

**MINUTES OF THE ANNUAL MEETING OF THE  
NEW YORK CITY WATER BOARD  
June 1, 2018**

The annual meeting of the New York City Water Board (the “Board”) was held on June 1, 2018 at approximately 8:30 a.m. on the eighth floor of 255 Greenwich Street, New York, New York 10007. The following members of the Board attended the meeting:

Alfonso Carney,  
Evelyn Fernandez-Ketchum,  
Adam Freed,  
Jonathan Goldin, and  
Jukay Hsu<sup>1</sup>

constituting a quorum. Mr. Carney chaired the meeting, and Albert Rodriguez served as Secretary of the meeting.

**Approval of the Minutes**

The first item on the agenda was approval of the minutes of the Board’s previous meeting held on April 27, 2018. There being no discussion, upon motion duly made and seconded, the minutes of the meeting held on April 27, 2018 were unanimously adopted.

**Adoption of the Fiscal Year 2019 Annual Budget**

The next item on the agenda was the adoption of the Board’s Fiscal Year 2019 annual budget. There being no discussion, upon motion duly made and seconded, the following resolution adopting the Fiscal Year 2019 annual budget of the Water Board was unanimously approved by the Board.

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<sup>1</sup> Member Jukay Hsu joined the meeting during the discussion surrounding adoption of the Rate Schedule

## **RESOLUTION**

**WHEREAS**, pursuant to a Financing Agreement dated as of July 1, 1985, as amended, between the New York City Water Board (the “Board”), the New York City Municipal Water Finance Authority (the “Authority”), and The City of New York (the "City”), the Board is required to adopt an annual budget; and

**WHEREAS**, the Board has received certification from the Authority regarding the Authority's Budget for the fiscal year commencing July 1, 2018 (“Fiscal Year 2019”) reflecting Authority Expenses and estimated Aggregate Debt Service (as such terms are defined in the Authority's General Revenue Bond Resolution); and

**WHEREAS**, the Board has received certification from the Director of Management and Budget of the City regarding the amounts that the City reasonably anticipates it will have expended during Fiscal Year 2019 in connection with the operation and maintenance of the water and wastewater system as described in paragraphs (a) through (e) of Section 8.1 of the Agreement of Lease dated as of July 1, 1985, as amended, between the Board and the City (the “Lease”), and the rental payment, if any, requested by the City for Fiscal Year 2019 pursuant to Section 8.2 of the Lease; and

**WHEREAS**, the Board has received certification from AECOM USA, Inc., Consulting Engineer, pursuant to Section 8.3(a)(ii) of the Lease to the effect that amounts certified by the City for costs incurred or to be incurred in connection with paragraphs (a) and (b) of Section 8.1 of the Lease are reasonable and appropriate; and

**WHEREAS**, the Board has reviewed a proposed budget for the Board's own anticipated expenses for Fiscal Year 2019, and combined with the proposed expenses for the Authority and

the City, the Board has prepared an annual budget for the ensuing fiscal year (the “Annual Budget”); and

**WHEREAS**, the Board has received certification from Amawalk Consulting Group LLC (“Amawalk”), Rate Consultant to the Board, regarding forecasted cash flows and anticipated revenues for Fiscal Year 2019; and

**WHEREAS**, the Board has reviewed the Rate Consultant’s forecasted cash flows and the Board’s proposed Annual Budget for Fiscal Year 2019 and has determined that such provision for anticipated expenditures is reasonable and appropriate to enable the Board to exercise its powers and carry out its purposes in accordance with the New York City Municipal Water Finance Authority Act; it is therefore

**RESOLVED**, that the Annual Budget of the Board for Fiscal Year 2019, a copy of which is attached hereto, is hereby adopted.

### **Adoption of the Rate Schedule Effective July 1, 2018**

The next item on the agenda was adoption of the Board’s Rate Schedule effective July 1, 2018. Chair Carney summarized the testimony heard at the public hearings, which were conducted in all five boroughs of the City of New York. Chair Carney thanked DEP Commissioner Vincent Sapienza and his staff for their presentations at the public hearings. Chair Carney noted that public attendance was sparse, but those that did attend provided insightful testimony. Chair Carney noted that many attendees supported affordability programs, and that there was also interest from the public in studying alternative rate structures. Executive Director Joseph Murin added that the Board will continue to support affordability as a rate setting goal. Chair Carney noted that many commentators supported separate wastewater rates that align with a property’s usage of the wastewater system. Member Adam Freed noted his

support of a stormwater charge to provide incentives for sustainable stormwater management. Member Freed added that at a future meeting of the Board, he would like the Board to consider a resolution supporting DEP's study of alternative rate structures.

Member Jonathan Goldin pointed out two additional issues that were raised at the hearings. First, that participation in the Multiple-family Affordability Program was determined on a first-come first-served basis last year, and that for next year, participation would be determined on an objective metric provided by the New York City Department of Housing Preservation and Development based on the ratio between a property's rent and the area median income. The second issue was regarding changes to the innocent purchaser program. Executive Director Murin noted that all substantive customer rights as they existed under the previous version of the innocent purchaser program have been carried through to the current property transfer title read program. Executive Director Murin added a third issue raised at the hearing regarding the time period that a letter of authorization will remain valid, and that after consideration of testimony received the period of validity will be extended from two years to three years.

In summary, Chair Carney thanked DEP and Board staff for the hearing presentations and implored the public to participate in future public hearings. There being no further discussion, upon motion duly made and seconded, the following resolution adopting the Rate Schedule effective July 1, 2018 was unanimously approved.

#### **RESOLUTION**

**WHEREAS**, the Board is authorized pursuant to Section 1045-g(4) of the New York City Municipal Water Finance Authority Act (the "Act") to establish, in accordance with Section

1045-j of the Act, fees, rates, rents or other charges for the use of, or services furnished, rendered or made available by the water and wastewater system of the City of New York (the “City”); and

**WHEREAS**, in accordance with Sections 1045-j (3) and (9-a) of the Act, public hearings concerning certain proposals regarding water and wastewater system rates and charges were held in each borough of the City on May 21, 22, 29, 30 and May 31, 2018, and a transcript of each hearing and all written statements submitted by May 31, 2018 have been received and reviewed by the Board; and

**WHEREAS**, in accordance with certifications received from (i) the New York City Municipal Water Finance Authority (the “Authority”) with respect to the Authority's annual budget for the fiscal year commencing July 1, 2018 (“FY 2019”), (ii) the City with respect to (a) the amounts which the City reasonably anticipates it will expend during FY 2019 in connection with the operation and maintenance of the water and sewer system and (b) rental payments, if any, requested by the City from the Board, (iii) AECOM USA, Inc., Consulting Engineer, with respect to the reasonableness of the City's certification of certain expenses, and (iv) Amawalk Consulting Group LLC, Rate Consultant to the Board, regarding forecasted cash flows and anticipated revenues for Fiscal Year 2019, the Board has on this day adopted its annual budget for FY 2019; and

**WHEREAS**, based on the requirements set forth in the Board's annual budget for FY 2019 and the testimony and statements submitted at the aforementioned public hearings, the Board has determined that, effective July 1, 2018, the water rate for all in-City customers, flat rate and metered, should increase by 2.36% over the rate in effect as of January 26, 2018, except for the minimum charge for meter-billed customers, which will remain at \$0.49 per day, and that the rate for wastewater services should remain at 159% of the applicable water charge; and

**WHEREAS**, , the Board has further determined that the proposals recommended by staff to (1) increase the amount of time letters of authorization are valid by default from one year to three years, unless otherwise specified by a customer; (2) clarify the existing policy and procedure regarding title reads and to extend the amount of time in which a customer may request a title read from thirty days prior to property transfer to sixty days; (3) modify the ranking formula for determining participation in the Multi-family Water Assistance Program with priority given to the property with lowest rent as a percentage of average median income; and (4) clarify various existing policies and procedures set forth in the Board's revised Water and Wastewater Rate Schedule Effective June 1, 2018, as publicly noticed, should be approved; it is therefore

**RESOLVED**, that the Water and Wastewater Rate Schedule Effective July 1, 2018, a copy of which is attached hereto, which reflects an increase of 2.36% for in-City water rates (except for the minimum charge for meter-billed customers), as well as the new and modified billing policies and programs, as described above is hereby approved.

### **Extension of Service Line Protection Program Contract**

The next item on the agenda was consideration of a resolution extending the contract with American Water Resources for the protection of customer's water and sewer lines. Executive Director Murin noted that the contract was competitively bid in 2013, and that provisions for contract extensions were included in the original contract. Member Goldin requested DEP's perspective on the level of customer service and repair coverage provided by AWR to service line protection plan customers. Treasurer Omar Nazem responded that DEP works with AWR in resolving issues such as the location of service lines and that AWR has generally provided a

satisfactory level of customer service to date. There being no further discussion, upon motion duly made and seconded, the following resolution was unanimously approved.

**RESOLUTION**

**WHEREAS**, pursuant to Section 1045-g (8) of the New York City Municipal Water Finance Authority Act, the Board is authorized to enter into contracts and to retain private contractors to assist the Board in carrying out its responsibilities; and

**WHEREAS**, the Board by Resolution dated June 15, 2012, authorized the retention of American Water Resources, Inc. (“AWR”) to provide certain service line protection programs, including a water service line protection program and a sewer service line protection program to Board customers; and

**WHEREAS**, the Board authorized the Executive Director to enter into an agreement with AWR to provide said services; and

**WHEREAS**, the Board further authorized a five-year term for the agreement, with two additional five-year extensions at the Board’s option; and

**WHEREAS**, Board staff has evaluated AWR, found their performance to be satisfactory, and recommends that the Board authorize the Executive Director to exercise the Board’s option for the first five-year term extension and to enter into an agreement with AWR for this first five-year extension; and

**WHEREAS**, the Board finds that the staff recommendation to exercise the first five-year extension option is appropriate; it is, therefore,

**RESOLVED**, that the Executive Director is hereby authorized and directed to execute a first renewal option with AWR to provide a service line protection program for a five-year extension, upon such terms and conditions as the Executive Director may deem reasonable and appropriate; and be it further

**RESOLVED**, that the total compensation for services performed, shall be determined based on the participation rate of Board customers. Including all expenses, such compensation

shall not be more than the premiums charged to Board customers, which shall be established in any duly adopted Water and Wastewater Rate Schedule of the Board.

### **Future Business**

Secretary Al Rodriguez raised a point of order to note that one agenda items was being removed from the current meeting. Chair Carney agreed and no Board members objected to table consideration of the rate for customers north of the City of New York to a future meeting of the Board.

### **Adjournment**

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

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SECRETARY