

**MINUTES OF THE ANNUAL MEETING OF THE
NEW YORK CITY WATER BOARD**

June 6, 2025

A meeting of the New York City Water Board (the “Board”) was held on Friday June 6, 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,

Jukay Hsu,

Arlene Shaw, and

Daniel Zarrilli

constituting an initial quorum of three members, with members Hsu and Shaw arriving after the start of the meeting and bringing the quorum to five. Chairman 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, along with the Department of Environmental Protection’s Commissioner Rohit Aggarwala and Deputy Commissioner Albert Kramer.

Approval of the Minutes

The next item on the agenda was approval of the minutes of the Board’s previous meeting held on May 5, 2025. Upon a motion duly made and seconded, the minutes were approved by Members Carney, Freed, and Zarrilli.

Adoption of Fiscal Year 2026 Annual Budget

The next item on the agenda was the adoption of the Board’s annual budget. Following a series of questions from members Freed and Zarrilli about the calculation of the City certifications for DEP’s operations and maintenance payments and the City’s rental payment, which Ms. Moray and Mr. Nazem answered. The discussion included statements by members Zarrilli and Freed requesting that the City reconsider its practice in recent years of including the rental payment as a system expense, echoing the statement from members during 2024 that encouraged the City not to request the rental payment or to reinvest the rental funds into capital construction work. Upon a motion duly made and seconded, the resolution was approved by the meeting’s full five-member quorum.

RESOLUTION

WHEREAS, pursuant to the Financing Agreement dated as of July 1, 1985, as amended, between the New York City Water Board (the “Board”), the New York City Municipal Water Finance Authority (the “Authority”), and the City of New York (the “City”), the Board is authorized to adopt an annual budget that includes expenses of the Authority and the City relating to the operation and maintenance of the City’s Water and Sewer System (the “System”) and expenses of the Board; and

WHEREAS, the Board has received certification from the Authority regarding the Authority's Budget for the fiscal year commencing July 1, 2025 (“Fiscal Year 2025”) reflecting Authority Expenses and estimated Aggregate Debt Service (as such terms are defined in the Authority's General Revenue Bond Resolution); and

WHEREAS, the Board has received certification from the Director of Management and Budget of the City regarding the amounts which the City reasonably anticipates it will expend during Fiscal Year 2026 in connection with the operation and maintenance of the System as described in paragraphs (a) through (e) of Section 8.1 of the Agreement of Lease dated as of July 1, 1985, as amended, between the Board and the City (the “Lease”), and the rental payment, if any, requested by the City for the fiscal year commencing July 1, 2025 pursuant to Section 8.2 of the Lease; and

WHEREAS, the Board has received certification from AECOM USA, Inc. and MDE, Inc., Co-Consulting Engineers, pursuant to Section 8.3(a)(ii) of the Lease to the effect that amounts certified by the City for costs incurred or to be incurred in connection with paragraphs (a) and (b) of Section 8.1 of the Lease are reasonable and appropriate; and

WHEREAS, the Board has reviewed a proposed budget for the Board's own anticipated expenses for the fiscal year commencing July 1, 2025, and combined with the proposed expenses for the Authority and the City, the Board has prepared an annual budget for the upcoming fiscal year (the “Annual Budget”); and

WHEREAS, the Board has received certification from Amawalk Consulting Group, LLC (“Amawalk”), Rate Consultant to the Board, regarding forecasted cash flows and anticipated revenues for the fiscal year commencing July 1, 2025; and

WHEREAS, the Board has reviewed the Rate Consultant’s forecasted cash flows and the Board’s proposed Annual Budget for the fiscal year commencing July 1, 2025 and has determined that such provision for anticipated expenditures is reasonable and appropriate to enable the Board to exercise its powers and carry out its purposes in accordance with the New York City Municipal Water Finance Authority Act; it is therefore

RESOLVED, that the Annual Budget of the Board for the fiscal year commencing July 1, 2025, a copy of which is attached hereto, is hereby adopted.

Adoption of Rate Schedule Effective July 1, 2025

The next item on the agenda was adoption of the Board’s rate schedule, effective July 1, 2025. Member Freed summarized the public hearing process, and thanked DEP and the Board for successfully completing the public hearings on the proposed rates, adding comments about the value to the system of continuing to consider stormwater rates and investments. Upon a motion duly made and seconded, the resolution was approved.

RESOLUTION

WHEREAS, the Board is authorized pursuant to Sections 1045-g(4) and 1045-j of 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, in accordance with the public hearing requirements described in Sections 1045-j (3) and 1045-j(9a) of the Act, (i) public hearings were held in the boroughs of Staten Island, Brooklyn, Queens, the Bronx, and Manhattan on May 27, 28, 29, and June 2 and 3, 2025 respectively, (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 May 6, 2025, and (iv) a transcript of the hearings and all written statements submitted by June 4, 2025 have been received and reviewed by the Board; and

WHEREAS, in accordance with certifications received from (i) the New York City Municipal Water Finance Authority (the “Authority”) with respect to the Authority's annual budget for the fiscal year commencing July 1, 2025 (“FY 2026”), (ii) the City with respect to (a) the amounts which the City reasonably anticipates it will expend during FY 2026 in connection with the operation and maintenance of the water and sewer system and (b) rental payments, if any, requested by the City from the Board, (iii) AECOM USA, Inc. and MDE, Inc., Co-Consulting Engineers, with respect to the reasonableness of the City's certification of certain expenses, and (iv) Amawalk Consulting Group, LLC, Rate Consultant to the Board, regarding forecasted cash flows and anticipated revenues for FY 2026, the Board has on this day adopted its annual budget for FY 2026; and

WHEREAS, based on the requirements set forth in the Board's annual budget for FY 2026 and the testimony and statements submitted at the aforementioned public hearings, the Board has determined that the rates for all customers will increase by 3.7% compared to those rates described in the Rate Schedule for Fiscal Year 2025; and

WHEREAS, the Board has further determined the reasonableness of the proposal recommended by staff to (1) not administer a surcharge for Fiscal Year 2026 to the bills issued to accounts enrolled in the Multi-Family Conservation Program (MCP) that have not yet established administrative compliance with the Program's requirements, (2) continue the Home Water Assistance Program (HWAP) at a program size of up to 96,000 potential bill credit recipients, and to allow the program to issue a \$159 bill credit to qualifying one, two, three, or four residential unit properties, based on the program criteria of the property in question receiving at least one of three property tax credits from the New York City Department of Finance, including a Senior Citizen Homeowners' Exemption (SCHE), a Disabled Homeowners' Exemption (DHE), including Physically Disabled Crime Victims, or a Veteran's Exemption, or otherwise having a City Finance Department-verified income of less than \$50,000, and (3) continue the Multi-Family Water Assistance Program (MWAP) at a program size of up to 65,000 affordable apartment units to receive a bill credit of \$250 per qualifying apartment unit, as each such proposal is set forth in the proposed Water and Wastewater Rate Schedule Effective July 1, 2025, it is therefore

RESOLVED, that the proposed Water and Wastewater Rate Schedule Effective July 1, 2025, as well as the new or modified billing policies and programs as described above, are hereby approved.

Adoption of Wholesale Rates Effective July 1, 2025

The Board proceeded to consider a resolution approving changes to the Board's wholesale rates of a -1.6% reduction to the allowance quantity rate and a 3.7% increase to water sold in excess of the allowance quantity. Upon a motion duly made and seconded, the resolution was approved.

RESOLUTION

WHEREAS, the Board is authorized pursuant to Section 1045-g(4) and 1045-j of the New York City Municipal Water Finance Authority Act to establish rates and charges for services furnished by the Water System of the City of New York (the "City"); and

WHEREAS, pursuant to the Water Supply Act of 1905 as set forth in Section 24-360 of the Administrative Code of the City of New York, the City is required, upon request, to furnish a supply of water to certain municipalities and water districts north of the City at a rate determined on the basis of the total cost of the water to the City (the "Regulated Rate") in quantities not to exceed the daily per capita consumption in the City multiplied by the number of inhabitants in each municipality or water district as documented by the final release of Federal decennial census statistics, or other population measure as may be satisfactory to the Department of Environmental Protection (the "Allowance Quantities"); and

WHEREAS, those same certain municipalities and water districts north of the City may purchase a supply of water in excess of the amounts authorized under the calculation of the Allowance Quantity, at a separate rate of charge applicable solely to the quantities of water sold in excess of the amounts authorized under the Allowance Quantity calculation (“the Excess Rate”); and

WHEREAS, the proposal to the Board for the Regulated Rate is to decrease the rate to an amount of \$2,228.45 per million gallons; and

WHEREAS, the proposal to the Board for the Excess Rate is to increase the rate to an amount of \$6,599.82 per million gallons; and

WHEREAS, in accord with the public hearing requirements of Section 1045 of the Act, (i) the Board held a public hearing in Westchester County on May 30, 2025, (ii) the public was provided with an opportunity at the public hearing to present testimony to members and officers of the Board and the general public, (iii) the public was provided with the opportunity to email, mail, or otherwise communicate testimony to the Board pursuant to the information provided in the public notice of the hearings, and a transcript of the hearings, and (iv) all written statements submitted by June 4, 2025 have been received and reviewed by the Board, it is therefore

RESOLVED, that effective July 1, 2025, the Regulated Rate shall be charged in an amount equal to \$2,228.45 per million gallons, and the Excess Rate shall be charged in an amount equal to \$6,599.82 per million gallons, for water provided to wholesale customers north of the City.

Adoption of Amendments to the Board’s Reimbursable Metering Program, Regulation 1, and to the Board’s Regulations 2, 3, and 4

The Board proceeded to consider the proposed amendments to the Board’s Regulations Number 1, Number 2, Number 3, and Number 4, starting with a discussion of the reimbursable metering program, as codified in Board Regulation Number 1. After a discussion concerning the procedure for voting on the four regulations, the Board agreed to adopt all four of the regulations with a single voting action. Upon a motion duly made and seconded, the four resolutions approving the amendments to the Board’s Regulations Number 1, Number 2, Number 3, and Number 4 were approved.

[Amendment to Regulation Number 1]

RESOLUTION

WHEREAS, the Board is authorized pursuant to Sections 1045-g(4) and 1045-j of 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, in accordance with the public hearing requirements described in Sections 1045-j (3) and 1045-j(9a) of the Act, (i) public hearings were held in the boroughs of Staten Island, Brooklyn, Queens, the Bronx, and Manhattan on May 27, 28, 29, and June 2 and 3, 2025 respectively, (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 that were first published on May 6, 2025, and (iv) a transcript of the hearings and all written statements submitted by June 4, 2025 have been received and reviewed by the Board; and

WHEREAS, the Board has further determined that the proposal recommended by staff to amend the Board’s policies and reimbursement rates for the Reimbursable Metering Program, known as Regulation Number 1, as set forth in the attached Appendix A, is reasonable, it is therefore

RESOLVED, that the proposed amendments to the policies described in the Board’s Reimbursable Metering Program, Board Regulation Number 1, are hereby approved.

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[Amendment to Regulation Number 2]

RESOLUTION

WHEREAS, the Board is authorized pursuant to Sections 1045-g(4) and 1045-j of 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, in accordance with the public hearing requirements described in Sections 1045-j (3) and 1045-j(9a) of the Act, (i) public hearings were held in the boroughs of Staten Island, Brooklyn, Queens, the Bronx, and Manhattan on May 27, 28, 29, and June 2 and 3, 2025 respectively, (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 that were first published on May 6, 2025, and (iv) a transcript of the hearings and all written statements submitted by June 4, 2025 have been received and reviewed by the Board; and

WHEREAS, the Board has further determined the reasonableness of the proposal recommended by staff to amend the Board's policies and procedures described in Board Regulation Number 2, relating to the discontinuance of water service to customers of the City's water supply system, as set forth in the attached Appendix A, including, among its other revisions, the amendments relating to the duration of the Regulation's medical exemption provisions and the requirements for filing a service termination complaint, it is therefore

RESOLVED, that the proposed amendments to the policies described in the Board's Regulation Number 2 relating to the termination of water service are hereby approved.

[Amendment to Regulation Number 3]

RESOLUTION

WHEREAS, the Board is authorized pursuant to Sections 1045-g(4) and 1045-j of 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, in accordance with the public hearing requirements described in Sections 1045-j (3) and 1045-j(9a) of the Act, (i) public hearings were held in the boroughs of Staten Island, Brooklyn, Queens, the Bronx, and Manhattan on May 27, 28, 29, and June 2 and 3, 2025 respectively, (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 that were first published on May 6, 2025, and (iv) a transcript of the hearings and all written statements submitted by June 4, 2025 have been received and reviewed by the Board; and

WHEREAS, the Board has further determined the reasonableness of the proposal recommended by staff to amend the Board’s policies and procedures described in Board Regulation Number 3, relating to customers facing billing circumstances involving the Board’s Denial of Access provisions, as set forth in the attached Appendix A, including, among other revisions, the amendments relating

to customer notification procedures, the account administration fee, and the provisions applicable to customers with service termination exemptions, it is therefore

RESOLVED, that the proposed amendments to the policies described in the Board’s Regulation Number 3 relating to Denial of Access is hereby approved.

[Amendment to Regulation Number 4]

RESOLUTION

WHEREAS, the Board is authorized pursuant to Sections 1045-g(4) and 1045-j of 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, in accordance with the public hearing requirements described in Sections 1045-j (3) and 1045-j(9a) of the Act, (i) public hearings were held in the boroughs of Staten Island, Brooklyn, Queens, the Bronx, and Manhattan on May 27, 28, 29, and June 2 and 3, 2025 respectively, (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 that were first published on May 6, 2025, and (iv) a transcript of the hearings and all written

statements submitted by June 4, 2025 have been received and reviewed by the Board; and

WHEREAS, the Board has further determined the reasonableness of the proposal recommended by staff to amend the Board's policies and procedures described in Board Regulation Number 4, relating to customers facing what was formerly known as the Board's Theft of Services billing provisions, and which would under the amended Regulation be known as the Billing Interference regulation, as set forth in the attached Appendix A, including amendments relating to the plumbing configurations and Department of Environmental Protection permit conditions which would qualify as the basis for invoking the Regulation, and the term of the available cure period for customers facing billing actions under Regulation Number 4, it is therefore

RESOLVED, that the proposed amendments to the policies described in the Board's Regulation Number 4 relating to termination of water service are hereby approved.

Real Property Action in the Town of Carmel, NY

The next agenda item the Board considered was a proposed real property transaction involving a water and sewer system asset. The Board heard a presentation by DEP personnel describing the proposed transaction, with the presentation led by DEP Assistant Commissioner David Warne from the Bureau of Water Supply and DEP Deputy General Counsel from the Bureau of Legal Affairs P.J. Sagar.

Deputy Commissioner Warne described the asset that would be the subject of the transaction as a City-owned wastewater treatment plant located in the Town of Carmel, New York (the “Town”). Mr. Warne explained that the wastewater treatment plant is also currently operated by DEP and, under the proposed transaction, ownership and operating responsibility for the plant would be transferred to the Town. Mr. Warne proceeded to describe the plant as a longtime City-owned asset that was most recently upgraded in 1997 and that requires extensive investment in the plant and equipment to reconstruct and upgrade aging plant assets and components. Mr. Warne described the motivation for the transaction as a cost saving action from the perspective of the City and an opportunity for the Town to increase the plant’s service area once improvements to the plant are complete, and indicated that the system’s consulting engineers at AECOM and Macan Deve had provided written certification that the proposed ownership transfer would not impact the operation or financial condition of the City’s water and wastewater system.

In addition to transferring primary responsibility for the plant’s expenses to the Town, as one result of the plant’s expanded capacity, DEP expects to no longer bear responsibility for part of the operating and maintenance and capital costs of two nearby wastewater treatment plants which are not owned by the City and where DEP currently absorbs part of the costs of the non-City plants. Mr. Warne summarized the cost savings analysis performed in connection with the proposed transaction, based on the expected lifecycle of required upgrades to the plant, the need to no longer pay property taxes, and other cost savings that would result from no longer owning the plant. The analysis indicated the present value of the expected savings would be \$147 million. Taking into account the cost savings from the two non-City owned treatment plants, the present value of the expected savings would increase to \$162 million. With respect to the proposed improvements to the plant, the City expects to provide part of the funds required for the required

improvements to the plant, in an amount of \$66 million, in addition to \$10 million to support the expansion of the plant's service area to include the area currently served by the two smaller non-City plants. In addition to City funding, the State's Department of Environmental Conservation would provide \$29 million toward work involving the plant, resulting in a net cost to the City of \$47 million. In response to questions from Members Shaw and Zarrilli about the capacity of the Town to manage and provide financial support for the plants, Mr. Warne explained that the Town separately owns and operates two wastewater treatment plants, and works with a private contractor to assist with management of the plants, in addition to the financial support of the Town's bonding and rate-setting authority. In response to a question from Member Zarrilli, DEP Counsel Sagar described the State's role through the Department of Environmental Conservation in providing regulation over wastewater treatment plants, and explained that as a former owner DEP would no longer be responsible for the plant.

Counsel Sagar proceeded to describe the relevant legal authorities to the Board, including the authority described in the City Administrative Code authorizing the transfer of property previously purchased for public purposes, including purposes such as watershed protection and wastewater management. Assistant Commissioner Warne concluded the presentation by summarizing the required legal documentation and requested that the Board vote to approve the proposed resolution.

Upon a motion duly made and seconded, the resolution was approved.

RESOLUTION

WHEREAS, pursuant to 1938 and 1957 agreements between the City of New York ("City") and the Town of Carmel, New York ("Town"), the City owns

and operates a wastewater treatment plant (the “Mahopac WWTP”) located at 35 Mud Pond Road within the Town (the “Property”); and

WHEREAS, the Mahopac WWTP discharges treated wastewater effluent from the Town into Mud Pond Brook, which flows directly into the City’s Croton Falls Reservoir, a source of drinking water for the City of New York; and

WHEREAS, Mahopac WWTP must be refurbished to replace equipment and methods of operation that are approaching the end of their useful life; and

WHEREAS, the City incurs salary and operation and maintenance costs to operate each of the Mahopac WWTP, the Society Hill WWTP, and the Mahopac Village Center WWTP; and

WHEREAS, the City incurs Town, County, and School District taxes on the Property; and

WHEREAS, the City desires to be relieved of the obligations of owning, operating, and maintaining the Mahopac WWTP; and

WHEREAS, there is a potential threat to water quality posed by future failures of septic systems along NYS Route 6 that could be eliminated by the extension of a sewer collection system that includes construction of new sewers to collect sewage from an extended district and consolidates wastewater treatment from the facilities known as “Society Hill WWTP” and “Mahopac Village Center WWTP” and conveys it to the expanded Mahopac WWTP for treatment; and

WHEREAS, the refurbished and expanded Mahopac WWTP will benefit both the City by preventing potential future water quality concerns within the City's water supply system; and

WHEREAS, the City has entered into a contract with the New York State Department of Environmental Conservation ("DEC"), dated August 9, 2022, whereby the DEC has agreed to provide certain funds to the City to be allocated to among other water quality projects located within the New York City watershed, including the disposition of the Mahopac WWTP to the Town; and

WHEREAS, the New York City Administrative Code §4-106(9), authorizes the conveyance of rights in, over or across water supply lands for "sewer" projects or any other public purpose, and DEP certifies that the proposed conveyance will not endanger or injure the water supply structures or other property of the city or interfere with the use and operation thereof for water supply or sanitary protection purposes; and

WHEREAS, pursuant to Section 11.1(d) of the Lease between the City and Board, dated July 1, 1985, the City may, with the prior written consent of the Board, including receipt of a certificate signed by the Consulting Engineer, dispose of real property covered by the Lease, as long as the conveyance does not materially adversely affect the revenues of the City's water or sewer system, or impair the ability of the Board to make any payments required by the Lease or any other agreement to which the Board or City may be bound.

WHEREAS, it is the judgment of the Board that such transfer of the Mahopac WWTP to the Town provides benefits to the City and will not interfere

with the operation and maintenance of the City's water or sewer system or the collection of revenues from the system, it is therefore

RESOLVED, that that, pursuant to Section 11.1(d)(i) of the Lease, the Board hereby release its leasehold interest in the conveyed property; 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

Commissioner Aggarwala provided closing comments and the Board members with copies of DEP's new strategic plan, noting that several of the plan's initiatives were already underway. There being no further business to come before the Board, upon motion duly made and seconded, the meeting was adjourned.

_____/S/
SECRETARY