

## **New York City Water Board**

### **Measurement Report – Fiscal Year 2024**

**Performance Goal:** Set rates at a level for which revenue collections will satisfy revenue requirements of the System.

**Measurement:** Were the fiscal year's revenue requirements met?

Yes. In fiscal year 2024, cash basis receipts totaled \$4.2 billion, which exceeded the budget requirement by 0.8%.

**Performance Goal:** Effectively seek input on System rates.

**Measurement:** Did the Board conduct effective rate hearings at times and locations that facilitated broad public participation?

Yes. The Board convened seven public meetings and seven public hearings during fiscal year 2024, providing the public with a total of fourteen opportunities to obtain information about the Board's activities and financial outlook. The seven public hearings were conducted for the express purpose of providing the public a forum to speak publicly about prospective water rate actions by the Board, or on other topics of interest, and information about providing feedback in writing or by email was also made available to the public prior to the public hearings. All Board events open to the public were publicly noticed and were conducted on an in-person basis during fiscal year 2024.

**Performance Goal:** Establish rates that are fair and affordable.

**Measurement:** How did water and sewer rate increases compare to other consumer cost increases?

The Board adopted a rate increase of 8.5% for customers in the City, to take effect during FY 2025, which brought the combined rate increase implemented for Fiscal Years 2023 through 2025 to an annualized rate of 6%, comparable to the recent rate of inflation in the New York City area over the recent three year period of 5% per year.

**Measurement:** How do water and sewer charges track as a percentage of household income?

Average water and sewer consumption in New York City is 70,000 gallons per year for a single-family home, and 52,000 gallons per year for a multi-family apartment unit. The corresponding average annual water and sewer charges at FY 2025 rates are \$1,181 and \$877, respectively. As a percentage of the median household income in New York City of \$76,577, using the 2023 Federal American Community Survey figures, these amounts are respectively 1.5% and 1.1% of median household income. The U.S. EPA’s published affordability standards recommend that combined water and wastewater charges of less than 4.5% are generally considered affordable. Applying this standard, the Board’s charges were affordable when calculated using FY 2025 rates and calendar year 2023 income figures.

**Measurement:** How do water and sewer charges track as a percentage of a building’s total operating costs?

The Rent Guidelines Board 2023 Price Index states that water and sewer charges represent 6.5% of apartment buildings’ total operating charges, comparable to the weight of water and sewer costs in earlier years.

**Performance Goal:** Establish rates at a level that provides for sustainable, high-quality delivery of water and sewer services.

**Measurement:** Have rates resulted in sufficient, stable and predictable revenue streams that have enabled favorable financing terms and allowed for operations and maintenance of the System at a level that will ensure the System’s long-term sustainability?

Yes; the New York City Municipal Water Finance Authority issues all of the debt for the System. The Authority's bonds continue to be highly rated. At the end of Fiscal Year 2024, the Authority’s bonds were rated as follows:

|                                 | General Resolution | Second General Resolution |
|---------------------------------|--------------------|---------------------------|
| Fitch, Inc.                     | AA+                | AA+                       |
| Moody’s Investors Service, Inc. | Aa1                | Aa1                       |

|                                   |     |     |
|-----------------------------------|-----|-----|
| Standard & Poor’s Rating Services | AAA | AA+ |
|-----------------------------------|-----|-----|

Further, according to AECOM, the System’s engineering consultant, “NYCDEP capital and expense budget projections for Fiscal Year (FY) 2024 satisfy the immediate needs for The System. This includes regulatory mandated[] projects.”