

**MINUTES OF THE MEETING OF THE
NEW YORK CITY WATER BOARD
JUNE 16, 2017**

A meeting of the New York City Water Board (the “Board”) was held on June 16, 2017 starting at approximately 10:00 a.m. in Spector Hall at 22 Reade Street, New York, New York 10007. The following members of the Board attended the meeting:

Alfonso Carney,

Evelyn Fernandez-Ketchum,

Adam Freed,

Jonathan Goldin,

Jukay Hsu and

Arlene Shaw.

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 May 18, 2017. With respect to the draft minutes distributed to the Board, Member Freed requested the minutes be amended to reflect his question regarding the increase in water consumption in the upstate communities. There being no further discussion, upon motion duly made and seconded, the minutes of the meeting held on May 18, 2017 were unanimously adopted.

Implementation of Expansion of the Home Water Assistance Program

The next item on the agenda was approval of the implementation of the expansion of the Home Water Assistance Program (“HWAP”), effective as of July 1, 2017, as was previously

adopted by the Board as part of the Board's Rate Schedule adopted on May 16, 2016. The resolution approving the implementation was read into the record by the Secretary after which Chairman Carney made reference to public testimony on the expansion of HWAP that was given at the Board's public hearing that immediately preceded the Board meeting. Upon a motion duly made and seconded, the following resolution approving implementation of the expansion of HWAP was unanimously approved by the Board.

RESOLUTION

WHEREAS, the New York City Water Board (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, on May 20, 2016, in accordance with Section 1045-j of the Act, the Board adopted various proposals regarding water and wastewater system rates and charges; and

WHEREAS, due to a legal challenge to the Board's adopted fiscal year 2017 rate schedule, which resulted in an order enjoining implementation of the 2.1% water and sewer rate increase and a \$183 credit for tax class 1 customers, certain other provisions adopted as part of the fiscal year 2017 rate schedule could not be implemented without further Board action; and

WHEREAS, one of the proposals, which is not the subject of current litigation is the expansion of Home Water Assistance Program ("HWAP") eligibility to include additional senior citizen owner occupants identified by the City's Department of Finance ("DOF") as an Enhanced STAR recipient with annual income of less than \$50,000; and

WHEREAS, Board staff recommends that the existing HWAP income limit of \$37,399 be increased to less than \$50,000 for senior citizen owner occupants to promote affordable water rates for senior citizens on lower fixed incomes; and

WHEREAS, best practice for lifeline/affordability programs, according to the American Water Works Association, is to apply a discount or credit to the full bill, and this proposed credit is approximately 25% of the average annual charge for the targeted recipient, which is consistent with other jurisdictions lifeline/affordability programs; and

WHEREAS, the Board continues to believe that the proposal promotes the goal of affordability for water and sewer charges for lower income property owners, and should be approved as recommended by staff; it is therefore

RESOLVED, that the Board hereby approves implementation, effective July 1, 2017, of the expansion of HWAP eligibility to include additional senior owner occupants with income less than \$50,000 as identified by DOF.

Implementation of Multi-family Water Assistance Program

The next item on the agenda was approval of the implementation of a new Multi-family Water Assistance Program (“MWAP”), effective as of July 1, 2017, as was previously adopted by the Board as part of the Board’s Rate Schedule adopted on May 16, 2016. The resolution approving the implementation was read into the record by the Secretary after which Member Freed made reference to public testimony on the MWAP that was given at the Board’s public hearing that immediately preceded the Board meeting. Upon a motion duly made and seconded, the following resolution approving implementation of the MWAP was unanimously approved by the Board.

RESOLUTION

WHEREAS, the New York City Water Board (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, on May 20, 2016, in accordance with Section 1045-j of the Act, the Board adopted various proposals regarding water and wastewater system rates and charges; and

WHEREAS, due to a legal challenge to the Water Board’s adopted fiscal year 2017 rate schedule, which resulted in an order enjoining implementation of the 2.1% water and sewer rate increase and a \$183 credit for tax class 1 customers, certain other provisions adopted as part of the 2017 rate schedule could not be implemented without further Board action; and

WHEREAS, one of the proposals, which is not the subject of current litigation is a new Multi-family Water Assistance Program (“MWAP”) to provide a credit of \$250 per dwelling unit for up to 40,000 qualified multi-family affordable housing units; and

WHEREAS, Board staff has recommended an MWAP credit to assist multi-family properties identified by the City’s Department of Housing Preservation and Development as affordable housing that meets residential income limits and has a long-term affordability agreement; and

WHEREAS, best practice for lifeline/affordability programs, according to the American Water Works Association, is to apply a discount or credit to the full bill, and this proposed credit is approximately 25% of the average annual charge for the targeted recipient, which is consistent with other jurisdictions lifeline/affordability programs; and

WHEREAS, the Board continues to believe that the proposal promotes the goal of affordability for water and sewer charges for lower income customers, and should be implemented as recommended by staff; it is therefore

RESOLVED, that the Board hereby approves the implementation, effective July 1, 2017, of an MWAP credit of \$250 per dwelling unit for up to 40,000 qualified multi-family affordable housing units.

Consent to an Easement in Connection with the Ulster Rail Trail

The next agenda item was a presentation by Ira Stern, a Regional Manager in the Bureau of Water Supply for the New York City Department of Environment Protection (“DEP”), and Robin Levine, a Senior Counsel in the Bureau of Legal Affairs of DEP, on the proposed granting of an easement on Water System property that would facilitate the creation of a walking trail contingent to the Ashokan Reservoir followed by a Board vote to approve the easement. Mr. Stern first presented a history of an 11.5-mile railroad easement that was granted in 1911 at the time of the construction of the Ashokan Reservoir that ran along the border of the reservoir. For the purpose of creating a desirable public amenity, Ulster County, the current holder of the railroad easement, has proposed the creation of a public walking trail (the “Ulster Rail Trail”) to replace the deteriorating railroad tracks resident on the easement. Mr. Stern described the outlines of the project, its financing and operational management and Ms. Levine described various legal issues related to the project. Mr. Stern and Ms. Levine also responded to various questions from Board members about the Trail. It was noted by Member Goldin that although the Board would be providing Ulster County a valuable property right and contributing more than \$2 million to the \$7 million project, the Water System would benefit by replacing/remediating a

deteriorating and environmental compromised stretch of property with a low-impact, socially beneficial and environmentally safe use.

The resolution approving the granting of the easement was read into record. There being no further discussion, upon motion duly made and seconded, the following resolution was unanimously adopted.

RESOLUTION

WHEREAS, the New York City Department of Environmental Protection (“DEP”), is engaged in programs within the New York City Watershed communities to ensure an adequate supply of clean and healthful drinking water to millions of New York City residents, as well as to several other regions in New York State; and

WHEREAS, pursuant to such programs, the City has entered into agreements with various municipalities within the Watershed communities to partnership with efforts to improve drinking water and to better protect the quality of the City’s drinking water; and

WHEREAS, the City entered into a Memorandum of Agreement with Ulster County, dated June 16, 2015, in a joint project to develop the Ashokan Rail Trail along the Ashokan Reservoir whereby the County agreed to design, construct, operate and maintain the Ashokan Rail Trail and the City agreed to provide financial support and other assistance to develop the Ashokan Rail Trail, which will improve community benefits that include recreational opportunities in the community and increase economic development and tourism in the community; and

WHEREAS, in order for the County to proceed with the completed design to initiate construction, the County has requested that a trail easement be granted for trail use as it is a condition precedent for the County to seeks its Legislature’s approval for such efforts; and

WHEREAS, the granting of an easement constitutes the granting of an interest in real property subject to the Agreement of Lease, dated July 1, 1985, as amended (as so amend, the “Lease”), between the City and the New York City Water Board (“Board”) with regards to the Water and Sewer System of the City (the “System”); and

WHEREAS, pursuant to Section 11.1(d) (ii) of the Lease, the City may, with the prior written consent of the Board, grant interests in property covered by the Lease, which, in the reasonable judgment of the Board, do not interfere with the operation and maintenance of the System and the collection of revenues from the System; and

WHEREAS, the granting of an easement for a public purpose is authorized under Title 4, Section 106, Subsection 9 of the New York City Administrative Code; and

WHEREAS, it is the judgment of the Board that such transfer provides benefits to the City and will not interfere with the operation and maintenance of the System or the collection of revenues from the System, it is therefore

RESOLVED, that the Board hereby gives its consent to the granting of a rail trail easements, in the form approved by the New York City Law Department, to the County of Ulster; and be it further

RESOLVED, that the officers of the Board be, and each of them hereby is authorized and empowered, in the name and on behalf of the Board, to grant such consent and to take such other and further actions as the officers or any officer deems necessary or appropriate to effectuate the foregoing resolution.

Adjournment

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

SECRETARY