

**MINUTES OF THE MEETING OF THE  
NEW YORK CITY WATER BOARD**

**October 8, 2025**

A meeting of the New York City Water Board (the “Board”) was held on Wednesday October 8, 2025 at 255 Greenwich Street, Manhattan, New York in the 8th floor conference room 8-S1/S2 beginning at approximately 8:30 a.m. The following members of the Board attended the meeting:

Arlene Shaw,

Richard Miller,

Udai Tambar, and

Daniel Zarrilli

constituting a quorum. Member Shaw served as acting chairperson and Michael Moore served as Secretary of the meeting. Board officers Executive Director Nerissa Moray and Treasurer Omar Nazem were in attendance, along with the Department of Environmental Protection’s Commissioner Rohit Aggarwala and Deputy Commissioner Albert Kramer.

**Approval of the Minutes**

The first item on the agenda was approval of the minutes of the Board’s previous meeting held on September 8, 2025. Upon a motion duly made and seconded, the minutes were approved unanimously by the members.

**Approval of Fiscal Year 2024 and 2025 Financial Statements and Fiscal Year 2025  
Investment Report and Investment Guidelines**

Mr. Nazem presented the Board with a summary of Fiscal Year 2025, noting that revenues exceeded budget for the year by 12% and that the Board achieved its core cash funding targets in

December, allowing the Board to begin pre-funding next year's debt service. Treasurer Nazem also noted that investment income reached \$28 million for Fiscal Year 2025, despite lower interest rates, and that the Board was able to largely offset lower interest rates with higher investable balances. Mr. Nazem also noted that the Board had produced positive investment returns each year for the last ten years, at a time when many large fixed income investors had lost money. Member Zarrilli clarified that investment income is retained by the water and sewer system and is used to offset debt service and the revenue requirement in future rate years. Mr. Nazem also presented the Board with information about customer accounts receivables, noting that the Board's receivables reflected the Board's large revenue base, and adding that with the ability to charge multiple interest rates on delinquent balances, late payment fees were becoming a significant part of the Board's revenues and contributing toward rate mitigation.

In response to a question from Member Zarrilli about how the Board sets interest rates, Deputy Commissioner Kramer explained that the late interest fee charged to a property with an overdue account balance is based on the market value of the property, while Mr. Nazem explained that the Board is required by state law to charge the same interest rates for late water bills as the City charges on overdue property tax bills. Members Miller and Zarrilli confirmed that the City Council, and not the Water Board, sets interest rates.

Executive Director Moray presented the Board with the Board's four-year historical revenue performance, noting that the \$180 million contribution from the lien sale helped to achieve the strong revenue results of Fiscal Year 2025, adding that Fiscal Year 2026's revenues were also showing a positive trend compared to the revenue plan. Ms. Moray further explained that spending on capital construction increased during the year, due to the larger size of DEP's capital plan and to efficiencies in completing contract signings.

Acting Chairperson Shaw commented that with the growing amount of system debt and fluctuations in the market cost of debt, the system's financial exposure to debt costs would remain a key variable for the Board to continue monitoring.

Member Zarrilli asked if the joint audit committee of the Water Board and Water Authority has already met to approve the financial statements, with Ms. Moray confirming that the joint audit committee had met and approved the financial statements for release.

Upon motions duly made and seconded, both resolutions approving the financial statements and the investment report and guidelines were unanimously approved.

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### **RESOLUTION**

**WHEREAS**, the New York City Water Board (the "Board") and the New York City Municipal Water Finance Authority (the "Authority") established a joint Audit Committee in light of their joint role in the financial operations of the water and wastewater system of the City of New York (the "System"); and

**WHEREAS**, pursuant to the joint Audit Committee Charter and the Board resolution of January 25, 2008 establishing the joint Audit Committee, the Board and the Authority each acting separately, after receiving a recommendation from the joint Audit Committee, shall annually approve the audited financial statements of the System; and

**WHEREAS**, on October 6, 2025 at 10:00 a.m., the joint Audit Committee met with the independent auditors and reviewed their report on the System's

audited financial statements for the fiscal years ended June 30, 2025 and June 30, 2024; and

**WHEREAS**, the joint Audit Committee at its October 6, 2025 meeting indicated that it believes the independent auditors' report and the financial statements are reasonable and appropriate and has recommended that the Board and the Authority accept the independent auditors' report and authorize the release of the financial statements; it is therefore

**RESOLVED**, that the Board hereby accepts the independent auditors' report on the audited financial statements of the System for the fiscal years ended June 30, 2025 and June 30, 2024 and authorizes the release of such audited financial statements, provided that both the independent auditors' report and the audited financial statements may be amended to reflect non-material changes acceptable to the Comptroller of the Authority.

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**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 2025 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 2025 Investment Report, copies of which will be filed with the minutes of this meeting, are hereby approved.

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**Resolution Relating to John F. Kennedy International Airport and the Port Authority**

Deputy Commissioner Kramer introduced the next agenda item, involving the metering and billing of water and wastewater at the John F. Kennedy International Airport that is a part of the Port Authority of New York and New Jersey. Mr. Kramer summarized DEP's relationship work the Port Authority and the joint efforts to work with the Port Authority during the construction at the airport that ended in 2024 in order to achieve full metering of the water consumption at the property, praising the DEP staff involved with the negotiations.

Mr. Kramer explained that with construction and metering complete, the billing of the account was being revised to reflect new and more accurate meter reads in order to place the account in a position to bill the airport using meter readings on a prospective basis. Mr. Kramer described the request to the Board as part of the normalization of the account's billing, with the Port Authority expected to pay \$6.5 million to resolve the account's balance, and with DEP adjusting earlier billing of the account, including the requested authorization of the Board to adjust \$1.5 million of the amounts billed to the account. Mr. Zarrilli asked to clarify the scope of what the resolution would allow, with Mr. Kramer explaining that the resolution would codify DEP's authority to negotiate the conclusion to the billing arrangement and would allow DEP to adjust up to \$1.5 million of the amounts billed to the account. Member Miller asked if it would be reasonable

to think that metering would be a standard part of the design of any future work at the airport, with Mr. Kramer explaining that the airport now had perimeter meters installed that allowed metering of the water used at the airport, in combination with submeters installed throughout the airport's facilities. Commissioner Aggarwala described his experiences with DEP's customers, indicating that metering was usually a central issue and the availability of accurate and correct meters tended to help discussions with customers.

Upon motion duly made and seconded, the resolution was approved unanimously by the members.

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**RESOLUTION**

**WHEREAS**, the New York City Department of Environmental Protection ("DEP") is the billing and customer service agent for the New York City Water Board (the "Board"), and in that capacity oversees the issuance and administration of water and wastewater bills and customer relations on behalf of the Board; and

**WHEREAS**, the Board routinely negotiates with its water and wastewater customers in order to ensure the appropriate metering, billing, and receipt of revenues from customers; and

**WHEREAS**, the Board previously authorized the Executive Director of the Board by resolution passed on June 17, 2005 (attached as Exhibit 1 hereof) to settle and adjust claims related to water and sewer billing in amounts up to \$1,000,000 per claim; and

**WHEREAS**, John F. Kennedy International Airport ("JFK Airport") and its owner-operator the Port Authority of New York and New Jersey ("PANYNJ")

is a significant customer of the City's water and wastewater system and an important provider of transportation services to the City's residents; and

**WHEREAS**, DEP, the Board, and PANYNJ previously agreed that, in the absence of full metering at JFK Airport due to engineering complexities and the unique layout and location of JFK Airport, PANYNJ would be billed based on an agreed-upon methodology and billing calculation; and

**WHEREAS**, JFK Airport's water and wastewater billing accounts reflect amounts owed for water and wastewater service, pending the satisfactory resolution of the outstanding account balance that is a main negotiation issue in the ongoing discussions between JFK Airport, DEP, and the Board, with the satisfactory restoration of the account to current status through payments by JFK Airport toward the account balance and through billing adjustments to the account balance by DEP, including to the accumulated balance of interest charges, the mechanism through which it is expected that the account balance will become current; and

**WHEREAS**, the period of time from March 2020 through December 2024 is the principal focus of billing negotiations between DEP, the Board, and PANYNJ; and

**WHEREAS**, DEP at its own expense completed in 2024 a nearly decade-long capital construction project to install water meters covering the entire perimeter of JFK Airport and thus achieve accurate measurement of water consumption throughout the facility; and

**WHEREAS**, DEP, the Board, and JFK Airport have through discussions and negotiations arrived at a fair adjustment of consumption for portions of the bills prepared prior to the full metering of JFK Airport under the negotiated calculation methodology, and updates the previously billed amounts with data-driven inputs and actual metered data; and

**WHEREAS**, JFK Airport is billed using actual meter billing effective January 1, 2025, with the PANYNJ subject to the rules and requirements for prompt payments; it is therefore

**RESOLVED**, that the Board hereby authorizes DEP to enter into negotiations with JFK Airport in connection with the billing accounts related to JFK Airport and authorizes DEP to adjust the accounts in an aggregate amount of up to \$1,500,000 in support of concluding negotiations and achieving the full metering of the JFK Airport billing accounts.

### **Exhibit 1**

#### **RESOLUTION DATED JUNE 17, 2005**

**WHEREAS**, pursuant to Section 1045-v(3) of the New York City Municipal Water Finance Authority Act (the "Act"), the Board has the power to settle or adjust all claims in favor of or against the Board; and

**WHEREAS**, on August 13, 1992, the Board authorized the Executive Director to act in the name of and on behalf of the Board with respect to the settlement or adjustment of claims in favor of or against the Board which had been filed pursuant to Section 1045-v of the New York City Municipal Water



Finance Authority Act or which were pending in a court of competent jurisdiction in amounts up to and including \$25,000 per claim; and

**WHEREAS**, the Board wishes to amend the August 13, 1992 Resolution; it is therefore

**RESOLVED**, that the Executive Director is hereby authorized to act in the name of and on behalf of the Board with respect to the settlement or adjustment of personal injury and property damage claims in favor of or against the Board which have been filed pursuant to Section 1045-v of the New York City Municipal Water Finance Authority Act or which are pending in a court of competent jurisdiction in amounts up to and including \$100,000 per claim; and it is further

**RESOLVED**, that the Executive Director is hereby authorized to act in the name of and on behalf of the Board with respect to the administrative settlement or adjustment of all water and sewer billing disputes; and it is further

**RESOLVED**, that the Executive Director is hereby authorized to act in the name of and on behalf of the Board with respect to the settlement or adjustment of water and sewer billing claims in favor of or against the Board which have been filed pursuant to Section 1045-v of the New York City Municipal Water Finance Authority Act or which are pending in a court of competent jurisdiction in amounts up to and including \$1,000,000 per claim regarding accounts for premises located either within the City of New York or for municipalities and water districts located outside the City of New York; and it is further

**RESOLVED**, that all actions previously taken by the Executive Director with respect to the settlement or adjustment of water and sewer claims in favor of or against the Board are hereby ratified, approved and adopted.

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**Resolution Authorizing Consulting Services for Work Involving the Hunts Point WRRF**

After introductory comments by Commissioner Aggarwala, Executive Director Moray introduced the next agenda item. The Commissioner was joined by Brendan Hannon from DEP's Bureau of Energy and Resource Recovery, who delivered the presentation. Mr. Hannon explained the request to the Board, involving a request for Board funds to retain a consulting advisor to assist with resource reuse at DEP's wastewater facilities, in particular the Hunts Point wastewater facility. Mr. Hannon described some of the work taking place at DEP's wastewater plants, focused on extracting natural gas from waste products located at the facilities, and explained that DEP had worked with National Grid on a resource reuse facility at the Newtown Green wastewater facility in a collaboration that proved successful. Mr. Hannon explained that diverting waste materials through reuse benefited each of DEP, the purchaser of the recycled gas, and the residents near the wastewater facility who benefit from air quality improvements.

Following a DEP assessment of its wastewater facilities, Mr. Hannon explained that Hunts Point was identified as the appropriate location for an expansion of DEP's reuse activities. Member Miller clarified that both the waste matter from wastewater and food waste transported to the site could serve as sources for obtaining recycled natural gas.

Mr. Hannon described the request to the Board, involving the authorization of funds to retain consulting advice for DEP in relation to the development of the reuse projects, covering advice in the subject areas of legal, technical, and financial issues stemming from the contemplated work. Mr. Hannon proceeded to describe several of the tasks which would be

involved, including performing financial analysis, creating RFP documents, and assessing regulatory and environmental issues involved in advancing the construction to the completion stage.

Mr. Hannon specified that the expected total compensation range for the advisory services included in the request to the Board was between \$3 million and \$5 million dollars during the up to six-years term of the contemplated agreement. Mr. Zarrilli asked why the Board is the preferred contracting entity, with Mr. Hannon explaining that the nature of the scope of services was well-suited for the Board's fiscal mission and Ms. Moray adding that the anticipated timeline for procuring the advisory services made the Board a good choice for the procurement, as well as the timing considerations involved in the possibility of obtaining tax credits in connection with the construction work.

Mr. Tambar asked if it was typical for government contractors to retain private firms for the types of advisory services the Board was being asked to approve. Mr. Zarrilli indicated that he believed the Port Authority had followed a similar model in the past, and Mr. Hannon added that some municipal utilities in other cities had followed the private advisor model in their wastewater activities. Mr. Miller asked if it was likely that the sale of natural gas could result in additional revenues to the Board which could be used to offset water rate increases, with Mr. Hannon and Ms. Moray indicating that it was likely that the construction of additional assets resulting in natural gas extraction would generate revenues for the Board.

Upon motion duly made and seconded, the resolution was approved unanimously by the members.

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#### **RESOLUTION**

**WHEREAS**, pursuant to Sections 1045-b and 1045-g of the New York City Municipal Water Finance Authority Act (the "Act"), the New York City Water Board (the "Board") is authorized to enter into contracts and to retain private consultants on a contract basis for the purpose of obtaining professional or technical services to assist the Board in carrying out its responsibilities; and,

**WHEREAS**, the Board's primary duty under the Act is to establish and collect water and wastewater rates and charges in an amount sufficient to place the water supply and wastewater systems of the City of New York on a self-sustaining basis; and

**WHEREAS**, the New York City Department of Environmental Protection ("DEP") operates the City's wastewater system and the wastewater treatment plants which are part of the system, and has requested that the Board assist in identifying and retaining one or more professional services advisors with the ability to assist DEP and the Board in overseeing activities involving energy reuse in the wastewater system, including at the Hunts Point Wastewater Reuse Recovery Facility ("Hunts Point"), with respect to activities involving or connected to the extraction and resale of natural gas and fertilizer from the waste materials processed by the facility; and

**WHEREAS**, DEP wishes to evaluate the recycling activities at its wastewater facilities, including the possible expansion of the reuse of waste products to obtain natural gas and fertilizer from solid waste activities at DEP wastewater facilities, in particular at Hunts Point; and

**WHEREAS**, the Board wishes to authorize the Board's Executive Director to undertake a competitive solicitation and negotiation process, conducted in accordance with the Water Board's Policy on the Procurement of

Goods and Services, in particular, Section 4 (selection based on the best combination of technical merit and price) and Section 5.i (prior approval of contracts where the cumulative value exceeds \$100,000); it is therefore

**RESOLVED**, that the Executive Director is hereby authorized and directed to undertake such a process of solicitation, and to identify and negotiate a professional services agreement with one or more suitable professional service firms with relevant expertise, for up to an initial three-year term with time extensions for up to an additional three years at the Board's option, upon such terms and conditions as the Executive Director may deem reasonable and appropriate; and be it further

**RESOLVED**, that the aggregate total compensation for services performed for the term of the agreement or agreements entered into pursuant to this resolution, including both the initial term and the term of the extension options, should the extension options be exercised, shall not exceed \$5,000,000 of Board funds.

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### **Adjournment**

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

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/S/  
SECRETARY