

## **New York City Water Board**

### Activities, Operations, and Accomplishments – Fiscal Year 2020

The New York City Water Board (the “Board”) is responsible for setting water and sewer rates at a level sufficient to fund the capital, operating, and financing needs of the New York City water and sewer system (the “System”). The Board is obligated by an Agreement of Lease with the City of New York (the “City”) and a Financing Agreement among the Board, the City, and the New York City Municipal Water Finance Authority (the “Authority”) to establish rates and charges in each year at a level that will provide the required revenue. The Board collects all System revenue and disburses it as follows: 1) to fund debt service on bonds issued to finance capital improvements to the System, 2) to reimburse the City for operating and maintenance costs, 3) to pay a rental fee to the City for the lease of the System (as requested), and 4) to fund required reserves and any other required payments. Daily operations of the Board are carried out by officers and staff of the New York City Department of Environmental Protection (“DEP”) utilizing the office space of DEP.

The Board monitors billings and collections throughout the year, and Board members receive between four and six financial updates annually. In addition, the Board periodically enters into contracts to support its revenue and collection activities. Presented below are highlights of the Board’s activities, operations and accomplishments for the period of July 1, 2019 through June 30, 2020:

On October 11, 2019, the Board:

- Accepted the independent auditor’s report on the audited financial statements for the fiscal years ended June 30, 2019 and June 30, 2018 and authorized the release of the financial statements.
- Reviewed the annual fiscal year 2019 investment report and approved adoption of the investment guidelines.

On November 15, 2019, the Board:

- Held a public hearing on proposed increases to the effective prices charges to DEP customers that subscribe to the water and sewer service line protection plans provided by the Board’s contractor American Water Resources.

On December 5, 2019, the Board:

- Adopted an amended rate schedule that incorporated increases to the prices for water and sewer service line protection plans.
- Heard an update presentation on DEP’s progress in installing a new customer billing software package.

On May 22, 2020, the Board:

- Received an operations update and presentation of the Fiscal Year 2021 rate and billing policy proposals and the system's financial condition from CFO Joseph Murin, Treasurer Omar Nazem, and Deputy Commissioner of Customer Services Jeff Lynch. The presentation provided the Board with an update on how the COVID-19 pandemic was impacting DEP's operations and the Board's revenue collections.
- With respect to water rates, DEP recommended that the Board not increase rates for FY 2021. In addition, DEP recommended the Board continue its key affordability bill credit programs, the Multi-Family Water Assistance Program and the Home Water Assistance Program, in addition to a recommendation not to assess for FY 2021 the 10% surcharge on multi-family properties that have not yet established program compliance that are billed on the Multi-Family Conservation Program billing rate.
- The Board approved a contract with outside audit firm Grant Thornton covering the audit of the Board's finances over fiscal years 2020, 2021, 2022, and 2023.
- The Board consented to grant easements on property on which the Board has a leasehold interest in the Town of Olive, New York, in order to support a DEP capital construction project relating to the Esopus Creek.

On June 15, 2020, the Board:

- Held a public hearing on proposed water and wastewater rates, in light of the outbreak of COVID-19 in the system's service area
- Heard an update presentation on the impact of the COVID-19 pandemic on operations of the Department of Environmental Protection (DEP) and the water and wastewater system; the water consumption and financial trends since the outbreak of COVID-19 in the City, and an update on DEP capital projects

On June 19, 2020, the Board:

- Adopted the Board's annual budget for FY 2021.
- Adopted the Board's rate schedule effective July 1, 2020.