

MINUTES OF THE MEETING OF THE NEW YORK CITY WATER BOARD

May 5, 2025

A meeting of the New York City Water Board (the “Board”) was held on Monday March 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:

Alfonso Carney,

Adam Freed,

Arlene Shaw, and

Daniel Zarrilli

constituting a quorum. Member Carney chaired the meeting and Michael Moore served as Secretary of the meeting. Board officers Executive Director Nerissa Moray and Treasurer Omar Nazem were in attendance, and from the Department of Environmental Protection (DEP), Deputy Commissioner Albert Kramer.

Approval of the Minutes

The first item on the agenda was approval of the minutes of the Board’s previous meeting held on March 3, 2025. Upon a motion duly made and seconded, the minutes of the meeting were put to a vote. Upon a motion duly made and seconded, the minutes were approved.

Proposed Water and Wastewater Rates for Fiscal Year 2026

DEP Commissioner Aggarwala led the presentation to the Board, providing an update on several of the capital projects and strategic initiatives undertaken by DEP during the most recent fiscal year. The Commissioner highlighted DEP’s work in replacing older lateral water lines with

lead content with new, lead-free water lateral lines, as well as work involving managing flooding and stormwater in the City. The Commissioner introduced DEP's new borough commissioner role, and presented the names and titles of the agency's new borough commissioners to the Board, and presented an update on DEP's investments in new water meters and transmitters. In response to a question from Member Shaw about the metering of large customers, the Commissioner described progress in working with the MTA and the Port Authority to ensure that customer metering and billing was handled appropriately, mentioning that DEP's Bureau of Customer Service had created a large customer team focused on customers with larger billing accounts, and offered to provide the Board with an update on work with larger customers at a future Board meeting.

The Commissioner presented the system's \$33 billion capital improvement plan to the Board, noting that the agency believed that the agency was seeing favorable trends in terms of its capital commitment rate, describing the progress in moving from \$1.5 billion of annual capital investment to a \$3 billion level of investment. Executive Director Moray noted that \$3.8 billion of additions to the capital plan were approved during the year, including stormwater management investments in Brooklyn. The Commissioner proceeded to present a summary of DEP's success in managing water supply during the drought, and updated the Board on how the drought response impacted repair work on the Delaware Aqueduct, explaining that a new contract would be required and that construction was not expected to be completed until 2027.

Turning to the rate proposal, the Commissioner described the Fiscal Year 2025 to-date as a very successful year financially, due to DEP's efforts in working with customers on payment and to the inclusion of water and sewer arrears in City's lien sale, proceeding to present the Fiscal Year 2026 rate proposal as a 3.7% increase to the Board's rates. Ms. Moray presented data showing

that the cost of water and wastewater in the City remained lower than in other large peer cities and that the impact on a representative customer's bill would be in the range of \$43 per year.

Next, Executive Director Moray presented the system's proposed \$4.6 billion budget for Fiscal Year 2026, explaining the components of the budget to the Board, including DEP's operating and maintenance costs and the cost of debt service on outstanding water and wastewater bonds, providing some detail on some of the cost pressures on DEP's O&M budget. Member Shaw asked if there was any information about the impact of tariffs on DEP's expenses, with Ms. Moray explaining that DEP was undertaking an analysis of the potential impact of the tariffs on DEP's costs. David Womack from the Water Authority provided an update on some of the capital market trends in the municipal debt markets, noting that the system's water and wastewater bonds remained in demand by investors.

Executive Director Moray proceeded to present the proposed wholesale rates for Fiscal Year 2026, which included a proposed -1.6% decrease to the allowance quantity rate and a proposed 3.7% increase to the excess quantity on water above the allowance quantity.

Ms. Moray presented a summary of some of the financial risks which DEP was taking into account with respect to the utility's management, including inflation, Federal policymaking, and capital market trends. Commissioner Aggarwala added that reduced Federal support in the area of cybersecurity was another area that DEP was evaluating.

Turning to the system's accounts receivable, Executive Director Moray described some of the progress by DEP in working with customers to obtain payments for overdue water bills and to manage the system's overall receivables balance, assisted by the City's lien sale process, before proceeding to describe two of the proposed amendments to the Board's affordability programs, including a larger \$159 bill credit for the Board's small property owner program and a provision

that would ensure that all available budgeted affordability funds are allocated, whether to the small property owner program or to the Board' affordable rental apartment program.

Deputy Commissioner Kramer briefed the Board on some of the administrative changes to the policies of DEP and the Board, describing the higher reimbursement rates that under the proposed rules would be available under DEP's reimbursable metering program, and described proposed provisions designed to make the Board's leak forgiveness program and metered bill cap provisions more accessible, as well as modifications to the Board's theft of service provisions, including a 30-day cure period and proposed increase to the Board's denial of access fee, that would also be refundable under the proposed amendments. Executive Director Moray described the public hearing cycle scheduled to take place between May 27 and June 3, and the Board's next meeting scheduled to take place on June 6.

Adjournment

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

/S/
SECRETARY