are employing about 2,200 construction workers. Commissioner Holloway mentioned that in addition to the presentation of this information to the rate payers, representatives of DEP are available at the meetings to help people with problems they may have with their bills. He also mentioned that the rate study, which includes possible changes in rate structure such as billing entities that don’t use water but generate run-off into the sewer system, is also discussed at the meetings. Mr. Capoccia inquired as to the public receptiveness to this possible change. A brief discussion ensued. Commissioner Holloway then discussed the new

DEP weekly publication, the *Pipeline*, explaining the importance of training in an agency such as DEP which is so large and plays such a key role with respect to the City's environment.

Update on Water Debt Assistance Program and Lien Sale

Mr. Moss then asked Deputy Commissioner Joe Singleton to discuss the City's Water Debt Assistance and Lien Sale programs. Mr. Singleton briefly discussed the sale of liens on water and sewer debt scheduled for May 7, 2010 and indicated that it is expected that upwards of 80% of properties that received notices will redeem their debt in time to avoid sale of the liens. He then described the Water Debt Assistance Program which has been initiated to assist homeowners who have fallen behind in payment of their water and sewer charges avoid such lien sales with respect to their debt. Mr. Singleton explained that the program is available to owner occupied two and three family homes that are in serious mortgage distress. Pursuant to the program, the homeowner agrees to stay current on future water and sewer payments and their existing debt is frozen until it can be paid in the future. He noted that this program provides a safety net for homeowners in distress while preserving the debt with respect to their prior water and sewer use. A brief discussion ensued.

Roll Call - Commencement of Formal Meeting

At approximately 9:00 a.m. the formal meeting of the Board commenced with the following members of the Board present:

Alan M. Moss;

Donald A. Capoccia;

Dawn S. Davis; and

Mehul J. Patel

constituting a quorum. Mr. Moss chaired the meeting, and Kathy Blyn served as Secretary of the Meeting.

Mr. Moss then explained that Ms. Davis would be leaving the Board to work with youth and thanked her for her service on the Board.

Adoption of Minutes

The next item on the agenda was approval of the minutes of the Board's previous meeting held on January 15, 2010. There being no discussion, upon motion duly made and seconded, the minutes of the Board's meeting held on January 15, 2010 were unanimously adopted.

Financial Update

The next item on the agenda was the Financial Update. Steven Lawitts, the Executive Director of the Water Board, accompanied by a slide show (a printed copy of which was in the packet provided to the Board), presented the update. Mr. Lawitts discussed items such as declines in revenue collection and water consumption, the scheduled Fiscal Year 2010 Lien Sale and the installation of automated meters. Mr. Capoccia inquired as to the nature of the notice given to rate payers with respect to the installation of the automated meters. Mr. Lawitts explained that mailings are sent out several weeks in advance. He also described a DEP website that is under development and that will allow rate payers to monitor the consumption of water in

their property. Mr. Lawitts then discussed DEP's capital expenditure rate, the components of the Department's Operations and Maintenance Budget and the Department's progress in achieving an 8% budget reduction.

Future Meetings

Mr. Moss pointed out to the Board that the dates for future Board meetings through June are listed in the packet provided to the Board members.

Adjournment

There being no further business to come before the board, upon motion duly made and seconded, the meeting was duly adjourned.
