

**MINUTES OF THE MEETING OF THE  
NEW YORK CITY WATER BOARD  
May 22, 2020**

A meeting of the New York City Water Board (the “Board”) was held on May 22, 2020 starting at approximately 8:30 a.m. via teleconference in accordance with the Governor’s Emergency Order regarding the Covid-19 pandemic. Approximately 40 members of the public dialed into the teleconference. The following members of the Board attended the meeting:

Alfonso Carney,  
Dr. Demetrius Carolina, Sr.,  
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 December 5, 2019. There being no further discussion, upon motion duly made and seconded, the minutes of the meeting held on December 5, 2019 were unanimously adopted.

**Operations Update and Water and Sewer Rate Proposal**

The next item on the agenda was a presentation by Joseph Murin, Executive Director of the Board, Jeff Lynch, Deputy Commissioner of the Department of Environmental Protection (“DEP”), and Omar Nazem, Treasurer of the Board. The presentation focused on 1) an update on the impact of the COVID-19 pandemic on operations of DEP and the water and wastewater system, 2) Water consumption and financial trends since the outbreak of COVID-19 in the City, 3) an update on DEP capital projects and 4) a proposal on water and wastewater rates to the Board in light of the outbreak of COVID-19 in the system’s service area.

Joseph Murin reported that DEP successfully adapted to rapidly changing circumstances and that there were no interruptions or degradation in service due to the pandemic. Due to economic hardships and a decrease in water consumption from the travel and commuting ban, collections began to soften in mid-March and recently have started to rebound. However, the system was able to absorb the decrease in collections due to better than forecasted collections through the first nine months of the fiscal year, and DEP’s proposal was for no increase to water and sewer rates. Additionally, DEP proposed to not assess the 10% surcharge in the FY 20 and FY 21 annual billing for customers enrolled in the Multi-Family Conservation Plan flat rate billing program who did not provide documentation to DEP of plumbing upgrades in light of the COVID-19 pandemic. DEP’s proposal also includes the continuation of affordability programs, including 1) an assistance program for low income senior and disabled homeowners, 2) an assistance program for properties subject to long-term affordable housing agreements, and 3) partial bill credits for homeowner that repair leaks in a timely manner.

Chair Carney requested a further update on the Board’s collections and financial situation later in the fiscal year after the impact of the current circumstances have leveled out. Chair Carney noted that the water and sewer rates could be revisited after a reassessment of collections

and expenses has been conducted. Board members stated that the Board will actively monitor collections over the summer and that future rate decisions will take into consideration the goal of avoiding large increases in out-years. Member Freed also requested an update on DEP's new rate study contract as it relates to stormwater billing. In addition, a discussion of the Fiscal Year 2020 rental request ensued, and the Board requested a future update on the status of lease rental payments to the City of New York.

### **Approval of Audit Contract**

The next item on the agenda was a presentation and recommendation to the Board for approval of the audit contract for Fiscal Years 2020, 2021, 2022, and 2023. The Board and the New York City Municipal Water Finance Authority (the "Authority"), in conjunction with the City of New York (the "City"), issued a competitive Request for Proposals for independent auditor services. The proposal from Grant Thornton was determined by the selection committee to offer the best combination of performance and value. Chair Carney reported that the Joint Audit Committee of the Board and the Authority met with the proposed independent auditors, and received a presentation from Grant Thornton highlighting their qualifications and experience. After such review, the Joint Audit Committee unanimously approved a recommendation that the Board and the Authority enter into a contract with Grant Thornton as the System's independent auditor.

There being no further discussion, upon motion duly made and seconded, the following resolution was unanimously adopted by the Board.

### **RESOLUTION**

**WHEREAS**, pursuant to Section 1045-g(8) of the New York City Municipal Water Finance Authority 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 and the New York City Municipal Water Finance Authority (the “Authority”), in conjunction with the City of New York (the “City”), issued a competitive Request for Proposals for independent auditor services; and

**WHEREAS**, the proposal from Grant Thornton, which was comprised of both Grant Thornton’s proposal to audit the City plus a proposal to audit the water and sewer system of the City of New York (the “System”) was determined to offer the best combination of performance and value; and

**WHEREAS**, pursuant to the Audit Committee Charter, the Joint Audit Committee of the Authority and the Board has evaluated the recommended selection of Grant Thornton as independent auditor; and

**WHEREAS**, the Audit Committee has found the selection of Grant Thornton to be satisfactory and has recommended to the Board that Grant Thornton be appointed and retained as independent auditors for the System’s financials; it is therefore,

**RESOLVED**, that the Board authorizes the Executive Director to enter into a contract and sign annual engagement letters with Grant Thornton as the independent auditors for the System’s financial statements for the fiscal years ending June 30, 2020, June 30, 2021, June 30, 2022, and June 30, 2023, as well as any other documents necessary to effectuate the retention of the independent auditors.

### **Consent to Easements**

Next, Matthew Schwab, DEP’s Real Property Manager for Water Supply, and Lisa Sofio, Senior Counsel from DEP’s Bureau of Legal affairs gave a presentation requesting the Board’s consent to the granting of easements on system properties. The easements are being conveyed in connection with a DEP capital project, which involves construction of a new bridge over the Esopus Creek near Boiceville, New York. The easements are required because the construction on City lands would interrupt driveway access to private residences from the existing road. Therefore, DEP is requesting the Board’s consent to grant easements for driveway purposes over City lands in the Town of Olive as shown in the presentation. The form of the easements to be conveyed have been approved by the New York City Law Department.

Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board approving the easements described above.

**WHEREAS**, the water and wastewater systems of the City of New York have been leased by the City to the New York City Water Board (the “Board”) pursuant to an Agreement of Lease, dated as of July 1, 1985, as amended (the “Lease”); and

**WHEREAS**, a portion of the lands subject to the Lease, located in the Town of Olive, County of Ulster, which were acquired by the City in connection with the Ashokan Reservoir, are used for public highway purposes and known as a part of Route 28A (“Route 28A”); and

**WHEREAS**, as part of its ongoing obligation to maintain and repair Route 28A, the City is engaged in capital project CAT-252, which involves, in part, the re-alignment and modernization of a portion of Route 28A to promote public safety; and

**WHEREAS**, in connection with such re-alignment, the City is extending certain driveways providing access from Route 28A to adjoining private landowners (the “Extended Driveways”); and

**WHEREAS**, the use of City land over the Extended Driveway will be governed by an easement defining the limited and specific rights to be granted to the adjoining owners for the use of City; and

**WHEREAS**, Title 4, Chapter 1, Section 106(9) New York City Administrative Code authorizes the City to grant easements over water supply lands provided such use does not damage water supply infrastructure or interfere with water supply use; 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**, it is the judgment of the Board that such transfer of easements for the Extended Driveways 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 for the City to grant a permanent easement by a conveyance deed in the form approved by the New York City Law Department in connection with capital project CAT-252; 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.

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