

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

**February 3, 2025**

A meeting of the New York City Water Board (the “Board”) was held on Monday February 3, 2025 at 255 Greenwich Street, Manhattan, New York in the 8th floor conference room, beginning at approximately 8:30 a.m. The following members of the Board attended the meeting:

Evelyn Fernandez-Ketcham,

Adam Freed,

Jukay Hsu, and

Daniel Zarrilli

constituting a quorum. Following a motion by the members, Member Freed served as the meeting’s acting chair and Albert Rodriguez served as Secretary of the meeting. Board officers Executive Director Nerissa Moray and Treasurer Omar Nazem were in attendance, and were joined by Rohit Aggarwal, Albert Kramer, and Elio Paradis from the Department of Environmental Protection (“DEP”) and Phil Wasserman from the City’s Water Finance Authority. Ms. Fernandez-Ketcham departed from the meeting shortly after the completion of the voting items on the agenda.

## **Approval of the Minutes**

The first item on the agenda was approval of the minutes of the Board’s previous meeting held on December 9, 2024. Upon a motion duly made and seconded, the minutes of the meeting held on December 9, 2024 were put to the members for a vote. The members in attendance unanimously approved the minutes by a voice vote.

## **Program Management Consultant for Meter and Transmitter Upgrades**

The Board proceeded to the next item on the agenda, a request for funding to retain an advisor

to assist DEP's Bureau of Customer Services with an upcoming program of meter and wireless transmitter upgrades throughout the City's property base. Mr. Nazem described the program as intended to support and enhance the Board's emphasis on metered billing and water consumption monitoring, that focuses on providing customers with metered bills based on actual water consumption and that enables all customers with water meters to monitor the water consumption taking place at their property. Mr. Kramer characterized the scope of work as involving professional services focused on managing a portfolio of contracts and vendors performing meter and transmitter upgrades. Mr. Nazem explained that the procurement was underway, and that the bidder information call had attracted significant interest from basic management consulting firm, construction management firms, and civil engineering companies, in part because since DEP is viewed as a large and important customer there was significant interest in being involved with the agency through a Water Board contract.

In response to a question from Acting Chair Freed, Mr. Kramer added that the expected increase in the number of meter and transmitter installations through the new contractors retained for the program created the need for additional contractor support, with Mr. Nazem adding that the smaller program management contract was a Board request in order to ensure that the program manager was selected and available in time to assist with onboarding the larger installation contracts as the DEP contract registrations occurred. Commissioner Aggarwala noted that contracts are a cost allocated to the Water Board regardless of whether the cost is a DEP expense or a Board contract. In explanation to a request from Acting Chair Freed for a description of the procurement timeline, Mr. Nazem described the requirement to obtain Board authorization for contracts and funding, noting that Board staff has the ability to issue information requests or to release bid requests prior to seeking funding authorization from the Board.

Member Zarrilli asked about the Board's communication plans for apprising property owners

that access to their property may be required to perform meter and transmitter work. Deputy Commissioner Kramer described DEP's communication strategy and its cooperation with other City agencies, including how some of the lessons from previous cycles of meter and transmitter upgrades were being taken into account with the upcoming upgrade cycle. Executive Director Moray added that DEP was acting thoughtfully in terms of managing the expected customer impact. Member Zarrilli asked a follow-up question about the funding sources for the program, with Ms. Moray explaining that water system revenues were the expected funding source.

Upon a motion duly made and seconded, the resolution authorizing funding to retain a program management consultant was put to the members for a vote. The members in attendance unanimously approved the resolution by a voice vote.

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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), which operates the City's water and wastewater system and serves as the Board's customer service and billing agent, has requested that the Board assist in identifying and retaining a consulting firm with the ability to assist DEP and the

Board in overseeing a program of meter and meter read transmitter upgrades and replacements; and

**WHEREAS**, the availability of accurate water meter readings obtained from working water meters and reliably transmitted through the City’s wireless networks to DEP’s customer billing system ensures that accurate water and wastewater bills are prepared for customers, thereby reducing the rate of billing error and increasing the likelihood of timely bill payment by customers; 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 consulting firms with relevant expertise, for an initial three-year term with time extensions for up to an additional two-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 total compensation for services performed for the term of the agreement, including both the initial term and the term of the extension options, should the extension options be exercised, shall not exceed \$1,500,000 of Board funds.

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#### **Agreement with Arthur Spangel**

The Board’s next agenda item was a proposed consulting agreement with a former manager previously assigned to DEP’s Bureau of Wastewater Treatment (“BWS”). Elio Paradis, BWT’s

Assistant Commissioner of Operations, presented the proposed consulting agreement with Arthur Spangel and the funding request from the Bureau, describing Mr. Spangel's more than 35 years of experience with DEP and his knowledge and expertise of wastewater management. Mr. Spangel introduced himself to the Board, and briefly described the planning and evaluation work, as well as the knowledge transfer, that would be part of the agreement's scope of work.

Upon a motion duly made and seconded, the resolution authorizing staff to retain Mr. Spangel as a consultant to the Board was put to the members for a vote. The members in attendance unanimously approved the resolution by a voice vote.

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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 and 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), the agency that operates the City's water and wastewater system, has requested the advice of a consultant retained through the Board to assist the agency's Bureau of Wastewater Treatment with performing tasks involving strategic assessments of Bureau assets, assisting with the Bureau's financial management, designing management tools within the Bureau, assisting with computer software system selections, and other tasks that draw on Mr. Spangel's

expertise in wastewater management; and

**WHEREAS**, the Board previously retained Arthur Spangel on an interim basis on August 20, 2024, following his retirement from City service in 2021, having worked at DEP since 1986 in numerous capacities, most recently as Acting Assistant Commissioner of Wastewater Treatment; and

**WHEREAS**, Mr. Spangel possesses valuable knowledge and expertise with respect to wastewater management practices and DEP's wastewater asset base, and the Board accordingly wishes to authorize the negotiation of suitable and mutually agreeable commercial terms with Mr. Spangel, conducted in accordance with the Water Board's Policy on the Procurement of Goods and Services, in particular, Section 5.i and Section 6, it is therefore

**RESOLVED**, that the Board's Executive Director is hereby authorized and directed to enter into discussions and negotiations of a professional services agreement with Mr. Spangel, to retain Mr. Spangel's services as an independent contractor to the Board for a term of agreement of three years, with the term of the agreement to end no later than August 20, 2027, and upon such other terms and conditions as the officers may deem reasonable and appropriate; and be it further

**RESOLVED**, that the compensation for services performed during the three-year term of the agreement shall not exceed \$285,000, calculated at an hourly rate not to exceed \$100.00 per hour.

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### **Approval of Videoconferencing Procedures**

Executive Director Moray presented the next agenda item, a resolution authorizing the use of videoconferencing at Board meetings under certain circumstances, as well as the associated procedures. Ms. Moray explained that videoconferencing would generally be available to a Board

member if the Board member were unexpectedly unable to attend a Board meeting for exceptional reasons. Ms. Moray further explained that a physical quorum of the Board at the meeting location would continue to be expected, and described the additional procedures for members with a disability preventing attendance at the meeting. Mr. Zarrilli stated the importance of remote access to Board meetings from the perspective of making the Board's meetings open and accessible to the public, a perspective echoed by Member Hsu. Member Fernandez-Ketcham further noted the distinction between the Board meetings and public hearings, and the differing public roles between the two categories of Board events.

Upon a motion duly made and seconded, the resolution authorizing the limited use of videoconferencing was put to the members for a vote. The members in attendance unanimously approved the resolution by a voice vote.

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### **RESOLUTION**

**WHEREAS**, pursuant to section 103-a of the Open Meetings Law of the New York Public Officers Law, certain governmental bodies may use videoconferencing to conduct public meetings when such meetings already satisfy the minimum number of members physically present at the meeting's principal location for a quorum; and

**WHEREAS**, pursuant to those provisions of the Open Meetings Law, members of the New York City Water Board (the "Board") can remotely attend the Board's meetings due to extraordinary and unforeseeable circumstances, as described in Exhibit A of this Resolution; and

**WHEREAS**, the Board wishes to adopt this resolution, following a public hearing that was held on January 24, 2025, for purposes of authorizing the limited use of videoconferencing at Board meetings; it is therefore

**RESOLVED**, that the Board hereby adopts this resolution and authorizes the use of videoconferencing upon request by a member for meetings of the Board

and its committees, until at least July 1, 2026, or for as long a time as the applicable provisions of the Public Officers Law remain in effect; and be it further

**RESOLVED**, that the officers of the Board are, and each of them hereby is, authorized and empowered, in the name and on behalf of the Board, to take such other and further actions as the officers deem necessary or appropriate to implement this Resolution, in accord with Exhibit A hereto.

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### **Department of Environmental Protection Presentation on Drought Communications**

Commissioner Aggarwala led the presentation updating the Board on DEP's communication approach during the 2024 drought, and summarizing some of the lessons learned and noting that the drought had ended at the beginning of 2025. The Commissioner described the agency's communication outreach efforts, including partnering with other City agencies, and noting that paid commercial media was not a large part of the strategy. The Commissioner further explained that DEP was looking at options for operationalizing the drought rules the next time that drought communications are required. The Commissioner then discussed water consumption patterns in the City and as compared to other cities, in response to comments from Acting Chair Freed and Member Hsu, with Executive Director Moray providing some historical context regarding the system's water consumption and how changing water usage was reflected in the system's financial analysis. The Commissioner characterized stormwater as a potentially more significant water system challenge than water conservation, echoing comments by Ms. Moray that climate change could lead to changes in the amount of precipitation within the water system's region.

Member Hsu described his experience receiving communities from the City about the drought, indicating that he did not receive extensive communication from the City. Deputy Commissioner Kramer described some of the initiatives the City had looked at during the drought, and mentioned additional communication measures within DEP bills as one option for further customer communication that could be employed the next time drought communications are



required.

### **Department of Environmental Protection Update on the Multi-Family Conservation Program**

Deputy Commissioner Kramer led the presentation of the next agenda item, an update to the Board on the Multi-Family Conservation Program (“MCP”) that is one of the billing policies in the Board’s rate schedule involving \$1 billion of annual revenue and 24,000 customer accounts. Mr. Kramer summarized the Program and described some of its attributes, before proceeding to present several modifications to the Program that were under consideration by DEP and Board staff.

The modifications under consideration included additional leak audits and instituting a surcharge to encourage identifying and addressing water conservation issues, additional efforts to bring customers into good standing in order to manage billing delinquencies and avoid participation in the lien sale, beginning customer notifications and making data available to customers to monitor their water usage, and adjusting the scope of the program to focus the program on affordable buildings. Mr. Kramer stated that the upcoming fiscal year 2026 rate setting was not likely to see a significant impact on the magnitude of the proposed rate change due to the prospective changes to the MCP policies, and that some of the contemplated changes would occur in fiscal year 2026 and some would occur in fiscal year 2027.

Commissioner Aggarwala described the MCP customer base as largely in compliance with the program’s requirements, and mentioned that the City’s Housing Authority comprised approximately 20% of the MCP revenues and that the Housing Authority was in compliance with the program’s requirement. Member Hsu asked about the resources that DEP could make available for purposes of monitoring water consumption, and Commissioner Aggarwala described some of DEP’s tools for monitoring water and wastewater flows through the system.

### **Other Business**

Following a question from the members about the potential impact of the new federal administration on the availability of funds to the City's water and wastewater system, Commissioner Aggarwala explained that the City has a small number of projects in its water and wastewater construction program which are dependent on federal funds, adding that DEP was evaluating the potential impact of tariffs on the system's costs as well as the impact of potential changes to the federal tax code involving municipal bonds. Secretary Rodriguez characterized the discussions taking place in Washington, DC with respect to municipal bond taxability, and stated that the potential financial ramifications would become clearer when a draft of a new tax bill becomes available. At Mr. Rodriguez's request, Phil Wasserman from the Water Finance Authority provided comments about steps the Water Authority was taking to evaluate how to respond to the potential change of municipal bond tax treatment. Commissioner Aggarwala added that the new federal administration had already appointed a new administrator and a new regional administrator in the New York region to the EPA.

In response to a question from Acting Chair Freed, Secretary Rodriguez described some of the dynamics involving the state legislative framework as it would apply to stormwater rates. The Board requested that staff provide additional information to the Board's members regarding the state legislative framework as it relates to stormwater rates.

### **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