



Water and Wastewater Rate Outlook for the Fiscal Year Beginning July 1, 2025

May 28, 2025

Agenda

- **DEP overview & key updates**
- Rate proposal
- Update on customer affordability and collections strategy
- Future public hearings, contact information & ways to submit public testimony



Each day DEP ...

- Delivers 1 billion gallons of drinking water
- Treats 1.3 billion gallons of wastewater
- Operates 14 wastewater resource recovery facilities and 96 pumping stations
- Maintains:
 - ✓ 7,000 miles of water mains
 - ✓ 7,500 miles of sewers
 - ✓ 109,000 fire hydrants
 - ✓ 150,000 catch basins

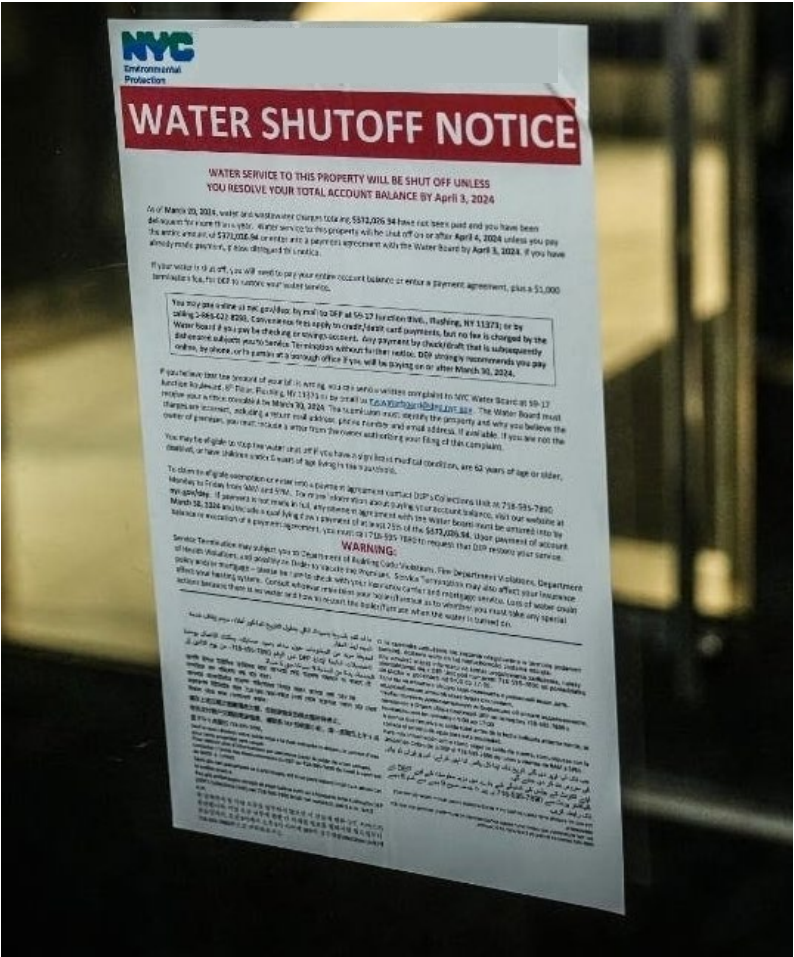
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In Fiscal Year 2026, the water system has a projected \$4.6 billion budget

\$ in Millions	Fiscal Year 2026 Preliminary Forecast
Operations and Maintenance Expenses	\$2,058
Capital Debt Net Payments	1,901
Cash Resources Used for Capital Construction or Debt Management	225
Water Board and Water Authority Expenses	126
Rental Payment to the City	304
Total Projected Expenses	\$4,615

Strong revenue collection and enforcement in FY25 helped the Water Board to keep rates low

- DEP continues to focus collections efforts on securing payments and resolving disputes with large debtors
- DEP’s intensified outreach resulted in customers with major outstanding debt entering into payment agreements. Nearly a quarter of all accounts with outstanding debts have entered into a payment plan, with more than **\$250 million** of customer bills restored to good standing with DEP
- Expanded use of water service shut-offs in 2024 resulted in over **\$18 million** in payments collected, and another **\$21 million** committed from customers entering into payment agreements
- With the lien sale reauthorized for FY25, DEP has collected over **\$180 million** and secured another \$130 million in payment agreements, as of May 20th, 2025



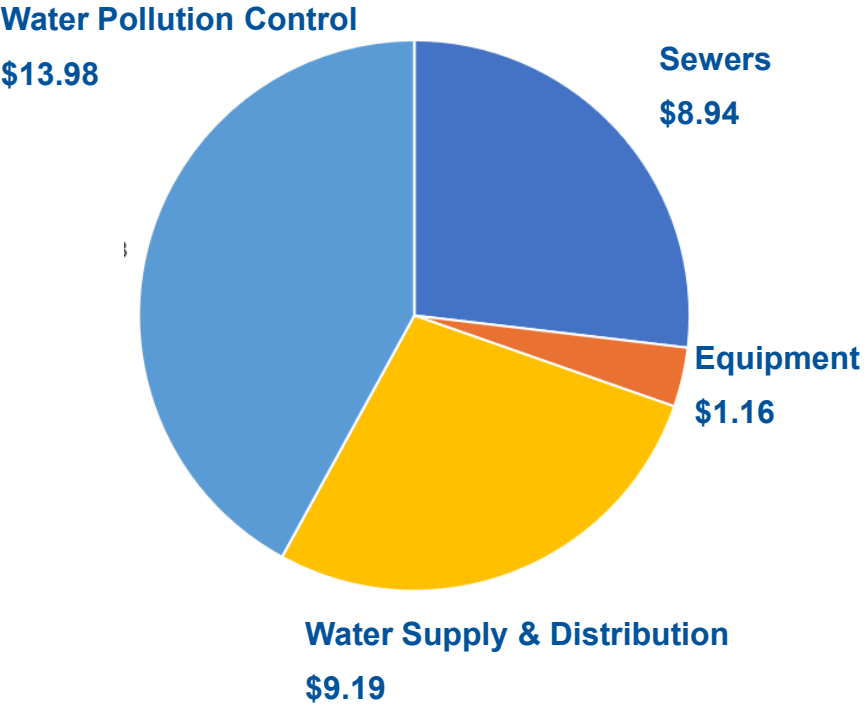
DEP's expense budget covers staff salaries, maintaining equipment and key operational and strategic priorities

Our O&M budget covers both core and strategic operations of the system including new or expanded work to:

- ✓ **Bolster** cyber-security and using technology to increase efficiency
- ✓ **Protect** our water supply at the source through investments in local agriculture and forestry
- ✓ **Maintain** our wastewater resource recovery facilities to protect environmental health
- ✓ **Cover** inflation on costs for chemicals used to treat drinking water and wastewater every day
- ✓ **Support** zoning changes to increase housing supply



The \$33.3 billion 10-year capital plan represents the largest long-term investment to improve the drinking water and wastewater treatment systems and reduce flooding



Here's what DEP is doing to invest in NYC water:

- \$1.8 billion to upgrade drinking water treatment and infrastructure at Hillview Reservoir in Yonkers
- \$1.9 billion to upgrade Kensico Reservoir, including a new tunnel to connect to the Ultraviolet Treatment Plant in Eastview
- \$575 million to construct final shafts to extend service of Water Tunnel 3 to Brooklyn and Queens



Kensico Reservoir

Here's what DEP is doing to invest in Brooklyn:

- \$3.2 billion to address sewage overflow during storms, including Newtown Creek
- \$1.6 billion to address sewage overflow into the Gowanus Canal during storms
- \$390 million to increase sewer capacity in Bushwick and reduce street flooding
- \$42 million to reduce flooding with rain gardens and an infiltration basin in Canarsie and East Flatbush
- \$32.6 million to reduce flooding with 7 miles of porous pavement in Borough Park, Sunset Park and Kensington



Gowanus Combined Sewer Overflow Tank Excavation
(March 2025)

Agenda

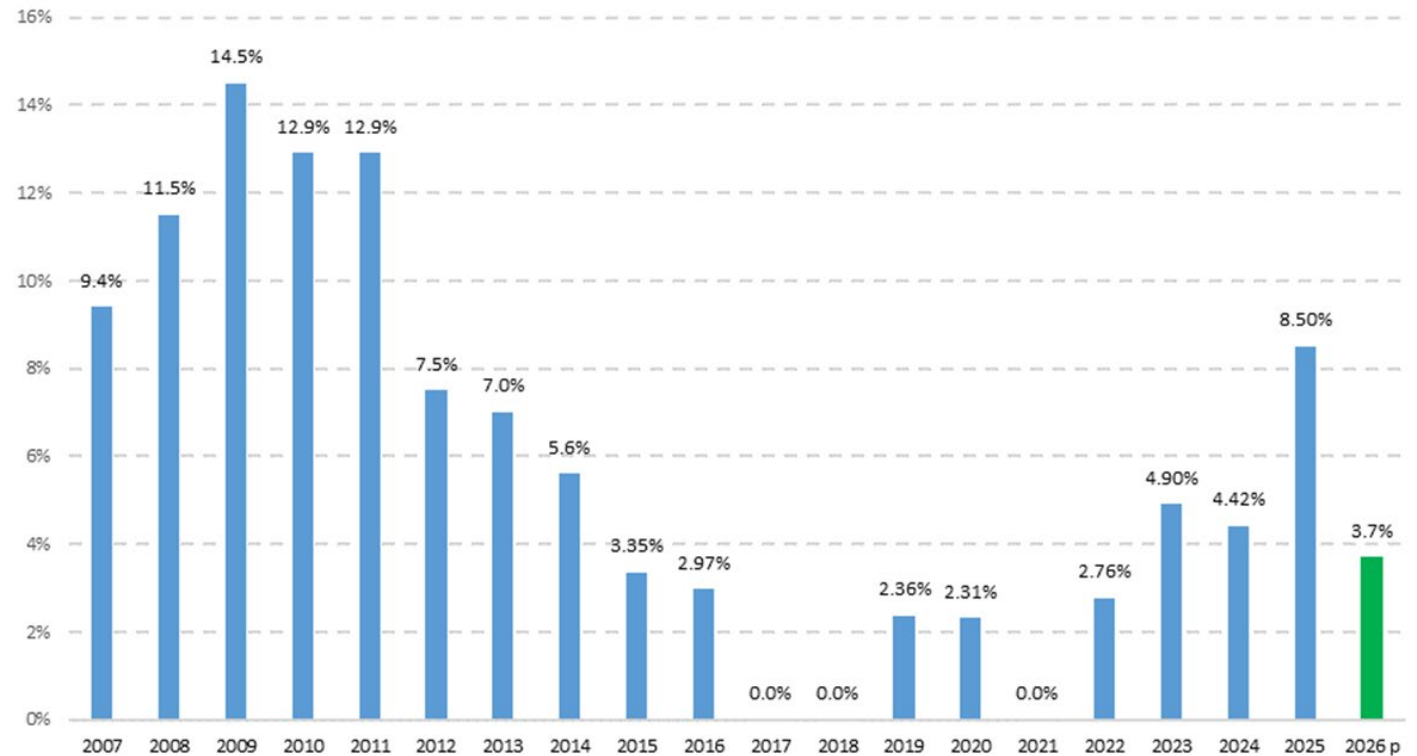
- DEP overview and key updates
- **Rate proposal**
- Keeping rates affordable & improving the customer experience
- Future public hearings, contact information & ways to submit public testimony

DEP recommends a 3.7% NYC rate increase for Fiscal Year 2026 – the lowest rate increase in 4 years made possible by strong revenue collections

The proposed rate increase:

- Ensures the system will continue to produce revenues necessary to support strong bond ratings, an important consideration with interest rate volatility over the last several years
- Shares the benefits of strong revenue collections and enforcement during FY25 through a moderate rate increase; as of 5/23/25, revenue collections are above projections by \$337M, or nearly 9%
- Is lower than recent rate changes in other large cities in the Northeast and Mid-Atlantic, and in similarly large cities with comparable systems

Historical NYC Water and Wastewater Rate Increases



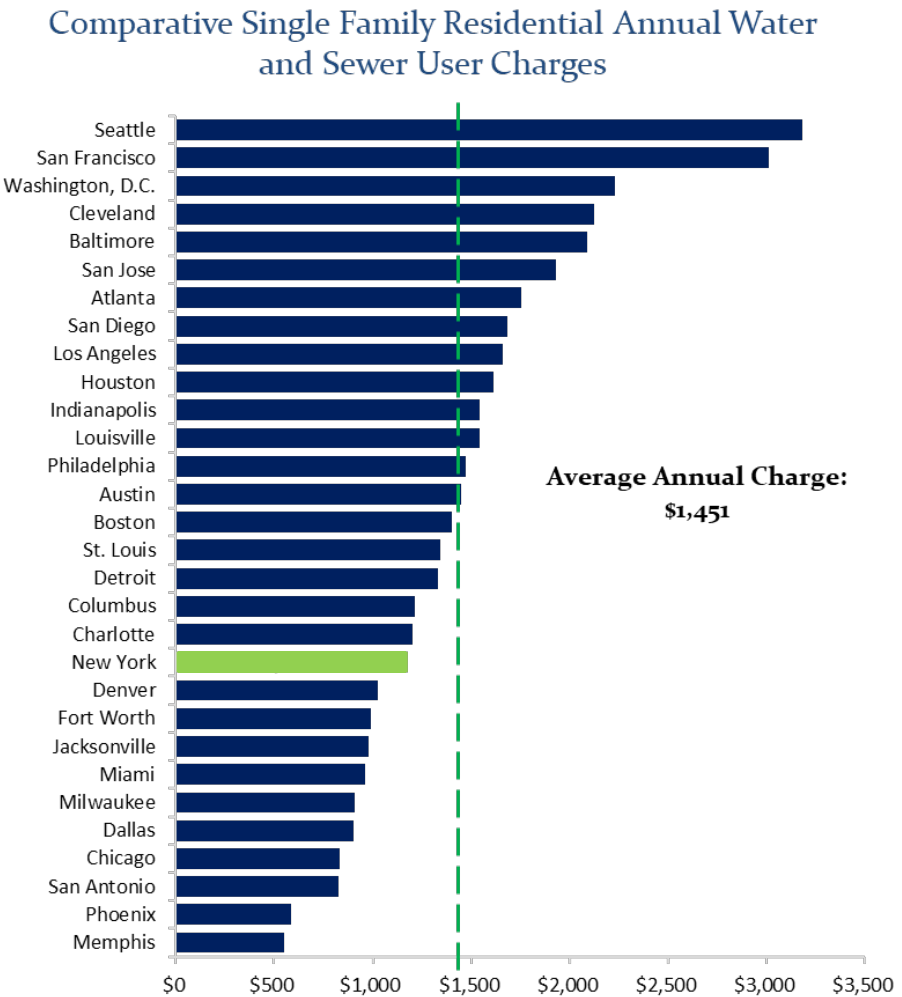
What does the proposed rate mean for an average customer?

If the proposed 3.7% water rate increase is adopted by the Board, customers would see the following changes to their bills:

- A typical single-family homeowner will see an increase from \$1,181/year to \$1,224/year for water and sewer bills—an increase of **\$3.60/month**
- A typical multi-family unit with metered billing will see an increase from \$877/year/unit to \$909/year/unit—an increase of **\$2.67/month**

Property Type	Current FY25 Rate	With 3.7% increase
Single-family property (average 70K gallons/year)	\$1,181	\$1,224
Multi-family metered per residential unit (average 52K gallons/year)	\$877	\$909
Minimum charge (low water use properties)	\$463	\$463 (no change)
Annual multi-family conservation program rate, per unit	\$1,285	\$1,333

DEP residential customers pay less on average than those in other large cities



Source:
Amawalk Consulting Group, charges for all cities reflect rate schedules in effect on February 1, 2025.

Annual bill based on 70,000 gallons per year			
Fiscal Year	New York City	30 Large City Average ¹	NYC vs. Average
2019	\$945	\$1,119	-15.5%
2020	\$967	\$1,173	-17.6%
2021	\$967	\$1,216	-20.5%
2022	\$994	\$1,262	-21.2%
2023	\$1,041	\$1,309	-20.5%
2024	\$1,088	\$1,372	-20.7%
2025	\$1,181	\$1,451	-18.6%
2026	\$1,224	NA	NA

Note: based on rates in effect as of February of each calendar year, using rates in effect during each fiscal year to calculate representative charges

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- **Keeping rates affordable & improving the customer experience**
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We're prioritizing the customer experience through policy changes

SAVING YOU MONEY

- Increasing reimbursements for customer-installed meters for the first time since 2010, with a proposed **55% increase** in the reimbursement amounts
- Providing customers a new **30-day warning and cure period** before penalty charges are assessed for non-compliance with the plumbing code
- Creating **more flexible terms** for the Leak Forgiveness and Meter Bill Cap programs to allow more applications and credits



We're prioritizing the customer experience through policy changes

PROVIDING FLEXIBILITY TO HELP THOSE FALLING BEHIND

- **Easing the process** for customers with medical exemptions from service terminations to obtain and keep their certifications
- Increasing the denial of access fee from \$250 to \$500 but ensuring it is now **fully refundable** under most circumstances once access is granted



We are committed to keeping our water affordable and in FY26 we will enhance our flagship customer affordability programs

Home Water Assistance Program

Up to **96,500 low-income households** to **save 10% more** than last year on their bills, with an expanded credit of \$159.

Multi-family Water Assistance Program

The program offering a \$250 credit to be **expanded** to reach as many as **20,000 more** affordable residential units—for a total of up to 65,000.

Multi-family rate certainty

Guarantees a full-year per apartment unit rate for buildings with meters and water efficiency fixtures that will prepay their annual bill at year start.

Leak forgiveness program

Provides leak forgiveness customers experiencing unusual and above-normal levels of water consumption.

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- Financial overview and rate proposal
- Update on customer affordability and collections strategy
- **Public hearings and contact information for public testimony and concluding remarks**

DEP now has Borough Commissioners in place for all five boroughs, supporting operations, community relations and educational outreach



Staten Island

Mario Bruno

statenislanddep@dep.nyc.gov

The Borough Commissioners play a relationship management role and assist elected officials and stakeholders in accessing DEP resources and completing construction projects



The Bronx

Eleftheria "Effie" Ardizzone

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Manhattan

Martin "Marty" Fatooh

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Queens

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Brooklyn

Drisana Hughes

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Thank you for participating!

- In-City proposed rate increase of 3.7% beginning July 1, 2025
- Public hearings are taking place throughout the boroughs between May 27 and June 3, followed by a **Board meeting and vote on June 6**
- Testimony, comments, or questions regarding the proposed rate, the hearings, and any prepared testimony, as well as requests to register to speak at the hearings, should be directed to:

Preferred contact methods:

nycwaterboard@dep.nyc.gov

718-595-3591 (weekdays between 9:00am - 5:00pm)

If by mail:

59-17 Junction Boulevard

8th Floor

Flushing, NY 11373

Rate Setting Calendar

Event	Date	Location
DEP rate proposal to Water Board at public meeting	Monday May 5 (8:30am)	255 Greenwich, 8th floor, Manhattan
Staten Island public hearing	Tuesday May 27 (6:00pm)	Bernikow JCC, 1466 Manor Road, Staten Island
Brooklyn public hearing	Wednesday May 28 (6:00pm)	Saint Francis College, 179 Livingston Street, Brooklyn
Queens public hearing	Thursday May 29 (6:00pm)	JFK Jr. School, 57-12 94th Street, Elmhurst, Queens
Bronx public hearing	Monday June 2 (6:00pm)	Mercy University, 1200 Waters Place, Bronx
Manhattan public hearing	Tuesday June 3 (2:00pm)	NYC OMB, 255 Greenwich, 8th floor, Manhattan
Water Board public meeting to vote on budget and final rate	Friday June 6 (8:30am)	NYC OMB, 255 Greenwich, 8th floor, Manhattan

Thank you!