

NEW YORK CITY WATER BOARD

**NYC Water Board
Annual Meeting
June 6, 2022**

[START RECORDING]

MR. OMAR A. NAZEM: Good morning, everyone. This is Omar Nazem; I'm the treasurer of the New York City Water Board. Welcome to the start of our June 6th, 2022 meeting. This is the annual meeting of the Water Board. We are holding it as authorized by state law in this virtual format due to the various public health exceptions that are allowable under current state executive order. We would ask the folks please remain in not quite a state of silence, but a state of quiet with their phones on mute if possible, just to make the call listenable and available to people. As you as you probably heard, we are recording the call for purposes, for two purposes, one of putting an audio recording on the board's website for posterity, and then second of all, we'll be preparing a written transcript of the meeting as we have been since we started this virtual format, and putting that up on the website for those who want to review the meeting later on who weren't able to attend who want to hear something again, just to make sure they knew what they heard. We

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1 had a series of public hearings two weeks ago;
2 that you'll hear more about those shortly.

3 Those hearings are distinct from today's, this
4 this meeting is a business meeting in the sense
5 it's there for the board to openly and publicly
6 discuss and consider board business and vote on
7 the matters on the agenda. There isn't a formal
8 component today for public input; that's what
9 the hearings were for. If you have public, if
10 you are a member of the public or anyone with a
11 comment or a question, the way to submit is not
12 today in this meeting. It's to email us or call
13 us at any of the contact information on the
14 Water Board website. The Water Board website
15 URL is nyc.gov/nycwaterboard. And if you go to
16 that website, you can also, on the very front
17 page, you'll see in big letters June 6 meeting.
18 If you open that up, there's a PDF pack. It has
19 the agenda, it has all the meeting materials
20 we're discussing today, it has an accessibility
21 option for those who would like a closed
22 captioning option who find the audio difficult
23 to listen to. All of that is on the board's
24 website, which again is nyc.gov/nycwaterboard.

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2 That is the preamble. I'm going to hand it to
3 the board secretary, Al Rodriguez of the New
4 York City Law Department, who will call the roll
5 and start the meeting.

6 MR. ALBERT M. RODRIGUEZ: Okay, calling the
7 roll. Chairman Carney? Chairman Carney, you
8 might be on mute. Okay, we'll come back to
9 Alfonso. Okay, you're present?

10 MR. ALFONSO L. CARNEY JR.: Okay, can you
11 hear me?

12 MR. RODRIGUEZ: Yes.

13 MR. CARNEY: Thanks, Al. I'm present.

14 MR. RODRIGUEZ: Member Fernandez-Ketcham?

15 DR. EVELYN FERNANDEZ-KETCHAM: I'm here.

16 MR. RODRIGUEZ: Thank you. Member Freed?

17 MR. ADAM FREED: Present.

18 MR. RODRIGUEZ: Member Goldin?

19 MR. JONATHAN E. GOLDIN: I'm here, thank
20 you.

21 MR. RODRIGUEZ: Member Hsu?

22 [Crosstalk]

23 MR. CARNEY: Jukay, we know you're on. It's
24 just a question of whether you're muted. I
25 think star six gets you off.

1
2 MR. RODRIGUEZ: We'll come back to member
3 Hsu. Member Shaw?

4 MS. ARLENE M. SHAW: Present.

5 MR. RODRIGUEZ: Uh-huh. Was that you,
6 Jukay?

7 MR. JUKAY HSU: It was. It was. Yes,
8 sorry, yes, - -, thank you.

9 MR. RODRIGUEZ: Okay, thank you.

10 MR. HSU: Present.

11 MR. RODRIGUEZ: Member Zarrilli?

12 MR. DANIEL ZARRILLI: I'm here, thanks.

13 MR. RODRIGUEZ: All right. Mr. Chairman, we
14 have a quorum.

15 MR. CARNEY: Outstanding. Let me say a few
16 things to start. First, this is the annual
17 meeting of the Water Board. Happy that all the
18 members were able to be present, hope everybody
19 can stay. We'll try to get through the agenda
20 as quickly as we can. A couple of notices, in
21 the South, we call this sort of good and
22 welfare. I don't know what it's called in the
23 North. But since our last meeting, Member
24 Fernandez-Ketcham completed her dissertation and
25 was awarded her Ph.D. Evelyn, would you tell us

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2

the subject, tell us the title of your piece,

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now that you're Dr. Fernandez-Ketcham. What is

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the subject matter?

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DR. FERNANDEZ-KETCHAM: Thank you so much

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Chair, and thank you for sharing with everyone.

7

So my Ph.D. is in social welfare from Yeshiva

8

Wurzweiler School of Social Work, and my

9

dissertation was a comparison study between

10

immigrant and second-generation Dominicans, ages

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18 to 29-year olds, what do they think makes

12

them feel like an adult.

13

MR. CARNEY: Wow, wow.

14

DR. FERNANDEZ-KETCHAM: Yeah-

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MR. CARNEY: [Interposing] I don't think,

16

I'm not competent to read it, or understand any

17

of that.

18

DR. FERNANDEZ-KETCHAM: Yes, life stages,

19

and it was conducted here at Hostos Community

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College. The study had never been done with a

21

cross-cultural and in a community college for

22

commuters, so it's very exciting.

23

MR. CARNEY: Well Dr. Fernandez-Ketcham,

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thank you very much. For the benefit of those

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on the phone, after Evelyn completed her

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2 dissertation and was awarded her Ph.D., she has
3 become a vice president at Hostos Community
4 College, which we're very proud of. And then as
5 if the Ketchams, you know, it's just sort of an
6 ongoing thing, their daughter Jamila Ketcham has
7 earned her J.D. at Fordham Law School and will
8 sit for the bar in July. Evelyn,
9 congratulations to you and your family. Can you
10 hear me? Can anybody hear me? Am I on?

11 MALE VOICE: We can hear you, Al.

12 MR. CARNEY: Okay, thank you, thank you. We
13 have with us today the new commissioner of DEP
14 Rit Aggarwala. Rit, thank you for joining us
15 today, congratulations on your appointment,
16 looking forward to getting to know you as much
17 as possible over the course of the next few
18 weeks. You're welcome to say something if you'd
19 like, or if not, I have a few other things I
20 want to say. Rit, are you there? Well we also
21 want to welcome the COO of DEP, Vincent
22 Sapienza. Vinnie, thank you for joining us.
23 It's always a pleasure to have you in the crowd
24 of senior leaders at DEP. We have...

25 MR. VINCENT SAPIENZA: Thanks, Mr. Chair.

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2 We were on mute, and our commissioner would like
3 to - -. I just...

4 MR. CARNEY: Well please do.

5 MR. SAPIENZA: Yes.

6 MR. CARNEY: Please do.

7 MR. ROHIT AGGARWALA: Sorry Mr. Chairman,
8 yes, we're all struggling with the technology
9 here. I just wanted to say thank you as always,
10 and it's a pleasure to be here and appreciate
11 the work of the board.

12 MR. CARNEY: Looking forward to getting to
13 know you better and over the short haul, not the
14 long haul. We also have with us today the chief
15 financial officer of DEP and the executive
16 director of the Water Board, Joseph Murin.
17 Joseph, if you want to say something, please do.
18 If not, then I've got a couple others.

19 MR. JOSEPH P. MURIN: I'll just say good
20 morning and let you carry on, Mr. Chair, please.

21 MR. CARNEY: Thank you very much, Joseph.
22 We also have the man who is the direct liaison
23 between the between DEP and this board, Omar
24 Nazem. Omar does not get enough praise in my
25 view for what he does for us. Annual meetings

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2 are a time to do that sort of thing. Omar,
3 thank you so much for the sacrifices you make,
4 one of which you made yesterday, an incredible
5 sacrifice to provide a volume of information
6 that I didn't think anybody could pull together
7 as quickly as you did. Thank you so much for
8 that.

9 MR. NAZEM: - - you say Mr. Chair, thank
10 you.

11 MR. CARNEY: All right, let's see. And I'm
12 sorry, Albert Rodriguez, who is not simply the
13 board secretary but is also the board's legal
14 counsel. Al, it's a pleasure to have you
15 always. I may have some questions for you
16 before this meeting's over. You don't have to
17 have all the answers, but that's okay. Just
18 write down the questions.

19 MR. RODRIGUEZ: Okay. Well I'll do my best,
20 Mr. Chair.

21 MR. CARNEY: All right, fair enough. We
22 have minutes from the meeting of April 29. The
23 board members have had an opportunity to review
24 those minutes. Are there any questions about
25 them, comments about them, or proposed revisions

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2 in them? Hearing none, may I have a motion
3 please to approve the minutes?

4 MR. ZARRILLI: So moved.

5 MR. CARNEY: Is that you, Adam? Thank you.

6 MR. ZARRILLI: This is Dan.

7 MR. CARNEY: Oh, thank you, Dan. Is there a
8 second?

9 MR. FREED: This is Adam; I'll second.

10 MR. CARNEY: All right Adam, thank you very
11 much. Mr. Rodriguez, would you call the roll,
12 get the vote?

13 MR. RODRIGUEZ: Yeah, calling the roll to
14 approve the minutes of April 29th. Member
15 Fernandez-Ketcham, how do you vote? Okay, we'll
16 come back to Dr. Fernandez-Ketcham.

17 MR. NAZEM: Everyone, you may be on mute.
18 You need to unmute yourself...

19 MR. RODRIGUEZ: Yes.

20 MR. NAZEM: With star six.

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

23 MR. FREED: Approve.

24 MR. RODRIGUEZ: And that was you, Dr.
25 Fernandez-Ketcham? That was you?

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DR. FERNANDEZ-KETCHAM: Yes, approved.

MR. RODRIGUEZ: Okay, thank you. Member Goldin?

MR. GOLDIN: Approved.

MR. RODRIGUEZ: Member Hsu?

MR. HSU: Approved.

MR. RODRIGUEZ: Member Shaw?

MR. CARNEY: Somebody's dog approved.

MR. RODRIGUEZ: And Chairman Carney, how do you vote?

MR. CARNEY: To approve.

MR. RODRIGUEZ: And let's see, did I miss anybody here?

MR. CARNEY: No, you got everybody, Al.

MR. RODRIGUEZ: Okay, very good.

MR. ZARRILLI: And this is Member Zarrilli also approving.

MR. RODRIGUEZ: Member Zarrilli, yes.

MR. ZARRILLI: And just, I have to point out as a Staten Islander on the board, the reference to the neighborhood of Westerly is spelled wrong, but that's just my Staten Island instinct coming up, thanks.

MR. CARNEY: All right, thank you.

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2 MR. RODRIGUEZ: So the resolution to approve
3 the minutes has been adopted, Mr. Chairman.

4 MR. CARNEY: Unanimously. Agenda item
5 number two is the adoption of the fiscal year
6 2023 annual budget. That document is available
7 on the Water Board's website, and Omar has given
8 that address. It's nyc.gov/nycwaterboard.
9 Joseph, are there any comments you choose to
10 make about this, about the document?

11 MR. MURIN: The only thing I would add to
12 what we've already discussed when we had the
13 hearings and you know, the subsequent exchange
14 that we gave in the backup to the board and it's
15 on the website, is this is, I think as we
16 pointed out, a balanced budget in terms of what
17 we're looking at in here, the proposed rate
18 increase that balances both the risk that we're
19 facing on such issues as the inflation and
20 interest rate as well as unforeseen projections
21 that we have not yet been able to quantify. So
22 in that sense, we representing the
23 administration and the staff, do believe this is
24 the appropriate level of both budget as well as
25 a rate increase for the board to consider. So

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I'll leave it at that and let it open to

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yourself Mr. Chair and the members if they have

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questions or anything to follow up on.

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MR. CARNEY: Thank you. Are there questions

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from the members? Don't all speak at once.

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MR. ZARRILLI: This is Dan. Just as a,

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maybe as a point of order for the meeting,

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there's a couple things I'd like to just, I'd

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like to see if there's a moment to discuss the

11

proposal and make a few points into the record.

12

When's the right time to do that?

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MR. CARNEY: Now, as regards the budget,

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sure.

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MR. ZARRILLI: Well then maybe since I have

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the floor, I'll take it for a few minutes. So

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just maybe I hope you'll bear with me just for a

18

few minutes 'cause there's a couple points I

19

would like to make as a, and offer my

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perspective as a new member of the board. First

21

again-

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MR. CARNEY: [Interposing] And Dan, thank...

23

MR. ZARRILLI: Thank you. And so I'd like

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to start just by commending the commissioner and

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the staff for their continued professional

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2 approach to managing our water and sewer system
3 in this challenging time. I just saw this
4 morning as I was coming into work the billboards
5 promoting the system's high-quality drinking
6 water and sewer services. And certainly for
7 that we're all thankful. I also want to thank
8 the entire team for the continued financial
9 stability of the system, which allows us to
10 invest in the clean water and storm water
11 infrastructure that we need, particularly that's
12 going to be continued to be stressed by the
13 impacts of climate change and extreme weather.
14 And in fact, I find it completely just totally
15 remarkable that the system maintains an
16 essentially billion-dollar reserve fund that
17 should give every financial analyst comfort in
18 the system's stability.

19 That being said, I think we're also living
20 through a moment of financial difficulty for
21 many New Yorkers. And the budget, the rate
22 increase sits on top of a lot of just ongoing
23 economic insecurity in our city, things like
24 rent increases, inflation, and other rising
25 costs really in a city where 40% of New Yorkers

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1 are living at or near the poverty line according
2 to the city's own statistics. And so this is, I
3 see, I'm coming into this with the rate increase
4 as really our primary responsibility as a board.
5 And knowing that, I'm concerned that we as a
6 board must continue to do more to protect New
7 Yorkers as we're now considering the highest
8 rate increase in almost a decade. It may very
9 well be that a higher rate increase helps us to
10 avoid future rates in coming years; it's hard to
11 know that. This rate proposal is simply an
12 evaluation of next year's budget proposal with a
13 little extra for the comfort against reduced
14 demand from conservation measures. And we know
15 that the capital budget is going to be growing
16 to accommodate some really necessary investments
17 in storm water resiliency. And so I really
18 believe this board, New Yorkers need more than a
19 one-year rate outlook and a real affordability
20 plan, especially considering the strength of our
21 financial resources and reserves. Because while
22 we of course need to maintain our excellent
23 rating, our primary constituency is not the
24 bondholders, but the quality of the system and
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1 the New Yorkers it serves. And our high-quality
2 service and current financial stability and
3 reserves after almost a decade of slower rate
4 growth proves that we really can balance all of
5 these needs very well as an institution. And so
6 much has been said about the affordability of
7 our water compared to other cities, and that's a
8 good thing. But our users, some of whom we
9 heard from during public testimony, are also
10 facing a litany of other unaffordable cost
11 increases that could be partially mitigated
12 here, whether through slower rate growth now and
13 over the next several years, or with well-
14 advertised and effectively designed
15 affordability programs. And I for one would
16 certainly support an evaluation of those
17 programs and making sure they are adequate and
18 reaching those who need them. So it would be
19 advisable to have that information for next
20 year's rate-setting process for sure. So just
21 to wrap up-

22
23 MR. CARNEY: [Interposing] In advance of
24 next year's rate-setting...

25 MR. ZARRILLI: Absolutely, Al. And so just

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2 to wrap up, since this is my first time going
3 through this process as a board member, I've
4 learned a ton from my fellow members, and I want
5 to thank all of you for that. I've also
6 certainly seen some things that we can all come
7 together to do to improve upon to fulfill our
8 primary duty as a board. And while I ultimately
9 will support the budget and rate proposal, I do
10 call on my fellow board members to consider a
11 different process starting now to ensure our
12 continued independence as a board. And I'd like
13 to see us to meet again in person more often to
14 deliberate these key issues that affect the
15 system and its rates, and make sure that we do
16 more to actively solicit real and robust
17 feedback from our stakeholders as we deliberate.
18 So we do have to make sure that this rate
19 proposal is not the start of an upward trend and
20 that we're effectively investing in the system
21 to continue to provide clean and affordable
22 water and sewer system services to New Yorkers.
23 So just wanted to get a couple of those points
24 out there. I thank you for your time and
25 consideration. I'll give you the floor back,

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Al.

MR. CARNEY: Thank you very much, Dan. The slope on that curve may well turn out to be positive, but minimally so. I don't know that that's correct; I don't know what next year's budget's going to look like. I don't know what the infrastructure needs are going to be going into next year. And I like you am worried about the increasing costs, although we did have three years in the last five when there were no increases at all. And I think--maybe the last six, I'm not certain, but my goal is if the people who determine the rate and who make the recommendations, we determine the rate, believe that a slowly positive curve, a slow positive curve is better than the spikes and troughs that we have seen in the last few years, and I'm going to hear that, I'm going to listen to that, and I think the board members will as well, I think Dan, your suggestion that we do a better job of advertising affordability programs is excellent. And I would ask DEP to take a good hard look at that and figure out, you mentioned, you mentioned billboards that you saw coming

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2 into work today. I haven't seen those. But I
3 believe that there are a number of things we can
4 do to advertise the existence of affordability
5 programs and in the process consider seriously
6 how to make those affordability problems better.
7 I don't know where this is all going. I've
8 already told you Dan that I intend to, when the
9 vote comes, I intend to actually take the
10 recommendation. But we there are things we
11 ought to be able to do to be better at what
12 we're here to do. And I think we can figure
13 that out. But thank you very much for your
14 comments. Are there other comments?

15 MR. ZARRILLI: Thank you, Al.

16 MR. FREED: Yeah, Chair, this is Adam Freed.

17 MR. CARNEY: Sure.

18 MR. FREED: I just would love to put a fine
19 point on your comment around advertising of the
20 affordability plans and really thinking through
21 what makes sense. I think many of the plans
22 that we've developed over time were initial good
23 first steps, but thinking much more
24 holistically. And I really appreciate the
25 comments we've received from UHAB and others

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2 around non-profit landlords in particular and
3 the challenges they face. So making sure that
4 any affordability programs can actually help
5 tenants and help support those who need it most,
6 so not just thinking about the advertising and
7 expanding the programs to get more people in,
8 but making sure they're as impactful and
9 targeted as possible to provide the most relief
10 to those who need it.

11 MR. CARNEY: Adam, thank you. Are there
12 other comments?

13 MS. SHAW: This is Arlene. I just want to--
14 can you hear me? It's Arlene. I just want to
15 say one thing.

16 MR. CARNEY: I can, yes, yes.

17 MS. SHAW: Just want to clarify something
18 that Dan said. I don't, as a board member, I
19 don't think my obligation is to the existing
20 bondholders. My obligation to the board is to
21 make sure that rates are set, which makes sure
22 that the board can access the bond market, which
23 is the other form of funding that DEP utilizes
24 to be able to keep the system running. So if we
25 don't have access to those bond markets, the

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2 rate increases and the burden on the ratepayers
3 will be that much more expensive. So just want
4 to make a point of clarification that it's not
5 about making decisions based on bondholders.
6 It's about making sure that the system can have
7 adequate funding to be able to, be able to
8 service the system itself. And we need to be
9 mindful that the bond market is the way in which
10 the system finds the capital that it needs to
11 make sure that those capital improvements
12 happen, that the ratepayers are not overly
13 burdened. So I'd like to say the Dep has done a
14 wonderful job of being fiscally conservative,
15 maintaining AAA ratings, which cities like
16 Chicago don't do and other cities around the
17 country have had struggles getting into the bond
18 markets because they have not been fiscally
19 responsible. So I just want to echo the hard
20 work that the Water Finance Authority and the
21 leadership at DEP has done to make sure that the
22 Dep system has access to all of the capital that
23 it needs to operate.

24 MR. CARNEY: And the capital markets that it
25 needs to operate. You're absolutely right,

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2 Arlene. I echo your comments you made them far
3 better than I ever could. Dan, I recognize the
4 importance of the affordability programs, trying
5 to keep the rate low. But there is money in the
6 system that the financial markets look at in
7 order to help it, the markets, them decide how
8 marketable our bonds are. We've got AAA
9 ratings, and we are, I think David Womack is on
10 the phone. David, if you want to insert here,
11 please do. If not, no pressure.

12 MR. DAVID WOMACK: Mr. Chair, Mr. Chair,
13 this is David Womack from the Municipal Water
14 Finance Authority. And I appreciate the
15 comments about the access to capital by the
16 Water Finance Authority. That's a vital part of
17 our system and keeping it in good working order
18 and making the important improvements that need
19 to be made. We do enjoy very high credit
20 ratings, which will, which has stood us in good
21 stead for several years and that will also keep
22 us in good stead in the environment of rising -
23 - at the lowest possible cost. And we - -
24 balance the needs system with the ratepayers.
25 But yeah, it is about I think what is being

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2 proposed together with the rate consultant, it's
3 an equitable proposal. I mean nobody likes to
4 have costs go up. But this is a vital system.
5 As - - pointed out, that virtually every dollar
6 that we that we raise in revenue stays in the
7 system, doesn't go out, a real, a self-contained
8 unit.

9 MR. CARNEY: That's a very important point
10 David, thank you. I have not, I knew it. I
11 just hadn't heard it said out loud, thank you.
12 I appreciate that.

13 [Crosstalk]

14 MR. GOLDIN: Yes, if I might just - - a
15 moment, Mr. Chair. I just wanted to say that
16 this is a difficult time for a lot of our
17 ratepayers, and we are cognizant of that. We
18 heard about that from various constituents
19 during the testimony. And I think all of us are
20 sympathetic to that and understand and know that
21 this is a tough time. And it's particularly
22 difficult to have an increase during this kind
23 of a time after a period in which people had had
24 the benefit of a 0 increase, 0% increase
25 environment for some period of time. But we

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2 have to make sure that the system is adequately
3 funded, and I do want to commend DEP for doing
4 tremendous work in figuring out how to strike a
5 balance in terms of the needs of the system but
6 also protecting our ratepayers who are
7 particularly vulnerable. I think Member
8 Zarrilli raised a very good point, although I
9 will say that I don't think our issue on
10 affordability programs is advertising, because
11 we did hear during the testimony that at least
12 some of our programs are so oversubscribed that
13 the real issue is capacity, at least at the at
14 the moment. And that's obviously something we
15 ought to think about going forward. And the
16 last point I'd like to make is that I see at
17 this point no tension between our efforts to
18 promote affordability and minimize rate
19 increases on the one hand, and on the other hand
20 to make sure that we have access to the capital
21 markets on the most favorable terms. Because as
22 has been alluded to by earlier comments, being
23 able to access the capital markets on those
24 favorable terms enables us to have a lower cost
25 of borrowing and therefore to impose less of a

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2 burden on ratepayers than we otherwise might
3 have to. So to me, there's harmony between the
4 idea of making sure that the debt is properly
5 funded, that we have adequate funds to service
6 the debt on the one hand and on the other hand,
7 trying to keep the water as affordable and waste
8 water treatment as affordable as possible. But
9 with that, I'll just conclude and just give a
10 shout-out as I said to all the DEP folks, but
11 especially want to give a special shout out to
12 Omar Nazem, who has been incredibly responsive
13 with questions and concerns, including over the
14 weekend. And so I really appreciate that, thank
15 you.

16 MR. CARNEY: Jon, thank you very much. Are
17 there other comments?

18 MR. FREED: This is Member Freed. Just to
19 circle back as we're thinking about things that
20 we're requesting in advance of next year and
21 incorporating into broader considerations, I'll
22 do my annual bit just to stress the importance
23 of looking at the sustainable storm water charge
24 and particularly want to call out and thank DEP
25 for the study that is ongoing being led by

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2 Deputy Commissioner Licata, which has had a
3 number of public meetings that have been
4 excellent with some very helpful background
5 research to help guide that program. And just
6 continue to urge DEP and Water Board staff to
7 look for opportunities to accelerate that work,
8 to be able to come back to the board and present
9 to us options for thinking about a separate
10 storm water charge that we can ensure that we
11 can incentivize ways of accelerating green
12 infrastructure and bringing it not just the
13 public right away but private property as well
14 and offsetting some of the costs that come with
15 that, to ensure we get the tremendous benefit.
16 So just want to make sure that's on the record
17 of looking for ways to accelerate that,
18 encouraging them to continue to engage the board
19 and the public in those conversations, and
20 excited and appreciative of the work that's
21 already gone into that.

22 MR. CARNEY: Adam, thank you. I couldn't
23 imagine that we were going to get through a
24 meeting without having you reference...

25 MR. FREED: I'm nothing if not predictable.

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2 MR. CARNEY: Thank you very much, Adam, very
3 much. Are there other comments? Hearing none,
4 somebody remind me of where we are. We are
5 looking at the adoption of the rate schedule, or
6 are we looking at the approval of the budget? I
7 just don't remember. We've sort of combined the
8 two.

9 MR. HSU: It's number two, the budget, the
10 budget, - -.

11 MR. CARNEY: All right, then then do I, may
12 I have a motion please to approve the budget as
13 presented?

14 MS. SHAW: Arlene Shaw, so moved.

15 MR. GOLDIN: This is-

16 MR. CARNEY: [Interposing] Thank you. Thank
17 you, Jon. Mr. Secretary, would you take a roll
18 call?

19 MR. RODRIGUEZ: Yes, sir. It's a roll call
20 for a vote to adopt the fiscal 2023 annual
21 budget. Member Fernandez-Ketcham, how did you
22 vote?

23 DR. FERNANDEZ-KETCHAM: Can you hear me?

24 MR. RODRIGUEZ: Yes.

25 MR. CARNEY: Yes.

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MS. FERNANDEZ-KETCHAM: Okay, great.

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Approve.

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

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MR. FREED: Approve.

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

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MR. GOLDIN: Approve.

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

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MR. HSU: Approve.

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

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MS. SHAW: Approve.

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

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MR. ZARRILLI: Approve.

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MR. RODRIGUEZ: Mr. Chairman, the resolution
has been adopted unanimously.

19

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MR. CARNEY: And I vote to approve.

21

MR. RODRIGUEZ: Yes, thank you.

22

MR. CARNEY: Thank you very much, the budget
is adopted, thank you all very much. We're now
at agenda item three, the adoption, the rate
schedule effective July 1st, 2022. Happy to

23

24

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1
2 hear comments on the proposed rate schedule
3 before we take the vote. I think we have
4 covered a lot of what might be said about that,
5 what I expected to be said about it. But if
6 there are other comments about the rate
7 schedule, this is the time. Hearing none, would
8 somebody, Omar, would you read the, into the
9 record the rate schedule as proposed for
10 effective July 1, 2022?

11 MR. NAZEM: So the rate schedule, I won't go
12 through the entire text because it's lengthy,
13 but the summary is all rates and charges charged
14 by the city of New York will be increased by
15 4.9% effective July 1st, 2022 with two
16 exceptions which are, not quite two exceptions,
17 two things to call out separately, which are the
18 two wholesale water rates chargeable to the
19 communities, the 60 to 70 communities north of
20 the city. The baseline rate, you have a lot of
21 things, the regulated rate, the allowance rate,
22 the entitlement rate will increase by 1.4%. And
23 the second rate, the sort of second-tier rate,
24 charge bond amounts used in excess of the
25 regulated rate, will increase by 4.9%, in both

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cases effective July 1st.

MR. CARNEY: May I have a motion please to adopt the rate as Omar has provided?

MR. RODRIGUEZ: Yes, and Mr. Chairman, this is the secretary, this vote is for the adoption of the in-city rate.

MR. CARNEY: The in-city rate, that's right.

MS. SHAW: Arlene Shaw, so moved.

MR. CARNEY: That was you, Arlene?

MS. SHAW: Yes, sir.

MR. CARNEY: Thank you. Is there a second?

MR. FREED: This is Adam Freed. second.

MR. CARNEY: Adam, thank you very much. Mr. Rodriguez, would you take the roll call vote?

MR. RODRIGUEZ: Yes, sir. Member Dr. Fernandez-Ketcham, how do you vote?

DR. FERNANDEZ-KETCHAM: Yes, approved.

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

MR. FREED: Approve.

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

MR. GOLDIN: Approve.

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

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MR. HSU: Approved.

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

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MS. SHAW: Approve.

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

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MR. ZARRILLI: Approved.

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MR. RODRIGUEZ: And Chairman Carney, how do you vote?

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MR. CARNEY: To approve. Thank you, sir.

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MR. RODRIGUEZ: Thank you. The in-city rate schedule has been approved.

14

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MR. CARNEY: And it has been approved unanimously, thank you very much for that, to the members. Agenda item four, the adoption of the wholesale rates effective July 1st, 2022.

16

17

18

You've just given us some of that, Omar. Is

19

there a need to do it again?

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21

MR. NAZEM: No, no, but the rate schedule is

22

designed as a one-stop shop which has all the rates and charges we charge. We have separate

23

resolutions for the in-city and the wholesale

24

rates because they're different - - and they're

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different customer bases, both recorded with all

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1
2 the rates and charges we have. In the rate
3 schedules for customer convenience, there's one
4 document to look at. But what I said earlier
5 about the wholesale rates is true, that it's a
6 separate resolution - - but for anyone in the
7 industry or customers who wants to look up
8 prices, everything is captured in that single
9 rate schedule document.

10 MR. CARNEY: May I have a motion please then
11 to approve the wholesale rate effective July 1,
12 2022? May I have a motion?

13 DR. FERNANDEZ-KETCHAM: Evelyn Fernandez-
14 Ketcham, motion to move, please.

15 MR. CARNEY: Thank you, thank you, Evelyn.
16 Is there a second?

17 MR. FREED: This is Adam, second.

18 MR. CARNEY: Adam, thank you very much. Mr.
19 Secretary, would you read the roll, take the
20 roll call vote?

21 MR. RODRIGUEZ: Yeah, yes sir. Member Dr.
22 Fernandez-Ketcham, how do you vote?

23 DR. FERNANDEZ-KETCHAM: Approve.

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

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MR. FREED: Approve.

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

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MR. GOLDIN: Approve.

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

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MR. HSU: Approve.

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

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MS. SHAW: Approved.

11

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

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MR. ZARRILLI: Approve.

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MR. RODRIGUEZ: Chairman Carney, how do you
vote?

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MR. CARNEY: To approve, sir.

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MR. RODRIGUEZ: Okay, the resolution to
adopt the wholesale rates effective July 1, 2022
has been approved.

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MR. CARNEY: And unanimously so...

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MR. RODRIGUEZ: Yes, sir.

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MR. CARNEY: That was our last agenda item.
I want to thank the members for thinking out
loud with me and with each other about this
meeting. Dan, you actually got us going. You

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1 don't get any extra money for that. It's always
2 good to have, the new kid on the block actually
3 has picked up the ball, decided to run with it.
4 Dan, thank you very much for your...

5
6 MR. ZARRILLI: Thank you for your
7 leadership, Al.

8 MR. CARNEY: About this, it's terrific. Are
9 there other comments before I ask for a motion
10 to adjourn? We are...

11 MR. NAZEM: Mr. Chairman.

12 MR. CARNEY: 40 minutes into the meeting.
13 May I have a motion to adjourn?

14 MR. NAZEM: Mr. Chairman?

15 FEMALE VOICE: Chairman, can the public
16 comment or no?

17 MR. CARNEY: There is no public comment at
18 this meeting. If you have comments, please
19 submit them. It would be great to do that. But
20 the general rule is that the public does not
21 comment at this meeting. Am I correct about
22 this, Al?

23 MR. RODRIGUEZ: Yes, that's correct.

24 MR. CARNEY: Okay, all right.

25 MR. NAZEM: Mr. Chair, the commissioner

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would like to jump in and say a couple of concluding words if now is an okay time for that.

MR. CARNEY: Well yes, of course. And let me say to the public, the person who was representing the public, this has been a good meeting for us. And I hate the, I don't like the idea of saying you can't comment. But once we open that door, there's no way to close it. And it would be good to know what you're thinking. Would you please send us your comments? Commissioner, please.

MR. ROHIT AGGARWALA: Thank you, Mr. Chairman. First of all, I would like to thank you and all of the members of the Water Board for your work. As I said earlier, the important role that you all play for this, which is very much a vote of confidence in DEP, the Water Board staff, the Water Finance Authority. And I think we all appreciate the compliments that you paid to the 6,000 people who comprise New York City's water system for the work that we do. I would also like to observe that some of the concerns that are raised about the future are

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1 ones that we share. It is to my mind
2
3 unfortunate that we did not actually build up
4 more of a reserve over the last several years
5 when people were not, when New Yorkers were not
6 stressed by inflation, because unfortunately it
7 means that we face the same inflationary - - do.
8 And so I wish I could offer some comfort to
9 Members Zarrilli, who expressed the fear that
10 maybe there are future rate hikes. I think
11 there may well be. And we have to prepare
12 ourselves for that reality, because of course
13 our obligation is to preserve and maintain the
14 system to serve New Yorkers and protect the
15 environment. I think along those lines though
16 as we've heard, there is clearly an opportunity
17 for us to think more creatively about the
18 current programs that the Water Board offers to
19 assist those who struggle to meet their water
20 bills. There are also issues that we have been
21 working on to increase collections from people
22 who frankly could probably pay their water bills
23 without any trouble but choose not to. And so
24 among the things that we may need from the Water
25 Board going forward is help along both of those

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1 lines. And finally I've heard from several of
2 the members just now, the ongoing correct
3 dedication to ensuring the long-term future of
4 the water supply system. And that is of course
5 something that, especially in a period of
6 inflation, especially in a period where if there
7 are going to be rate increases in the future, we
8 are going to have to justify them well. I think
9 we at DEP need to and will be taking a very
10 sharp look at our strategic plan both to
11 understand exactly what we need for the future,
12 whether we are doing it, whether there is stuff
13 that we are currently not doing that we should
14 be doing, to prepare for the future. Because of
15 course it's not just water supply, it is also
16 storm water management. As Member Freed points
17 out, the sustainable rate case is part of that
18 and - - sustainable rate study is part of that.
19 And yes indeed, we will be looking at whether
20 there is an opportunity to accelerate that work.
21 All of that though leads me to think that we may
22 come to you all on the Water Board for some
23 assistance with how we do that kind of thinking,
24 how we do it in an accelerated fashion, and how
25

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1
2 we do it with the level of analytical rigor that
3 the people of New York deserve. And if you Mr.
4 Chairman are okay with that, we will be in touch
5 with you about what we might need and what form
6 of assistance we might ask the Water Board for.

7 MR. CARNEY: Commissioner, thank you very
8 much for your comments. This is sort of a, it's
9 not intended to be a back at you, but I agree
10 that we need better guidance with respect to
11 strategic planning. And I absolutely agree that
12 we need to figure out, we've got a great rate
13 consultant, we've got a great, we've got a
14 great, we've got a great, but, but we don't, we
15 don't have the plan that get that gets us out
16 three years or four years or five years. And I
17 would certainly be fully in favor of figuring
18 out how to afford to create that plan. That's
19 one thing. The other is, and you'll hear me on
20 this before too much longer, I think that the
21 DEP folks who provide information to this board
22 are doing a fantastic job. I would like to be
23 able, I think, I'm not sure, but I want to talk
24 to individual board members about this, I'd like
25 to be able to shore that up. I'd like to be

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1
2 able to make sure that the board has, call it
3 independent advice, but it can't be independent
4 because it must rely on DEP's information, but
5 advice that helps us to think more carefully
6 about whether we're headed in the right
7 direction. And that's something that I'd like
8 to talk to you about and something that I would
9 first like to talk to the board members
10 individually about and then come to you and sit
11 and talk. I loved dinner the other night; let's
12 do it again.

13 MR. AGGARWALA: That's great, thank you.

14 I'd welcome that, Mr. Chairman.

15 MR. CARNEY: All right. May I have a motion
16 please to adjourn the meeting?

17 MR. GOLDIN: - - making a motion.

18 MR. CARNEY: Thank you very much, is there a
19 second?

20 MR. FREED: I'll second.

21 MR. CARNEY: Thank you, Adam. Mr.
22 Secretary, if you would call the roll.

23 MR. RODRIGUEZ: Yes, I will. Dr. Fernandez-
24 Ketcham, how do you vote to adjourn the meeting?

25 DR. FERNANDEZ-KETCHAM: Yes - -.

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MR. RODRIGUEZ: Thank you. Member Freed,

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how do you vote?

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MR. FREED: Approve.

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MR. RODRIGUEZ: Member Goldin, how do you

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vote?

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MR. GOLDIN: I vote to adjourn.

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

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MR. HSU: Vote to adjourn.

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MR. RODRIGUEZ: Member Shaw, how do you

11

vote?

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MS. SHAW: To adjourn.

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MR. RODRIGUEZ: Member Zarrilli, how do you

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vote?

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MR. ZARRILLI: Approved.

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MR. RODRIGUEZ: And Chairman Carney, how do

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you vote?

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MR. CARNEY: To adjourn. Many thanks to all

19

the members for taking this time this morning to

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help us. I love it, it's an expression I've

21

always used, to think out loud about some of the

22

things that we're going to have to consider at

23

least as seriously in the not-too-distant

24

future. I'd like to try to have more meetings

25

to do that. I think somebody has already raised

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1
2 the question; it may have been Dan. I'd like to
3 try to have more meetings where we don't
4 necessarily have big-ticket votes to make or to
5 offer, but where we can actually talk about, and
6 open to the public, to talk about the things
7 that we're thinking about. It's the end, thank
8 you all very much for joining us.

9 [END RECORDING]

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C E R T I F I C A T E

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Signature



Date June 9, 2022