

**NEW YORK CITY  
WATER BOARD MEETING**

**Date: June 14, 2021**

[START RECORDING]

CHAIRPERSON CARNEY: All right. Um, we will start it. Omar, why don't you queue us up?

MR. OMAR NAZEM: Okay.

CHAIRPERSON CARNEY: Get us going.

MR. NAZEM: So, Members, this is for everyone, members of the public, the city employees--

CHAIRPERSON CARNEY: [Interposing] Well, are we being recorded yet? I haven't heard that.

MR. NAZEM: Yeah. We are being recorded, folks. So the transcript will be made available. I'll go through the details. We also have a captioning service for folks who would like the assistance, you know, of hearing the content.

So good morning, everyone. This is a formal business meeting of the New York City Water Board. My name is Omar Nazem. I'm the Board's treasurer.

The meeting today is to consider several items of formal business. We've completed a

**Ubiquis**

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 \* Fax: 888-412-3655

1 cycle of public hearings recently to receive  
2 public comment. This meeting is not a meeting  
3 for public comment. This is a business meeting  
4 of the Board.  
5

6 Accordingly, I'd ask everyone to please  
7 place your phones on mute unless you are a  
8 member or a government employee who needs to  
9 speak as part of the meeting. I'm just  
10 interested of keeping the background noise to a  
11 minimum.

12 We will be as I mentioned recording the  
13 meeting and making an audio recording as well as  
14 a written transcript of the meeting available on  
15 the Board's website shortly after the meeting.

16 In addition, if you would like to use that  
17 accessibility option, you have to go to a URL,  
18 Streamtext.net. It's reasonably lengthy so I  
19 can't read the whole thing on the call.

20 But if you go to the Water Board's web page  
21 which is [nyc.gov/nycwaterboard](http://nyc.gov/nycwaterboard), all one word,  
22 and you look at the right-hand side there's a  
23 column labeled "Announcements and Hearing  
24 Notices."

25 If you click the 'Agenda' for the June 14th

**Ubiquis**

1 meeting, it pulls up the agenda. You can get  
2 that Streamtext accessibility URL off the  
3 agenda, and in addition you can get a copy of  
4 the Board's budget which -is one of the key  
5 discussion documents for today's meeting.  
6

7 All the other discussion documents, the rate  
8 schedule and other information about the  
9 proposed rates and charges, and the reports of  
10 the rate council and the Board's Bluebook, sort  
11 of the financial information packet, are also on  
12 the website as well.

13 That's everything I've got. Mr. Secretary  
14 Rodriguez, I'm going to give it to you now to do  
15 the roll call.

16 MR. ALBERT RODRIGUEZ: This is Al Rodriguez,  
17 Sectary of the Board. I'm going to call the  
18 roll. Chairman Carney?

19 CHAIRMAN ALFONSO CARNEY: I'm present.

20 MR. RODRIGUEZ: Thank you. Member  
21 Fernandez-Ketcham?

22 MS. EVELYN FERNANDEZ-KETCHAM: Here.

23 MR. RODRIGUEZ: Mm-hmm. Member Freed?

24 MR. ADAM FREED: Here.

25 MR. RODRIGUEZ: Member Goldin?

**Ubiquis**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

MR. JONATHAN GOLDIN: Present.

MR. RODRIGUEZ: Thank you. Member Hsu?

MR. JUKAY HSU: Here.

MR. RODRIGUEZ: Member Shaw?

MS. ARLENE SHAW: Here.

MR. RODRIGUEZ: Thank you. Mr. Chairman, we have a quorum.

CHAIRPERSON CARNEY: Mr. Secretary, thank you all very much, and, um, I want to--in fact it's my pleasure to welcome the members of staff and our guests to what is arguably our, in my view, at least our most important meeting of the year, the fiscal year.

We have four resolutions to consider today. But before I begin the meeting, we are missing a member. Dr. Demetrius Carolina is not with us today having left the Board effective the 29th of May.

Dr. Carolina was a terrific addition to this Board, was not with us for what we had hoped would be a longer tenure, but his membership, his presence on the Board, was extremely important to me personally.

I suspect that his public service has not

1 ended. I suspect we will see his name pop up in  
2 the not-too-distant future offering service to  
3 the city here, most specifically to his beloved  
4 Staten Island.  
5

6 We will--after the vote on the minutes after  
7 we have considered the minutes, I'm going to  
8 exercise a Chairman's prerogative to make a few  
9 comments.

10 The first order of business today is the  
11 approval of the minutes of May 10. Are there  
12 any corrections to those minutes or comments on  
13 them from the members?

14 MR. FREED: Yeah, Mr. Chairman. This is  
15 Adam Freed. I would just like to ask for an  
16 addition in the line of questioning for the rate  
17 proposal we had last meeting.

18 I asked (inaudible) about the stimulus  
19 funding and how it could be incorporated in the  
20 impact for the waste water system, and also  
21 about the sustainable storm water study and, you  
22 know, expressing my continued desire every year  
23 that we find ways to accelerate that.

24 So I'd just love to make that part of the  
25 minutes and incorporate it into that.

**Ubiquis**

CHAIRPERSON CARNEY: Mr. Secretary, can we do that?

MR. RODRIGUEZ: We sure can. We certainly can--

CHAIRPERSON CARNEY: [Interposing] Great. Then--then I'll ask that subject to the correction, those two corrections to be made in the minutes after this morning. Subject to those two changes, I would like to ask for a motion to approve the minutes.

MR. FREED: So moved. This is Member Freed.

CHAIRPERSON CARNEY: Adam, thank you. Thank you very much. Is there a second?

MR. GOLDIN: And this is a second from Board Member Goldin.

CHAIRPERSON CARNEY: Jon, thank you very much. All in favor? I'm sorry. Mister--Mr. Secretary, will you then poll the members to get their--to get their votes?

MR. RODRIGUEZ: Sure. I'm polling the members to, uh, take their vote on approving the minutes. Chairman Carney, how do you vote?

CHAIRPERSON CARNEY: To approve.

MR. RODRIGUEZ: Uh, Member Fernandez--

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

Ketcham, how do you vote?

MS. FERNANDEZ-KETCHAM: Approved.

MR. RODRIGUEZ: Member Freed, how do you vote?

MR. FREED: Approved.

MR. RODRIGUEZ: Member Golden--Goldin, how do you vote?

MR. GOLDIN: Approved as amended.

MR. RODRIGUEZ: Thank you. Member Hsu, how do you vote?

MR. HSU: Approve.

MR. RODRIGUEZ: Thank you. Member Shaw, how do you vote on the resolution?

MS. SHAW: Approved.

MR. RODRIGUEZ: Thank you. The resolution has been approved, Mr. Chairman, unanimously--

CHAIRPERSON CARNEY: [Interposing] And I believe approved unanimously.

MR. RODRIGUEZ: Yes.

CHAIRPERSON CARNEY: Thank you very much, Mr. Secretary. We're going to move on now. Before we consider the second agenda item, which is the adoption of the Fiscal 2022 annual budget, uh, a couple--a couple of comments.

**Ubiquis**



1  
2 That budget of course is in your information  
3 packet and you can refer to it. I'd like to ask  
4 Omar and--and Joseph, if they choose to do so,  
5 to restate the budget for the record just in,  
6 uh--uh, in the, uh, the--in the numbers that  
7 would be approved.

8 And if you choose to give us component parts  
9 of that budget, please don't hesitate but it's  
10 not necessary. I want to know what the total  
11 annual budget is that this Board is voting on.

12 MR. NAZEM: Uh, this is--this is Omar Nazem,  
13 the Board's treasurer.

14 The, um--the budget is approximately, uh--  
15 I'll get to the exact figure in a second. It's  
16 approximately a \$3.5 billion budget for fiscal  
17 year '22 which is very close to align with where  
18 we think the current year will land.

19 The way the Board's budget just as--as a  
20 concept is designed as a funding mechanism to  
21 pay for the City's utility--water and sewer  
22 utility company's operation, and to--and to  
23 provide funding to make the debt service  
24 payments on all the bonds, the approximately \$30  
25 billion of bonds, that have been sold over the

1 years to pay for all of the construction  
2 projects the City undertakes to build water and  
3 maintain water and sewer infrastructure. So  
4 it's a sizeable system and it has a sizeable  
5 budget that reflects that. There are also two  
6 small line items in here which are the, um--sort  
7 of administrative costs of the Water Finance  
8 Authority and the Water Board itself which are  
9 respectively the sort of the entity that sells  
10 the bond to Wall Street and this entity that  
11 sets the rates and charges and performs sort of  
12 cash management treasury, management function.  
13

14 What we do is we receive certifications from  
15 the City and the Water Authority, and then we  
16 receive a budget forecast from the Authority  
17 itself and from the Board. And we add--and we  
18 add it up, make some netting adjustments, and we  
19 get to what we view as our revenue target.

20 But we need to set rates and charges at a  
21 level sufficient to raise that much money the  
22 next year to pay all these expenses. The exact  
23 number (inaudible)--

24 CHAIRPERSON CARNEY: Somebody has--has  
25 overlooked putting their phone on mute.

**Ubiquis**

2 MR. NAZEM: The exact number for the budget  
3 the Board is being asked to consider and vote on  
4 for the coming fiscal year FY '22 starting July  
5 1st is \$3,535,264,000.

6 CHAIRPERSON CARNEY: Omar, thank you.  
7 Before I ask for questions, before I offer the  
8 floor for questions, I have--I'd like to  
9 actually let the folk on the phone know who's  
10 with us today.

11 And--and these are people who may be able to  
12 supply answers to the Board for the questions  
13 you may have on the--on the proposed budget.

14 From the Department of Environmental  
15 Protection here we have the Commissioner,  
16 Commissioner Sapienza. We have the Deputy  
17 Commissioner for Customer Services Jeff Lynch,  
18 and from the Sustainability Bureau we have  
19 Deputy Commissioner Angela Licata and Senior  
20 Bureau representatives Pinar Balci and Allen  
21 Cohen.

22 Have I pronounced your name correctly, Ms.  
23 Balci?

24 MS. PINAR BALCI: Yes, you did. Thank you.

25 CHAIRPERSON CARNEY: Thank you very much.

**Ubiquis**

1 From the Water Finance Authority, we have David  
2 Womack and we have Olga Chernat and we have  
3 Robert Balducci. I would say this in order, the  
4 president, the executive director, and the chief  
5 financial officer of WFA.  
6

7 From the Water Board, we have Joseph Murin,  
8 Secretary Al Rodriguez, and you've heard from  
9 him previously Treasurer Omar Nazem.

10 Special thank you to Joe Murin who could  
11 easily have, based on various events that he has  
12 to deal with today, could have missed this  
13 meeting. Joe, special thanks for being with us  
14 today. I promise not to make this a long  
15 meeting.

16 All right. That's it. Omar has restated  
17 the budget. Are there budgetary--budget  
18 questions? Are there questions for Omar on the  
19 budget? Any comments on the budget?

20 MR. GOLDIN: Mr. Chairman, this is--

21 MR. FREED: Mr. Chairman, I will--

22 MR. GOLDIN: -- this --

23 MR. FREED: So I'll defer and go next.

24 CHAIRPERSON CARNEY: I'm sorry. Are you  
25 sure?

1 MR. GOLDIN: Go ahead, Adam.

2  
3 MR. FREED: Um, I, you know, I appreciate  
4 the budget presentation. My only comment is  
5 just to restate, um, you know, urging the City  
6 and the--the--to continue exploration and  
7 hopefully, uh, permanently eliminate the rental  
8 payment that we owe to the City every year.

9 I know it's been eliminated for the next  
10 year in the budget cycle as it has been in  
11 previous years as well, but continues to hang  
12 over us. I've seen it be reinstated after the  
13 fact and having it done and the budget for that,  
14 so I would urge that could be something that  
15 hopefully in future years can be permanently  
16 eliminated so that it is not a payment that rate  
17 payers need to factor into and not in  
18 uncertainty that we need to be concerned about  
19 because it can impact our budget and ability to  
20 maintain the system.

21 CHAIRPERSON CARNEY: Adam, thank you. Are  
22 there other comments from the members or  
23 questions from members?

24 MR. GOLDIN: Yes. This is Jon Goldin.  
25 Thank you. First of all, I just want to note

1 and thank the DEP staff for all of its  
2 incredibly hard work on this proposal and the  
3 process. And also to thank the public for all  
4 the thoughtful comments which have led to some  
5 important revisions.  
6

7 But I did want to just mention in the budget  
8 my question really is for Omar and--and maybe  
9 for others. To what extent do we stand exposed  
10 to the prospect of a retroactive change in the  
11 rental payment as we've seen in--in prior years?  
12 How would that affect the budget?

13 MR. NAZEM: Well, so this--this is Omar.  
14 Well, it--it would affect the budget. The--the  
15 rental payment is a component of the--the City's  
16 certificate that it delivers to us each year.

17 It's a big line item which is in the  
18 certificate every year is the direct cost of  
19 running DEP. In years where the City chooses  
20 not to request a rental, they simply write zero  
21 in the line for the rental payment and it  
22 doesn't need to get funded.

23 That's the case with the FY '22 certificate.  
24 We received a request, um, from (inaudible)  
25 which is a large number as you'd expect. We

**Ubiquis**

1  
2 did--there was no request for the rental, and  
3 accordingly no rental has been built into the  
4 budget.

5 If the City were to amend its certificate  
6 after the start of the fiscal year and to seek a  
7 rental for FY '22, it--it would--that would be a  
8 departure from what had happened in practically  
9 all years since the system was established.

10 It--it--there are, you know, one or two  
11 cases where that has happened, most recently  
12 during the pandemic, of an exceptional event.  
13 But in general the City hasn't done that and in  
14 most years it hasn't in fact done that. It's  
15 really only done that, you know, only a tiny  
16 number of occasions against the backdrop of  
17 exceptional things happening.

18 If the City were to do it again, next year  
19 or in a future year, the Board would need to  
20 come back and it would need to amend the budget.  
21 And the budget could--you know, the budget--it  
22 would be a financial decision that the  
23 Authority, the Board, and the City would need to  
24 make in combination how that--you know, how the  
25 rental would be accounted for.

**Ubiquis**

1  
2 It could be--it could trigger a need for a  
3 rate increase. It could trigger the need for  
4 adjustment in other lines such as (inaudible)  
5 and directly a combination of the two. And as  
6 to how that would be dealt with would be a game-  
7 time decisions that, you know, folks would need  
8 to work together to determine.

9 But it would require a need to amend the  
10 budget to account for the rental payment and  
11 whether that would translate into an increase in  
12 total revenue requirement for the year would be  
13 a game-time decision.

14 MR. GOLDIN: Thank you, Omar. And it's the  
15 conclusion of the staff that there is not a  
16 sufficiently reasonably likely prospect of that  
17 this year, given all the facts and  
18 circumstances, that we should be reserving for  
19 that--for that contingency?

20 MR. NAZEM: That's--that's correct. The--  
21 the reason is that (inaudible) is how it gets  
22 like--how--there really are--there's only one  
23 example that I'm aware of in the Board's history  
24 and if you go back in ancient history perhaps  
25 there's a second, but it--it's--it's a very,

**Ubiquis**



1 very rare occurrence.

2  
3 What typically happens is the certificate is  
4 delivered before the start of the fiscal year  
5 when the City completes its April budgeting  
6 cycle and that's a number--and that's a number.  
7 And then we do a small adjustment as your  
8 actual, you know, budget, you have small  
9 variances from year to year.

10 But a revised certificate seeking a  
11 retroactive, to borrow your term, rental  
12 increase is rare enough that I think our  
13 determination is it's an unlikely not--you know,  
14 not reasonably certain to happen and therefore  
15 proper to not, you know, include a reserve for  
16 that in the budget.

17 MR. GOLDIN: Thank you.

18 CHAIRPERSON CARNEY: Jon, is that  
19 satisfactory for you?

20 MR. GOLDIN: Um, well, I--I would--I'd like  
21 us to have more certainty, but from--from what  
22 Omar said I think it sounds like we have a  
23 reasonable degree of certainty so, yes, thank  
24 you.

25 CHAIRPERSON CARNEY: There is no question,

**Ubiquis**

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 \* Fax: 888-412-3655

1 Jon, that we'd all like to have more certainty.  
2 And indeed at least one of the folk who  
3 testified asked that we look--that we seek more  
4 certainty.  
5

6 In the absence of that certainty though, I  
7 think that we have gotten from the City as--as--  
8 as close to a declaration of--of certainty as we  
9 can get. They had said to us that they do not  
10 expect that there will be a need to  
11 retroactively assert their claim to the rental  
12 payment. And for the moment, I think that's  
13 gotta be enough.

14 Are there any other questions on that  
15 matter? Or any other questions on the budget?  
16 There being none, may I have a motion, please,  
17 to approve it?

18 MR. GOLDIN: So moved.

19 CHAIRPERSON CARNEY: Is that--is that you,  
20 Jon?

21 MR. GOLDIN: It is.

22 CHAIRPERSON CARNEY: Yes. Thank you. Is  
23 there a second?

24 MS. FERNANDEZ-KETCHAM: Second. Evelyn.

25 CHAIRPERSON CARNEY: Evelyn, thank you very,

1 very much. Mr. Secretary, will you poll the  
2 members, please, to get their votes?  
3

4 MR. RODRIGUEZ: Yes. Yes. It's the  
5 Secretary Al Rodriguez polling the members for  
6 their approval for the resolution to approve the  
7 budget. Chairman Carney, how do you vote?

8 CHAIRPERSON CARNEY: To approve.

9 MR. RODRIGUEZ: Thank you. Member  
10 Fernandez-Ketcham, how do you vote?

11 MS. FERNANDEZ-KETCHAM: Approve.

12 MR. RODRIGUEZ: Thank you. Member Freed,  
13 how do you vote?

14 MR. FREED: Approve.

15 MR. RODRIGUEZ: Member Goldin, how do you  
16 vote?

17 MR. GOLDIN: Approve.

18 MR. RODRIGUEZ: Thank you. Member Hsu, how  
19 do you vote?

20 MR. HSU: Approve.

21 MR. RODRIGUEZ: And Member Shaw, how do you  
22 vote on the--this proposed resolution?

23 MS. SHAW: Approved. Approved.

24 MR. RODRIGUEZ: Thank you very much. The  
25 resolution has been approved, Chairman--Mr.

1 Chairman, unanimously.

2 CHAIRPERSON CARNEY: Unanimously. Thank you  
3 very much, Mr. Secretary.

4 Before we go on to the next agenda item,  
5 which is the adoption of the rate schedule to be  
6 effective July 1st, I want to mention that our  
7 rate consultant Ed Markus and his staff are on  
8 the--on the call.

9 And--and for the record I'd like to say that  
10 the very excellent--this--this Board, as I'm  
11 sure, reviewed the very excellent report, Ed,  
12 that you provided to us on the question of the  
13 rate and what's reasonable and what's not, what  
14 we might expect and what we should not expect.

15 Thank you very much for--for taking the time  
16 and making the effort to give us such a high  
17 quality piece of work.

18 MR. ED MARKUS: Thank you, Mr. Chairman.

19 CHAIRPERSON CARNEY: Now it's--the pleasure  
20 is mine, sir. The pleasure is mine.

21 Before I ask for a motion to approve or not  
22 the resolution, I want to make a few comments.

23 We got more than 60 pages of written  
24 testimony from 22 members of the public. Six of  
25

1 those folks spoke at the public hearing, at  
2 public hearings, to share their points of view.

3  
4 As I have said previously, this Board takes  
5 very seriously the comments from the public.  
6 And those comments influence the decisions that  
7 we make as I'm about to--to recognize.

8 This year I wanted to thank specifically the  
9 members of the public for the comments we  
10 received on some of the proposed changes in the  
11 rate schedule. We got a number of very  
12 thoughtful comments on the revisions that we're  
13 looking at that relate to--to the water and  
14 waste water efficiency improvements.

15 These are improvements in buildings for  
16 which buildings can receive a billing discount  
17 for--for installing. As DEP pointed out in May  
18 in that presentation, and as you have seen in  
19 the rate schedule, DEP's proposed amendments  
20 are--have been affected, frankly, by the  
21 comments that the public has offered us.

22 Public testimony from several sources  
23 including the engineering and legal and  
24 environmental advocacy and the real estate  
25 development community led us to consider

**Ubiquis**

1 modifications in the original proposals.

2  
3 In particular, after reviewing testimony and  
4 consulting with DEP and Board staff, it is--it  
5 is my view and the--and the Board will accept  
6 this view or not, the allowable level of release  
7 of waste water under the Private Waste Water  
8 Treatment Plant rules should be set at 25  
9 percent.

10 That number is currently at zero. The staff  
11 proposed a 10 percent number. The public  
12 comments made it clear that 10 percent was--was  
13 not a number that was a--that was workable in--  
14 in view of the technical constraints under which  
15 that industry works.

16 And therefore--and we've heard those  
17 comments and we have changed our view. I have  
18 changed at least my own view that the--that the  
19 number should be set at 25 percent.

20 I know that there are Board members who have  
21 spoken independently and individually with staff  
22 and I'm aware that there are others on this call  
23 who accept the 25 percent recommendation.

24 And--and--and so that, if you have read  
25 through the materials, you will see--and those

**Ubiquis**

1 materials are on the website for the public, you  
2 will see the 25 percent number is a number that  
3 we believe to be viable.  
4

5 In addition, staff proposed a requirement  
6 previously for the direct metering of discharge.  
7 That direct metering--metering proposal has been  
8 amended and the language now reflects a  
9 requirement for the engineer's report to include  
10 a detailed metering plan with the final approval  
11 of appropriate metering left to the--to the  
12 Commissioner, Commissioner Sapienza.

13 Finally, we revised the proposed language  
14 affecting the use of City funds to purchase  
15 recycling systems. DEP originally proposed a 50  
16 percent limitation on the use of those funds.

17 We heard the testimony. We listened  
18 carefully and we believed that a disclosure--a  
19 simple disclosure of the use of city funds is  
20 more appropriate rather than setting limitation.

21 Again, various board members have spoken  
22 individually with staff and staff has--has  
23 amended what was the original proposal reserving  
24 to now be at the discretion of the commissioner;  
25 intervention if the Commissioner deems it

**Ubiquis**

1 important enough, if he--if he deems it  
2 warranted.  
3

4 So those are my comments. Before I ask for  
5 a motion to approve the resolution, please, if  
6 there are other members who--who have comments,  
7 this is the time to offer them.

8 MR. FREED: This is Member Freed. I--I  
9 would just tackle your comments and thank the  
10 DEP staff and Water Board staff who engaged with  
11 us on this issue and multiple follow-ups in  
12 helping us understand the different perspectives  
13 that play, and also members of the public who  
14 weighed in with really thoughtful testimony to  
15 help us and the DEP understand the constraints  
16 that they're in.

17 And we really just appreciate the focus on  
18 this knowing that new technology that can help  
19 us meet multiple goals, particularly sustainable  
20 storm water management and water recycling, the  
21 initial investments in that can be hard and  
22 expensive as the technologies get cheaper and  
23 more widespread.

24 So I really think this is an innovative way  
25 to approach this and help get those first

**Ubiquis**



1 projects off the ground so that hopefully they  
2 will become much more ubiquitous in our urban  
3 landscape.  
4

5 CHAIRPERSON CARNEY: Adam, thank you. I'd  
6 like to thank you personally on the record for  
7 your persistent advocacy in the waste water area  
8 and in the--in the revisions that have been made  
9 to the proposal.

10 And many of those revisions are views which  
11 you shared with this Board on several occasions  
12 and which you've shared with staff on several  
13 occasions. We are grateful for your  
14 persistence. Thank you very much.

15 Are there other comments from Board members?  
16 Hearing none, then--

17 MR. GOLDIN: Again, this is--this is Jon,  
18 uh,--

19 CHAIRPERSON CARNEY: Yes, Jon?

20 MR. GOLDIN: --Chairman. And again thank  
21 you to the members of the public who really  
22 thought, uh--I echo at the risk of being  
23 redundant.

24 Just thank you so much to the members of the  
25 public who took this process seriously and who

**Ubiquis**

1 understood that we do this for a reason and that  
2 we hear you and can--there can and sometimes  
3 need to be amendments that are made as a result  
4 of the public's participation.  
5

6 And I think we saw an exemplar of that, and  
7 in particular to DEP for its conscientious work  
8 and its flexibility. And it's, uh--the  
9 adjustments that are made and all the initial--  
10 all the initial hard work. Thank you.

11 CHAIRPERSON CARNEY: Thank you, Jon. Before  
12 we take the vote, something that I meant to say  
13 and forgot to say.

14 A special thanks for Omar Nazem who is the--  
15 the staff member who receives most of these  
16 comments. He has to review them. He has to  
17 take phone calls from the members who often have  
18 serious concerns about staff recommendations.

19 Omar listens. Omar hears us, and as a  
20 direct result of both the commentary--comments  
21 from the public and comments from this Board,  
22 various changes have been made in the proposed  
23 rate schedule this year which are extremely  
24 important.

25 We--we hear the public. We listen to the

**Ubiquis**

public and we act on the public's comments.

Having said that, are there any other comments to be made? Questions on the rate? A proposed 2.76 rate increase. Hearing none, may I have a motion, please, to approve it?

MR. GOLDIN: This is Jon. So moved.

MR. FREED: This is Adam. Second.

CHAIRPERSON CARNEY: Thank you very much. Adam, thank you for the second. Mr. Secretary, would you poll the members for their votes?

MR. RODRIGUEZ: Yes, Mr. Chairman. Al Rodriguez polling the members for the vote on the resolution adopting the--into the rate schedule. Uh, Mr. Chairman, how do you vote?

CHAIRPERSON CARNEY: To approve, sir.

MR. RODRIGUEZ: Thank you. Member Fernandez-Ketcham, how do you vote?

MS. FERNANDEZ-KETCHAM: Approve.

MR. RODRIGUEZ: Member Freed, how do you vote?

MR. FREED: Approve.

MR. RODRIGUEZ: Member Goldman--Goldin, how do you vote?

MR. GOLDIN: Approve.

**Ubiquis**

2 MR. RODRIGUEZ: Thank you. Member Hsu, how  
3 do you vote?

4 MR. HSU: Approve.

5 MR. RODRIGUEZ: Thank you. And Member Shaw,  
6 how do you vote?

7 MS. SHAW: Approved.

8 MR. RODRIGUEZ: Thank you. Mr. Chairman,  
9 the resolution was adopted unanimously.

10 CHAIRPERSON CARNEY: Mr. Secretary, thank  
11 you very much, and thank you to all the folk who  
12 weighed in on this question. We are--I think  
13 we've arrived at a--at a--at an excellent  
14 outcome.

15 And again special thanks to Ed Markus and  
16 his group, our rate schedule consultants, for--  
17 for being there for us and for giving us serious  
18 commentary, serious conclusions, on the  
19 sufficiency of the rate proposal, the  
20 appropriateness of the rate proposal.

21 Our last resolution is the adoption of the  
22 wholesale water rates effective July 1st, the  
23 so-called upstate rates. Omar, do you have any  
24 questions or, Joe, do you have any--I'm sorry,  
25 questions. Have any comments you'd like to

**Ubiquis**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

make?

MR. NAZEM: None, and this is just beyond the--this is really for the public--for the public to understand. We--we--the whole--the whole--we have--the terminology is funny on us more than anything.

The wholesale regulated rate exists because of just how--how far flung our water supply assets are. We have substantial land holdings and water supply assets, such as reservoirs and aqueduct located outside the city boundaries, all in New York State, but across an eight-county region north of the city.

And because of an old state statute, if you are a town in a county where we have water supply infrastructure or conveyance assets located, you have a right to buy water from us on a wholesale basis.

Wholesale meaning simply the customer is a town or water district, not a household. The town or water district buys from us. They add on their own overhead costs and often their own sewer costs and then pass it onto the household.

Because it's the cross--it's all within the

**Ubiquis**

1 state but across city lines, it's a different  
2 regulatory framework and kind of a different--  
3 just a--it's just a different calculation and  
4 just a--it's a different process altogether.  
5

6 In this--in the scheme of things, it's quite  
7 a bit of water to go--one-tenth of global water.  
8 The revenues are about--you--they bounce around  
9 the two percent level of total Board revenues.  
10 That's again partly because they--you know,  
11 there isn't--there isn't the build-on for sewer-  
12 -sewer revenues as we have in the city.

13 But it's a reasonably complicated thing we  
14 do actually. It's interesting but we don't talk  
15 about it as much and it is a distinct category  
16 of rates which is why we adopt it separately and  
17 why we have--you know, price it separately than  
18 in the city--than in the--than the in-city  
19 rates.

20 CHAIRPERSON CARNEY: Thank you, Omar. Ed,  
21 are there any comments that you would like to  
22 offer?

23 MR. MARKUS: I think Omar has summarized it  
24 correctly. Thank you.

25 CHAIRPERSON CARNEY: Okay. Thank you very

**Ubiquis**

1 much then. Are there questions or comments from  
2 the Board? Hearing none, may I have a motion,  
3 please, to approve, to adopt the wholesale rates  
4 effective July 1st?  
5

6 MR. FREED: Adam Freed. So moved.

7 MR. GOLDIN: Jon, so moved.

8 CHAIRPERSON CARNEY: Adam, thank you. Jon--  
9 I think, Jon, thank you for the second. Mr.  
10 Secretary, will you poll the members to get the  
11 vote, please?

12 MR. RODRIGUEZ: Yes. This is Al Rodriguez  
13 polling the members for their votes on the  
14 resolution that would adopt the wholesale rates  
15 effective July 1. Chairman Carney, how do you  
16 vote?

17 CHAIRPERSON CARNEY: To approve.

18 MR. RODRIGUEZ: Member Fernandez-Ketcham,  
19 how do you vote?

20 MS. FERNANDEZ-KETCHAM: Approve.

21 MR. RODRIGUEZ: Thank you. Member Freed,  
22 how do you vote?

23 MR. FREED: Approve.

24 MR. RODRIGUEZ: Thank you. Member Goldin,  
25 how do you vote?

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

MR. GOLDIN: Approve.

MR. RODRIGUEZ: Member Hsu, how do you vote?

MR. HSU: Approve.

MR. RODRIGUEZ: And finally, Member Shaw,  
how do you vote on the resolution?

MS. SHAW: Approved.

MR. RODRIGUEZ: Thank you. Mr. Chairman,  
the resolution was adopted unanimously by the  
Board.

CHAIRPERSON CARNEY: Mr. Rodriguez, thank  
you very much. Is there any other business then  
to come before the members?

MR. FREED: Mr. Carney, this is Member  
Freed. If I could just make one additional  
statement on the rates before we move on.

CHAIRPERSON CARNEY: Please do, Adam,  
please.

MR. FREED: I just--I just want to try and  
make my annual comment on the sustained storm  
water management charge and finding ways to  
create an progress area charge.

Very excited for the fact that the--that the  
DEP and the water system will be rolling out  
with a new billing system which is one of the

**Ubiquis**



1 precursors that we needed to have a more nuanced  
2 and sophisticated approach to storm water  
3 management fees.  
4

5 Really appreciated the comments from the  
6 SWIM Coalition that talked about the need for  
7 this and the engagement that can occur. New  
8 York City has fairly antiquated rate structure  
9 given limitations we face from the data and the  
10 billing system.

11 So just want to again go on record stating  
12 the--the sense of urgency and need to do this  
13 that can help us meet multiple goals and  
14 incentivize the type of behavior and  
15 developments and retrofits to properties that  
16 are needed to forestall this flooding throughout  
17 the city, to improve quality of life, reduce the  
18 risk of property damage.

19 All the more urgent with the impacts of  
20 climate change that are coming. And--and, you  
21 know, thank the Water Board and DEP staff for  
22 their work on this so far, and really actually  
23 go farther than say urging, but formally request  
24 that they continue to engage the Board in a  
25 regular and formal manner so we can be a part of

**Ubiquis**

1 these conversations and find ways to accelerate  
2 the studies that are going on and incorporation,  
3 if not next year, then the year after of a more  
4 sophisticated approach to storm water  
5 management.

6  
7 CHAIRPERSON CARNEY: Adam, thank you very  
8 much. And--and thank you for your leadership on  
9 the issues that relate directly to storm water  
10 management, and for your leadership on this  
11 Board. Thank you.

12 Are there other comments to be made? On any  
13 of the matters that we've discussed today? And  
14 I've already asked whether there are any  
15 additional matters to come before the Board.

16 There--hearing none, may I have a motion,  
17 please, to adjourn the meeting?

18 MR. GOLDIN: This is Jon. So moved.

19 CHAIRPERSON CARNEY: Jon? Jon, thank you.

20 MR. FREED: This is Adam. Second.

21 CHAIRPERSON CARNEY: Adam, thank you very  
22 much. Mr. Secretary, will you poll the members?

23 MR. RODRIGUEZ: Certainly. Uh, this is  
24 polling the members to adjourn the meeting.  
25 Chairman Carney, how do you vote?

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

CHAIRPERSON CARNEY: To adjourn.

MR. RODRIGUEZ: Okay. Great. Member  
Fernandez-Ketcham, how do you vote?

MS. FERNANDEZ-KETCHAM: Yes. Yes, adjourn.  
Thank you.

MR. RODRIGUEZ: Uh-huh. Member Freed, how  
do you vote?

MR. GOLDIN: I vote to adjourn.

MR. RODRIGUEZ: Member Goldin, how do you  
vote?

MR. GOLDIN: Adjourn.

MR. RODRIGUEZ: Member Hsu, how do you vote?

MR. HSU: Adjourn.

MR. RODRIGUEZ: And Member Shaw, how do you  
vote?

MS. SHAW: Adjourn.

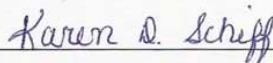
MR. RODRIGUEZ: Okay. The meeting is  
officially adjourned.

[END NYC Water Board 6.14.2021.mp3]

C E R T I F I C A T E

I, Karen D. Schiff, certify that the foregoing transcript of New York City Water Board Meeting of June 14, 2021, was prepared using standard electronic transcription equipment and is a true and accurate record to the best of my ability. I further certify that I am not connected by blood, marriage, or employment with any of the parties herein nor interested directly or indirectly in the matter transcribed.

Signature:

A handwritten signature in blue ink that reads "Karen D. Schiff". The signature is written over a horizontal line that is part of a larger rectangular box.Date: June 17, 2021**Ubiquis**

61 Broadway – Suite 1400 – New York, NY 10006  
Phone: 212-346-6666 \* Fax: 888-412-3655