

**MINUTES OF THE MEETING OF THE
NEW YORK CITY WATER BOARD
APRIL 27, 2018**

A meeting of the New York City Water Board (the “Board”) was held on April 27, 2018 starting at approximately 8:30 a.m. at 255 Greenwich Street, 8th Floor, Room 8-S1S2, New York, New York 10007. The following members of the Board attended the meeting:

Alfonso Carney,

Evelyn Fernandez-Ketcham

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 January 26, 2018. There being no further discussion, upon motion duly made and seconded, the minutes of the meeting held on January 26, 2018 were unanimously adopted.

Fiscal Year 2019 Rate and Billing Proposals

The next item on the agenda was a presentation by Vincent Sapienza, Commissioner of the Department of Environmental Protection (“DEP”) on DEP’s capital and operating expenses and proposal for fiscal year 2019 (“FY 2019”) water and sewer rates. Commissioner Sapienza highlighted DEP’s focus on water quality and safety, and advances in wastewater treatment that have resulted in a noticeable increase in harbor water quality. The Commissioner noted that

operating expenses are in large part driven by energy needs for wastewater treatment plants, personnel expenses, and upstate property taxes. Major components of new capital needs of the system include an expansion of storm sewers in southeast Queens, water tunnel #3, green infrastructure, and unfunded state and federal mandates.

DEP's rate proposal that would be effective starting July 1, 2018 includes a 2.36% increase for water and sewer charges, which will increase a monthly bill for a typical customer by \$1.35 to \$2.17. The Commissioner noted that rates were not increased the last two years, due in large part to Mayor Bill de Blasio's elimination of the rental payment combined with prudent expense management of the system. He noted that an increase of 2.36% is recommended at this time due to interest rate uncertainty and the importance of maintaining adequate financial reserves in order to moderate future rate increases. Commissioner Sapienza also noted that DEP's proposal includes the continuation of affordability programs, including 1) an assistance program for low income senior and disabled homeowners, 2) an assistance program for properties entering into long-term affordable housing agreements, 3) partial bill credits for homeowner that repair leaks in a timely manner, and 4) a freeze of the minimum charges for homeowners that conserve water. He further noted that even with the proposed increase, New York City water and wastewater rates are 9% lower than the average of the thirty largest U.S. cities.

Next, Deputy Commissioner Nancy Cianflone detailed proposed changes to billing policies, which include 1) extending the validity of letters of authorization from one year to two years, and 2) clarifying and updating to current practice DEP's title read procedure.

Member Adam Freed requested detail on the success of the green infrastructure initiative and an estimate as to how much stormwater is being diverted from wastewater treatment plants

and the resultant cost savings. Member Jonathan Goldin noted that the average customer increase when factoring the freeze of the minimum charge would be lower than a 2.36% increase. Member Freed inquired as to when the new billing system would be completed and whether the new system would have the capability to assess a stormwater charge. Deputy Commissioner Cianflone noted that procurement of the new billing system is progressing as expected, and the current estimate for implementation is 2020. Chairman Carney concluded by thanking the DEP Commissioner Sapienza for his presentation, and urging the public to participate in the five-borough public hearings to be conducted over the following month.

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

_____/S/_____
SECRETARY