

New York City Water Board
Measurement Report – Fiscal Year 2022

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 2022, cash receipts totaled \$3.772 billion, which exceeded the budget requirement by 7.0%.

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 five public meetings and three public hearings during fiscal year 2022, providing the public with a total of eight opportunities to obtain information about the Board’s activities and financial outlook. The three 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. In light of the Covid-19 pandemic, the Board held all meetings during FY 2022 using a digital conference call format. For that reason, two public hearings were held in the City, and one pertaining to rates outside the City, consistent with New York State executive orders relating to public meetings that were in place at the time.

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 implemented a rate increase of 4.90% for customers in the City, to take effect during FY 2023. For comparison, the total rate of inflation in the greater New York City consumer price index during FY

2022 was 6.7%; however, most of the inflation was in the second half of the fiscal year, and during the first half of the fiscal year, prices increased by just 1.0%. During the first two months of FY 2023, the consumer price index was flat in the greater New York City area.

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 2023 rates are \$1,041 and \$773, respectively. As a percentage of the median household income in New York City of \$67,046, using the 2020 Federal census figures, these amounts are respectively 1.6% and 1.2% 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 2023 rates and calendar year 2020 income figures.

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

The Rent Guidelines Board 2022 Price Index states that water and sewer charges represent 6.9% of apartment buildings’ total operating charges. This percentage is in line with previous years’ contributions of water costs to overall expenses, and lower by 0.2% compared to the cost of water and sewer as reflected in the 2021 Price Index.

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 2022, 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 FY 2022 satisfy the immediate needs for The System. This includes legally mandated projects."