

MINUTES OF THE MEETING OF THE NEW YORK CITY WATER BOARD

May 11, 2026

A meeting of the New York City Water Board (the “Board”) was held on Monday May 11, 2026 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:

Alfonso Carney,

Adam Freed,

Richard Miller,

Arlene Shaw,

Udai Tambar, and

Daniel Zarrilli

Members Carney and Shaw participated in the meeting via videoconference, with Member Carney acting as a member of the quorum that also included Members Freed, Miller, Tambar, and Zarrilli, with Member Shaw participating as an observer. Member Freed served as Acting Chair and Treasurer Omar Nazem served as the Acting Secretary. Executive Director Nerissa Moray, DEP Commissioner Lisa Garcia, DEP Deputy Commissioner of the Bureau of Customer Services Albert Kramer, and DEP Deputy Commissioner of Public Affairs Beth DeFalco were also in attendance.

Approval of the Minutes

The first item on the agenda was approval of the minutes of the Board’s previous meeting held on April 1, 2026. Upon a motion duly made and seconded, the minutes were approved unanimously by the Board members constituting the quorum.

Approval of Amendments to the Board’s Fiscal Year 2026 Rate Schedule

Executive Director Moray described the proposed amendments as allowing the Board to expand the Board's customer affordability programs to include \$25 million of funding from the New York State Environmental Facilities Corporation (EFC), funds which the Board expects will be allocated to two programs already in operation, the Home Water Assistance Program (HWAP) and the Multi-Family Water Assistance Program (MWAP). The amendments allow the Board to modify the programs during Fiscal Year 2026 and to begin distributing the funds in June 2026, including a larger bill credit to HWAP customers and a large enrollment pool for MWAP customers. Ms. Moray also described an additional use of the Board's funds that would be reflected in amendments to the Board's rate schedule in a future fiscal year. Member Freed asked if the proposed amendment for the HWAP credit, authorizing a credit of up to \$196, meant that all HWAP customers would receive the \$196 credit, with Executive Director Moray explaining that customers might receive a lower credit since the size of the enrollment lists each year was uncertain and the length of the enrollment list would have a factor on how the available funds would be allocated. Chairman Carney asked why veterans would not be eligible to participate in the expanded funding pool from the EFC, with Ms. Moray explaining that the EFC funding was linked to a federal funding source that requires an income threshold that was not part of the eligibility requirements for the veteran's property tax benefit included as part of the ordinary HWAP eligibility requirements.

Upon a motion duly made and seconded, the resolution was approved unanimously by the Board members constituting the quorum.

RESOLUTION

WHEREAS, the Board is authorized pursuant to the New York City Municipal Water Finance Authority Act (the “Act”) to establish 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, the Board at its meeting on June 6, 2025 adopted a Rate Schedule (the “Rate Schedule” that took effect on July 1, 2025; and

WHEREAS, the Board wishes to amend Part V, Section 6 “Miscellaneous Credits” of the Board’s Rate Schedule, in order to allow for the expansion of the Board’s customer affordability programs to reflect the additional funds available to the City’s water and wastewater system as the result of financing discussions with the New York State Environmental Facilities Corporation (“EFC”) which resulted in the signing of a Project Finance Agreement on April 21, 2026; and

WHEREAS, the Board wishes to begin including the additional EFC funding in its customer program budget before the end of Fiscal Year 2026 on June 30, 2026; and

WHEREAS, in accordance with the public hearing requirements described in Section 1045-j (3) of the Act, (i) a public hearing was held on May 1, 2026, (ii) the public was given an opportunity at the hearings to present testimony to members and officers of the Board, as well as to the general public, (iii) the public was also provided the opportunity to email, mail, or otherwise communicate testimony to the Board pursuant to the information provided in the

public notices of the hearings which were first published on April 9, 2026, and
(iv) a transcript of the hearings and all written statements submitted by May 10,
2026 have been received and reviewed by the Board; and

WHEREAS, the Board has further determined the reasonableness
of the proposed amendments recommended by staff to (1) amend the Home Water
Assistance Program (HWAP) to allow for the issuance of bill credits of up to \$196
per qualifying recipient and (2) continue the Multi-Family Water Assistance
Program (MWAP) at an amended program size of up to 75,000 affordable
apartment units eligible to receive a bill credit of \$250 per qualifying apartment
unit; and

WHEREAS, the Board has in its possession a revised Rate Schedule
highlighting the proposed changes; it is therefore

RESOLVED, that the Board's Water and Wastewater Rate Schedule
Effective July 1, 2025 is hereby amended, with the amendments taking effect as
of May 11, 2026.

Proposal on Fiscal Year 2027 Water and Wastewater Rates

Commissioner Garcia introduced the presentation of the Board's Fiscal Year 2027 water
and wastewater rate proposal to the Board. Commissioner Garcia described some of the agency's
achievements during the last year, describing several of the agency's completed or in-process
construction projects, in addition to several initiatives involving regulatory issues and workforce
development.

Executive Director Moray presented the Board with a financial update before proceeding to the rate proposal, covering the water and wastewater system's capital and operating budgets as part of an overall financial update that also covered the system's revenues and the City's rental payment, noting that additions to the system's operating and maintenance budget as well as key capital projects in the capital improvement plan were part of the rationale for presenting a proposed rate increase to the Board. Member Freed asked if the projections included the expectation that the City would request the full amount of the rental payment allowed under the system lease, with Ms. Moray explaining that the projections assumed that the City would request the rental payment in the full amount. Ms. Moray described DEP's efforts to ensure that revenue were collected, noting that revenues in FY 2025 were strong and that year-to-date revenues in FY 2026 were also strong, factors which helped to offset in part the projected increase in system costs.

Ms. Moray described some of the policy changes that DEP planned to include with the rate proposal, including amendments to the Board's leak forgiveness program and the metered bill cap.

Proceeding to the rate proposal for FY 2027, Ms. Moray explained that DEP's proposal reflected a 6.0% rate increase to FY 2027 water and wastewater rates, noting that the monthly cost of the proposed rate increase would be approximately \$6 per month for a single-family household and \$7 per month for buildings billed under the Multi-family Conservation Program, in addition to DEP's proposal to keep the minimum charge at the same rate as in FY 2026. Water and wastewater rates are expected to remain below the cost of water and wastewater service in the City's peer group. Turning to the proposed rate increase for the Board's wholesale customers, Ms. Moray explained that the proposed adjustment to the allowance quantity rate was a -1.59% reduction to the rate and that the proposed adjustment to the rate for water sold in excess of the allowance quantity rate was also 6.0%, adding that the change to the allowance quantity was

mainly attributable to variances between forecast and actual spending as well as to a projected increase in the quantity of water sold to wholesale customers.

Member Zarrilli commented that the rental payment continued to be a significant part of the Board's budget and that the projected increase to the rental payment could place some New Yorkers under financial pressure. Member Carney asked if it was possible to discuss the rental payment with the City, with Ms. Moray explaining that the rental payment was one component of the City budget and was part of the overall budgetary process, with Member Shaw commenting that amending the system's structure to alter the rental payment's design would be a significant task. Member Tambar asked about some of the earlier years in the Board's history, when water and wastewater rate increases were low. Treasurer Nazem explained that several of the years without a rate increase were attributable to a time when the Board's rate schedule was under legal review and that rates were not changed at that time in order to preserve the facts of the case.

Commissioner Garcia summarized the Board's customer affordability programs, describing the reach of the programs as substantial, explaining that the Board's bill credit programs were expanded to continue with expanded funding, in addition to the continuation of the leak forgiveness program and the Multi-family Conservation Plan. The Commissioner also explained that DEP was expected to follow a new Department of Finance program extending payment agreements at 2.5% interest rates to certain categories of owner-occupied properties and that the proposed amendments to the rate schedule would include revisions to the Board's limitations with respect to the meter-billed customers.

Executive Director Moray described the calendar of public hearings and the vote on the Board's FY 2027 budget and rates, expected to occur on June 10, 2026.

Adjournment

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

_____/S/_____
SECRETARY