NEW YORK CITY WATER BOARD

NYC Water Board Meeting

11:30 a.m.
December 16, 2021
[START RECORDING]

MR. OMAR NAZEM: Mr. Chair, we have all six members we’re expecting on the call. This is Omar. Should I just start—should I just run through the quick introductory roll and then we can get started?

MR. ALFONSO CARNEY: Please do that, Omar. Just so—for the record.

[Crosstalk]

MR. NAZEM: Yes, we have members Freed, Fernandez-Ketcham, Shaw, Zarrilli, Goldin and Chairman Carney on.

MR. CARNEY: But we’re going to have—we’re going to have the Board secretary call the roll, yes?

MR. NAZEM: Yeah, so we’re going to—I’m going to go through the etiquette section, basically.

[Crosstalk]

MR. CARNEY: There are people on the call who have—who are introducing—there’s a great deal of background noise to the call. Could you put your phones on mute, please? Terrific. Omar, please?
MR. NAZEM: Okay, thank you. Okay, good morning. This is—I think everyone is aware, this is meeting of the New York City Water Board. We just concluded a meeting at the governance committee a few minutes ago you’ll be hearing about. This is a meeting of the full Board to discuss a range of topics.

As authorized by state law, we are holding this meeting as we have been in a virtual conference call format to facilitate the ease of access and public safety. The meeting is being recorded. A transcript of the audio as well as a written accounting will be placed on the Board’s website shortly following the meeting. I would remind everyone this is a meeting of the Board to discuss business matters in a public forum amongst themselves and with the benefit of DEP personnel and Board staff.

I would ask everyone, as the Chair pointed out, please keep your phones on mute. And if you have questions, we’re always willing to hear them and answer them. What you should do, is to send them to us by e-mail at nycwaterboard@dep.nyc.gov, or you can just call.
us at (718) 595-3594. You’ll get a prompt
response to any reasonable question you send.
But that is the way to do it by e-mail or by
telephone, not in this meeting.

The meeting materials we’ll be discussing
are all available on the Water Board’s website
at NYC.gov/NYC Water Board. You’ll see them on
the righthand side, under announcements. You
click on the PDF link that says meeting
materials, it will bring up everything we talked
about.

If you have someone with you, who is hard of
hearing, we have a text captioning service,
which is a long URL to stream or text URL. If
you open those PDF packets, open the agenda,
it’s the long URL you see at the bottom of the
page. Copy and paste that, you can get text
captioning option as the meeting progresses.

That’s everything for me. I’m going to hand
it to the Board secretary, Al Rodriguez, now to
call the formal roll. Thank you.

MR. ALBERT RODRIGUEZ: Thank you, Omar. I’m
calling the roll. Chairman Carney?

MR. CARNEY: I am present.
MR. RODRIGUEZ: Very good. Member Fernandez-Ketcham?

MS. EVELYN FERNANDEZ-KETCHAM: Yes.

MR. RODRIGUEZ: Member Freed [phonetic]?

MR. ADAM FREED: Here.

MR. RODRIGUEZ: Thank you. Member Goldin?

MR. JON GOLDIN: Here.

MR. RODRIGUEZ: Member Hsu? Member Shaw?

MS. ARLENE SHAW: Here.

MR. RODRIGUEZ: Thank you. Member Zarrilli?

MR. DANIEL ZARRILLI: I’m here.

MR. RODRIGUEZ: Thank you. We have a quorum, Mr. Chairman.

MR. CARNEY: Mr. Secretary, thank you very, very much. I want to thank all the members for making time today to have the meeting. We have a long agenda, but I don’t think the meeting is going to be particularly long. There are two high points today, two things to make note of before we start. With luck, we have the DEP Commissioner, Mr. Sapienza. Commissioner Sapienza with us. He’s going to give us a year in review. If Vinny is on the phone, thank you so much for being with us.
The second important matter for me today is that we are losing our ethics officer. A lawyer who has been with the Board, with the DEP for a number of years. A man who has been a great advisor to me and somebody for whom I have enormous respect, Greg Ascierto. Greg, if you’re on the phone, I’m going to give you a second to get your thoughts together. But before we start this meeting, I’m going to give you an opportunity to say something to this Board and to the public gather. Greg has always been quietly enormously effective. A man who has walked up to me before the meeting to remind me that there are things that I need to do. A man who has come up to me after the meeting to say, hey, there’re things you forgot to do. But he has been absolutely clear in his both legal advice and ethics advice, and we’ve been very fortunate to have him.

He is retiring, I gather, from city services. At least that’s the note I got, Greg. If you’re not—if you’re not retiring, stop me now.

MR. GREG ASCIERTO: Yes, thank you.
MR. CARNEY: All right. He is retiring from
city service in January. And Greg, I wanted for
you to—if you want to, to say something before I
close out my congratulations on the commencement
of your new career?

MR. ASCIERTO: Well, thank you so much
Alfonso for those kind words and well wishes. I
didn’t actually prepare anything. So perhaps
I’ll throw it back at you. The thing I most
enjoyed on this Board, I would say, is listening
to you speak, Alfonso. You’re one of the most
compelling public speaker I’ve had the pleasure
of seeing in person.

MR. CARNEY: You’re very kind, Greg. —
but lie to me because I love to hear it, thank
you.

MR. ASCIERTO: I would say, I learned a lot
from you.

MR. CARNEY: You’re very kind to say those
things.

MR. NAZEM: I’ll add—this is Omar. I had
the office adjacent to Greg and I’ve been
sitting next to him for five to six years. And
I have to say, he’s been—I came to the city in
2016 with no prior governing experience and no
prior experience working for city government.
And Greg was just—I can’t say how exceptionally
helpful he was in getting me up to speed very
rapidly on a complex organization with a myriad
of confusing and hard to understand dynamics.

So his departure from city employment, I
don’t expect it to be the end of our
relationship. He’s going to be around. He’s
been a long-time resident of the city. He’ll be
kind of informally advising us in one way or
another going forward and that’s a welcomed
thing. He’s been 28 years with the city, and
he’s got the intricacies of our building systems
and the, you know, often crazy facts you see
with water bills, and the complicated
configurations in New York City real estate.
Just the nitty-gritty of where do the meters go
and who you’re charging is really an area of his
expertise. That we—you know, we want to thank
you for those 28 years of service. And look
forward to continuing receiving his advice in
one capacity or another in the future. Thank
you, Greg.
MR. CARNEY: We will look forward to hearing about what you have—I wasn’t kidding, your next career. A retirement from city service does not mean that you fade away. It means that you do what your next career requires that you do. You’re the constable professional in many, many respects and I want you to know that I have very much appreciated your advice, your counsel and your comradeship. Trust me when I tell you that in the job that I have with the Water Board, one just never knows what to expect. You’ve made what I should expect easier to predict and I am very grateful for that. So let’s talk before you go. I want to know which way you’re going, what you’re going to do? And we’ll spend—yes, you can buy me a drink, Greg.

[Laughter]

MR. ASCIERTO: Well, that sounds like an excellent idea to me. Thank you, Alfonso. And thank you to all the Board members. Definitely my most favorite board in 28 years.

MR. CARNEY: Thank you. You’re kind. All right, we’ve had the roll call—

MR. GOLDIN: I think we’re all grateful for
your service. Thank you, Greg.

MR. ASCIERTO: Thank you.

MR. CARNEY: All right, I guess we’ll get at the agenda. We’ve got an hour. We had a Board meeting on the 14th of October, those minutes were included in the Board packet. Those of you who were present at that meeting had the ability, the authority to vote in favor or against the approval of minutes. I’ll ask for that vote. All in favor of the approval—well, I’m sorry. Because we’re in the telephone conference format, I think we need to ask Al Rodriguez to call for a vote. So all in favor of the minutes as they are presented to you, Al, please ask for a roll call vote?

MR. RODRIGUEZ: Hello? I apologize, I was on mute. Chairman Carney, how do you vote?

MR. CARNEY: I approve.

MR. RODRIGUEZ: Thank you. Member Fernandez-Ketcham?

MS. FERNANDEZ-KETCHAM: Just a slight—my last name, Ketcham, is with an A, A-M. For a small edit, otherwise I approve.

MR. RODRIGUEZ: Thank you. We’ll —— it to
MR. NAZEM: This is Omar. That’s my fault, I’m sorry.

MS. FERNANDEZ-KETCHAM: It’s okay. I forgive you.

MR. NAZEM: I know how to spell your name. I’m sorry.

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

MR. FREED: I vote to approve and appreciate the thoroughness of the minutes.

MR. RODRIGUEZ: Thank you.

MR. CARNEY: And will we, before—I’m sorry. Go ahead, please, Omar.

MR. RODRIGUEZ: Uh, approved. Member Shaw?

MS. SHAW: Approve.

MR. RODRIGUEZ: Member Zarrilli?

MR. ZARRILLI: Approved.

MR. RODRIGUEZ: Thank you. I’m sorry to interrupt.

MR. CARNEY: Thank you, Secretary Rodriguez. Member Freed, and—Members Freed and Goldin, are the revisions, you’ve approved them, so I assume the revisions are appropriate as offered here in
the minutes?

MR. FREED: Yes, sir. This is Member Freed.

[Crosstalk]

MR. CARNEY: Thank you, Jon. The next addenda item—I’m sorry. The minutes are approved, all members voting in favor of the approval. The next item on the addenda is the yearend review. Do we have Commissioner Sapienza with us?

MR. SAPIENZA: Chair Carney, I am here.

MR. CARNEY: Hot d**n. [Laughter] Commissioner, thank you very much for joining us today. It is a pleasure to have you with us. Please, we don’t want a long oration, but you may take as much time as you choose.

MR. VINCENT SAPIENZA: Thank you, Chair Carney. And that—I don’t know, maybe five minutes of talking points I’d just like to get through. So first, holiday greetings to you and all the Board members and thank you for all the work that you all have done this past year and year’s prior.

So I’m just—again, I’ll briefly go through some of the highlights in 2021 for our
operations and on the fiscal side. But we had a relatively successful year despite the ongoing pandemic. Employees, the vast majority continued to, you know, report to work every day, get their job done. Delivering a billion gallons of some of the best drinking water in the world. And then collecting and treating the wastewater.

As I just noted, most of our employees are hands-on wrench-type workers or doing inspections. They didn’t have the option of teleworking, but we did have a group of support folks who did. And they continued to telework, generally through September, when the mayor asked everyone to return back to the office. So that was successfully done as well. And actually, you know, I guess it helped us to, to create a few things that we hadn’t had before. A lot of online ability to do permitting. A lot of cloud storage. So, you know, necessity, I guess, is the mother of invention. And it helped us there quite a bit.

On the construction side, we did pretty well this year. We completed 1.8 billion dollars’
worth of funded capital construction during the year. We issued 3 billion dollars in new debt, both to pay for construction as well, to refinance older bonds. And the capital markets have remained receptive to our bonds and credit ratings continue to be strong.

Just a couple things I wanted to highlight on the construction side. We, we have continued work on the Delaware aqueduct bypass tunnel. This is the 2.5-mile-long tunnel that will help to eliminate the leak of about 30 million gallons in the Delaware aqueduct. We actually will be shutting down the Delaware aqueduct. We intend to this coming October for six months to do that work. But we completed the lining of the tunnel, the concrete lining. So that essentially finishes off the new bypass section and—before we connect it to the leaking section. So that’s moving along well.

And then I wanted to point out that we also did a hundred million dollar plus work at Pugsley Creek in the South Bronx, where the use and combined to our overflows. And a hundred million dollar plus upgrade at our Coney Island
wastewater treatment plant has started up. So those are two big projects as well.

I want to talk about the wet weather that we had this year. Particularly, Hurricane Ida. The night of August 31st, September 1st. I think as everyone knows, the intensity of the rainfall was a record for New York City, over three inches an hour reported at Central Park. It did—the amount of rainfall exceeded the capacity of the sewer system and so there was significant flooding, particularly in low-lying areas. And people who were living in basement apartment, about a dozen people passed away unfortunately.

The mayor explained in the following day, and with other elected officials, that that amount of rainfall is beyond what the sewer system is designed to accept and to convey. And so we needed to look at a variety of tools going forward to, you know, be able to absorb these instance storms. Deputy Commissioner Licata, who’s on the call, has really been leading our green infrastructure program, which is going to become even more important going forward. To
try to reduce the amount of paved streets and
the amount of run-off that gets into the sewer
system. So that’s a significant thing that
we’ve looked at. The mayor accelerated some,
both green and grey infrastructure that we had
in the capital plan, added some funds to the
plan. So that’s where we’re making good
progress on that.

We’re exploring how much money will be
coming through the new federal infrastructure
legislation. We don’t have a sense yet of how
much we may get. We’re very hopeful.

Generally, the way it’s worked in the past is
that the state’s -- , New York State, will
administer the distribution of funding. So
we’re hopeful in New York City that we’ll get
our fair share and can continue to do good work
that’s needed for both the water and wastewater
sides. So that’s just operations.

Quickly, I’ll give a financial update. Some
highlights. So year-to-date, we’re taking in
revenues of about 2.067 billion dollars in
customer payments. That’s 2.5% ahead of year-
to-date plan. So that’s good. And 1.6% ahead
of where we were last year. So in terms of
dollars, that equates to 50 million dollars
ahead of this time last year, and 32 million
dollars ahead of plan. But I should note that,
you know, we did that 2.76% rate increase that
the Board approved earlier this year, so one
would think we would be 2.76% ahead and we are
not quite but fairly close. We did have
somewhat of a slowdown in billing as the new
billing system rolled out this past September
and that was successfully migrated, but it did
slow down the amount of bills that went out at
that time. And we seem to be catching up.

One thing to point out also is the lien
sale. So also, as you may recall, that the DEP
on the water system did not participate in the
lien sale last year because we were putting in a
new billing system and for other factors. The
city will be conducting a property tax lien
sale, but we’re looking towards next year as to,
you know, how DEP may participate on the water
side.

Consumption has started to come back from
where it was during the pandemic, so that’s a
good sign too. You know, as metering rates go up, we’ll hopefully get additional revenues going forward. Based on the current outlook, we’re cautiously optimistic that the Board will meet its financial requirements for funding DEP, OMN and bondholder requirements for the fiscal year.

One thing we are still concerned about is delinquencies. Those have gone up quite a bit since the pandemic began. We started the beginning of the pandemic with the delinquency of about 380-or-so million dollars and it’s essentially doubled during that time. You know, we’re hoping to start to recover some of that as the economy improves. We haven’t been -- customers or sending out any kind of notices. I mentioned there was no lien sale last year, so we’ll continue to look to ways to recover that money. One of the things we are hopeful for is the federal program that was just rolled out in the last couple of weeks or so, the low-income household water assistance, that helps delinquent water bill payors, you know, get current. It’s being implemented in our state by
the Office of Temporary Disability Assistance. We’ve been working with them, looking at our accounts and trying to prioritize those that are most in need. You know, those that are in—that are already make the heat benefit assistance program, and the SNAP foods benefits program. The state was allocated $70 million dollars for this, we’re hoping as the City of New York would take the population to get approximately half, but time will tell. I think that’s it, I’ll—and I’m going to ask Joe Murin, who’s on the call if I’ve missed anything in particular that you wanted to talk about?

MR. JOE MURIN: No, thank you.

MR. CARNEY: Before you do that, Commissioner, thank you very, very much, just for being here with us, and for giving us a summary. A year-end review makes a great deal—it means a great deal to me, and I think to the board. So thank you for being here to do that. Joe?

MR. MURIN: Thank you, Chair Carney, and thank you, Commissioner. I have nothing to add to that. I do want to note that the
Commissioner did take a bullet out of our agenda sequence, there. So he went into a couple of later agenda items. So I just wanted to point that out for your edification, Mr. Chair, that we’re -- until now, but we’re--

MR. CARNEY: Don’t let me try to have you guys repeat anything. I appreciate it very much. Commissioner, I had a chance to see, and I think you and I have talked about this, but I’m not certain, I’m getting old. You were on New York One prior to storm Ida, and you predicted that if the rainfall was as predicted there would be little that we could do. The system simply could not accommodate the extraordinary volume of water that was being predicted at the time. You were spot on. Spot on. It was a terrific interview, with that fellow, Kiernan [phonetic], I think is his name. Thank you very much for giving us that preview of what ultimately—of the tragedy that ultimately resulted from that zone. Making the point that there was little that could be done to prepare for it, though we were doing the best we could. Your testimony at the city council
was also spot on. I had a chance to read it. Thank you very much for all that you do, for DEP, and all you do to make the Weather Board look terrific. I think we are, but whether we are or not, you make us look good.

MR. SAPIENZA: Thank you. Thank you for the kind words, Chair Carney. Then he appeared—your team at the Water Board have been great partners, and they appreciate the oversight and guidance over these years, thank you.

MR. ZARRILLI: I also comment of Jeff’s efforts to—with regard to billing. This has been a momentous year at—for DEP. The billing process has been completely revised. We have implemented a system that works extraordinarily well. But it has been, as you predicted, and as he predicted, a bit slow to get up to snuff. With a jillion phone calls, and people who were concerned about it. Thank you very much for putting into place, and for allowing DEP to have in place a system that works extremely—that will work extremely well. They’re very good with that. I’m finished.

MR. CARNEY: I see a couple of hands-on
comment in the screen. Adam?

MR. FREED: Thank you, and I’ll just thank—Commissioner, great to see you, and Deputy Commissioner Licata, always a pleasure to see you, and I’m thrilled that you both can join us. It makes these meetings so much more impactful and meaningful when we can hear from you and the rest of your team. I had a couple questions about Ida, and just following up on that. Words of clarification and interest. I know that DEP had completed the storm water study and flood risk maps in advance of the storm. I’m just curious how those maps aligned, knowing that every storm is different, so there’s not going to be 100 percent alignment. But were the areas that were most impacted areas that were deemed risky by the city’s storm water maps.

I’m curious to looking at those two areas of risk. What type of options—creative structure can help a lot, but there’s obviously a lot more that needs to be done as well in the scale of which the mayor has been talking about expanding the blue belt in some areas, and other infrastructural creates. Just curious what
those options look like, and what the time scale of those would be to be implemented. Then how that may align with the sustainable rate study that’s underway. Where we’re looking at options to incorporate a new –– charge, or ways of modernizing our rate structure to help provide the resources needed to make these really once in a generation transformational changes.

MR. SAPIENZA: Well, thanks for the questions, Adam. I’ll start, and then hand off to Deputy Commissioner Licata. Just regarding the maps, we did look at the maps that were published on rainfall, impacts that were anticipated. The storm itself didn’t fall equally on the entire five borrows. We did see some more intense rainfall and higher rainfall totaled in some areas than others, but the flooding totals in areas where we expected there to be flooding incoming did line up fairly well with the maps. Mostly these are areas that are the lowest lying—the lowest apology in a particular drainage area. So not to be unexpected, but again, given the very large intensity of the storm, at a certain point there
was deeper flooding than we did anticipate. So we would have been looking at that.

Again, looking at options going forward—and before I will turn it over to Deputy Commissioner Licata, we understand that some of the options to eliminate flooding in these very low-lying areas may take time. So the mayor did—in his own report that came out in the end of September announce that he wanted to have a task force to actually collect information on who lives in some of these very low-lying areas, but you’re dealing with basement apartments. You know, give them a notification ahead of the storm so that they can get to higher ground. You know, pending some resolution going forward. Angela, I’ll turn it over to you now.

MS. ANGELA LICATA: Sure, thank you, and good morning. I’m very happy to report that we are well under way with some of the planning with respect to green infostructure expansions and how they might support some of the most vulnerable areas. To answer to your specific questions, the maps were remarkably accurate. We found that because of what the Commissioner
mentioned that the most flooding form inland precipitation tends to be in these bowls, or prior areas that were very low lying. What the maps have done a very good job of indicating the risks associated with those locations.

So I mentioned green infostructure, and I mentioned that we were well underway with some of that planning because we’ve already been expanding the GI to be a water quality program, plus a flood attenuation program. So you might have heard of our projects for these large mediums, where we’re looking to increase the amount of storage. We’re also looking at doing that on sites that are probably owned, where—instead of just doing the one inch—for instance, over an acre, which is—it constitutes a green acre. We’re looking at increasing the volume of storage at those locations for resiliency. So really getting beyond just a CSO control and moving into green infostructure for resiliency. In addition to that, you may have heard of our tip it sports project. We’re still in the final negotiations with the CSX for the purchase of that property that they will rail bang for our
use. That would allow us to get a significant flow of our sewer system that goes to our treatment plant on a daily basis for treatment. This would allow for that flow to be daylighted and follow from then Portland Park along the rail corridor, and finally into the Harlem River.

So not only would it be a wonderful environmental project on reducing a significant amount of CSO, it would also provide foreign opportunity for those users and the residents in that section of the Bronx to have a significant access to the waterfront, and to all points north. So there are too many projects to mention here, but I would love to give it a more detailed briefing. Because we have so many site-specific projects that are underway, but maybe I’ll just close with saying that most importantly we are looking at the cloud burst neighborhoods. That’s an opportunity where, I believe Adam, you mentioned that we will rely upon a variety of tools. So that would be where we are going to be looking at the green infrastructure in conjunction with some of the
gray infrastructure improvements such as high-
level storm sewers, and such as changes to
discrete sections of the drainage system that
may need to be upgraded to meet the current
criteria. So by working in tandem with respect
to these various projects and with respect to
the different agencies that have received
funding under this program, we’ll be able to
bring the best tools together and hopefully have
a wider impact on those most vulnerable
neighborhoods. And we are in the process of
shortlisting those neighborhoods and being able
to very soon identify which are the 10 that
we’re going to focus on in the near future.

MR. FREED: Thank you. That sounds like a
terrific future board presentation. I’d love to
learn more about that. I’m into—before—before I
defer to Dan, just curious on the alignment of
the sustainable restructure study. I know that
you kicked off the advisory group that’s met
twice in the year. I’m starting to see
engagement on that but how that may align with
new restructures for bringing financing into the
projects that are needed in the future.
MS. LICATA: Yeah. We’ll—and we’ll be discussing that under that section of the agenda so I can just hold off on that detail for now.

MR. FREED: Perfect, thanks.

MR. CARNEY: This is under the fiscal year. The dates, financial update, is that? Oh I’m sorry. No, the update on DEP sustainable rate structure study?

MS. LICATA: Yes.

MR. FREED: Perfect.

MR. CARNEY: Thanks.

MR. FREED: Thank you.

MR. CARNEY: Thank you very much. Are there other questions from Board members for the Commissioner?

MR. ZARRILLI: Yeah. This is—this is Member Zarrilli. I’m interested and it’s great to see Commissioner and Deputy Commissioner. Variance in this conversation and I also agree with Adam, Member Freed, on the desire to have some longer conversations on what some of these investments post Ida can look like. As we all know that climate change is going to continue to change what is—what we need to plan for and
particularly, I think I’m most interested in this idea of when we exceed our design capacities of what the drainage network can handle, how much do we really understand about the alternative pathways for stormwater. I think the maps you published, and the bowl areas are particularly vulnerable as low-lying areas. But I wonder if there’s other ways to think through this sort of alternative pathways and how the system, when it exceeds its design capacity can fail more gracefully in some ways rather than what might be thought of as catastrophic.

I’m just really interested in this concept because we know that, you know when we hit our—I think you mentioned that we had the—had three inches of rainfall in an hour and that was a record for New York City. Well, the record was set only two weeks prior to that and was less than two inches. And so we don’t really know how—what the peak intensity can look like and it’s really helpful to think through what our—what the failure modes of the system look like after you exceed your design capacities because
we’re in uncharted territory. So I—all of it—I’m not sure that’s a question any more than just a point and I’m very interested to help engage as a member and to help you think through these questions wherever it makes sense and I’m very interested to have this longer conversation on what your plans are.

A very discrete question for you. I’m interested in all the conversations that have been happening around the vaccine mandate for the city, whether that’s had any impact on your workforce across the agency?

MR. SAPIENZA: Yeah, Dan. I’ll start with that one and then we’ll migrate into your prior question and turn that over to Angela Licata. Just on the vaccine mandate, we did have some early holdouts then, not many, couple of dozen but I think when they understood that they may lose the paycheck, most people signed on. We still have a couple of people who haven’t but more than 99% of the DEP workforce has gotten at least the one dose. So far, most are fully vaccinated with boosters so thankfully that’s gone well.
MR. CARNEY: Commissioner, are the holdouts senior people or junior people, people who are well informed, people who are not well informed? Where are they in the infrastructure?

MR. SAPIENZA: Across the board, you know, we’ve got all ages and titles.

MR. CARNEY: Okay. Thank you.

MR. SAPIENZA: Thank you. And then, Dan, just on drainage and I’ll just start briefly and then turn it over to Angela Licata, and there’s a longer conversation. But I mean, you heard the mayor right after the storm saying our drainage system was designed for a different climate reality, which is true. But again, the way the system does fail now when sewers are full and can’t take anymore, stormwater accumulates on the street, but it doesn’t accumulate on the street equally. It flows downhill by gravity, so if you’re on higher ground your feet can be relatively dry if you are in those bowls, as Angela mentioned, you know water could be six or eight feet high. So we want to certainly look at how we can have this system fail more gracefully, as you said.
I’ll turn it over to Angela.

MS. LICATA: You know that’s the perfect point. I’ll just pick up on that, to say that because of the events and the way they are manifesting themselves in the city, we feel that it’s really important to look at a variety of storms. So we’ve had the superstorm Sandy that was really a story about storms surge. We’ve had Ida and Henri, which was mainly precipitation and some of that even occurred at low tide. You can imagine if we had sort of a trifecta of some of these points happening all together, that would even be a worse scenario than what we’ve actually experienced. So we are doing a lot of scenario planning to better understand, Dan, as you indicated. What those pathways are, what they look like and what the various vulnerabilities are for these different types of storm events that we may experience.

And one of the ways we’re looking to educate ourselves and to really calibrate our models and better understand that is to develop a system of—on flood sensors. So we have a contract that we’re writing. I won’t tell you too much about
it or I’ll probably get myself in trouble but it’s a five-year contract and it’s—we’ll be deploying about 200 sensors throughout the city. To better understand that and we’ll certainly be looking at those in our cloudburst neighborhoods because one thing that I think is really important and I know that it would be important for me to be able to report to our senior staff is, what did the money that we invested get us? So we need to be able to demonstrate that if we’re going to invest a lot of funds that we are seeing improvement. So that’s both the short term and the long term and I’ll just leave it there for a longer-term discussion in the future.

MR. ZARRILLI: Thank you.

MR. CARNEY: Dan, are you okay with that?

MR. ZARRILLI: Yes, thank you.

MR. CARNEY: Commissioner and Deputy Commissioner, how do we capture costs? We recognize that the once in a generation storm is a—or twice in a generation storm, we—the system will not handle the wastewater. The system will not handle the run-offs. How much does it cost
for us to know what we cannot do, what we want
to do, what we may be able to do? Where are
those costs captured?

MR. SAPIENZA: Chair Carney, I think it’s a
very important question and I think some of the
knee jerk reactions right after the storm as to
say well, you know, your system can handle
between an inch-and-a half and two inches per
hour. Ida was over three inches, just start
building your sewer system, your 7,400 miles of
sewers to accommodate those larger storms. And
we know that’s just really not affordable.

MR. CARNEY: It’s not realistic. It’s
incredible—It’s incredibly unrealistic. You
can’t do that.

MR. SAPIENZA: Right. Exactly. So we
started looking at a variety of other tools in
the toolbox and what their relative costs are
and timelines to do some of the things that we
really need to do given the new climate reality
that we’re in. Angela, I don’t know if you want
to add?

MS. LICATA: No, I think that’s a terrific
answer. It’s always been about looking at the
cost benefit and what are the tools that may
give us co-benefits so that we’re investing and
also getting some benefits during drier
conditions but also repeat storms so that these
are functioning during those events as well and
improving the water quality as they’re managing
more stormwater and keeping it treated or out of
the combined sewer system. So that’s why green
infrastructure tends to rise to the top of these
toolboxes. But the cost is obviously going to
rise, and I believe we’re going to be looking at
some trade-offs, and as we normally do. We need
to balance that budget amongst all the competing
costs and pressures.

MR. CARNEY: Absolutely. That’s why I asked
the question. This board is going to have to
deal with the question of revenue. What way are
we headed? What does the future in the next
year, two years, five years look like? Where
will that money come from? What will rates have
to look like in the process of making good on
our promise to A. provide the best quality of
water on the east coast, certainly, maybe in the
nation. And B. to make certain that we are
dealing with Adam’s issue, which is wastewater. Where does it go? How do we manage it? What do we do? I’m just—I’m concerned that we are beginning to have to look at a rate structure that may be very different from what we’ve seen in the past. And I’m looking to you, Commissioner and to you Deputy Commissioner to help us to get to that answer. At least temporarily. The answer would change, it’s a moving target, but to the extent that you guys can begin to predict where we need to be, the public needs to understand where we’re headed, and I would help—look to you to help me to figure that out.

MR. SAPIENZA: Thanks, Chair Carney. Now we’re looking at—and we’re happy to work with the Board going forward. You know it’s—we have some initial thoughts. We want to flush them out a little bit more and I urge everyone to also read out the report from the New Normal that the mayor to shed some—it has some really great information in there as well, but you know, continue to work.

The other thing idea we just mentioned about
the new billing system. That does give us a lot of flexibility to do things that we could never do before as far as different types of rate structure, so that’s helpful as well.

MR. CARNEY: Fingers crossed, Commissioner. Thank you very much. Deputy Commissioner, thank you very much for being with us today. I appreciate it.

MR. SAPIENZA: Thank you.

MR. CARNEY: All right. We—the next agenda item is the report of the Board’s governance committee. Chairman Goldin.

MR. GOLDIN: Hello?

MR. NAZEM: Jon, you may be on mute.

MR. CARNEY: Jon, are you on?

MR. GOLDIN: Yes. Sorry, I was having a technical issue. I missed that part.

MR. CARNEY: I was—your report is the next item on the agenda. The governance committee report.

MR. GOLDIN: All right. Okay. So I just wanted—I’ll give everybody a very quick update. We had a productive call just before this one and I was appreciative of the fact that the
members of the governance committee, Member Shaw and Fernandez-Ketcham joined and our esteemed Chairman joined and we had a good discussion about the—a couple of issues, most notably our annual review policy. Did the State mandate the annual review procedure and reform and what if any, amendments can be made and should potentially be made to more directly and accurately reflect the work that it is that we do with the Water Board. And we also got an update on the work of the contracting officer, and I’ve asked the staff to make a slight amendment to the policy and procedure. So that now as it’s currently written, when a contract is determined not to require bidding with a no-bid contract, as the policy is currently written, it only needs to be approved by the Board if it’s over $100,000. It only needs—and the board only needs to be notified if it’s over $25,000. And so, we had a consensus that we want to propose to the Water Board—the overall Water Board that we receive a report on all no-bid contracts irrespective of whether they meet that $25,000 threshold or not. Those are the
highlights and apologies again about the little technical glitch there.

MR. CARNEY: That’s all right, Jon. It was a vigorous governance committee meeting. Using vigorous and governance in the same sentence is probably confusing but we had a— an excellent governance committee meeting. Chairman Goldin, thank you very much for that.

MR. GOLDIN: Thank you.

MR. CARNEY: Are there questions for Jon?

MR. ZARRILLI: This is —

MR. CARNEY: [Interposing] Next is the —

MR. ZARRILLI: [Interposing] This is Dan. One quick one just to get an understanding of— what are the types of things that we’re talking about being done on a sole source or no-bid basis, like, how the extent of this practice?

MR. GOLDIN: Yeah. My impression is that it’s not very extensive and the staff can give us the sense as to how frequently the exceptions are in fact deployed. We weren’t looking at its actual frequency. We were looking at the terms of the policy which allow in exigent circumstances or in situations where there is a
unique skill or other kinds of delineated exceptions, the contracting officer is allowed to proceed without the bidding process. As to how common it is, that’s information that we can and should get from the staff. I don’t think it’s used all that often, but we do want—I think subject to the view of the whole Board, I think we do want to know whenever it happens just so that even if it’s a $10-, $15-, $20,000 contract, I think it’s something that we should just be apprised of rather than have, have it not be brought to our attention or to the attention of the public.

MR. ZARRILLI: And all of these are, no matter what the frequency is, these are all consistent with the City’s—the PPB, the Policy of Procurement Board rules. That’s through —

MR. CARNEY: I’m sorry, the PPB? I’ve not heard that before. What does that mean?

[Crosstalk]

MR. CARNEY: Rather than getting into the weeds here in the Board meeting. Dan, may I ask, could you contact Omar and spend some—

MR. ZARRILLI: [Interposing] Yeah.

MR. CARNEY: Okay. All right. Cool. Thank you. Jon, were you—was that the end of your report?

MR. GOLDIN: Yeah. Thank you.

MR. CARNEY: Terrific. Thank you both very much. The next agenda item is the appointment of the Board—of a Board Ethics Officer. With Greg Ascierto’s retirement, we are losing our Ethics Officer. I’d made the point that it’s an unfortunate occurrence for the Board. Terrific one for Greg Ascierto. The new Ethics Officer is, as proposed, is Albert Rodriguez and with a little luck and a lot of grace, he’ll accept the position. Al, do you accept?

MR. RODRIGUEZ: Yeah.

MR. CARNEY: Is there anything you want to say about that?

MR. RODRIGUEZ: Do I have a choice?

MR. CARNEY: Yeah. No, right? No.

MR. RODRIGUEZ: I accept it gratefully and look forward to determining whatever determinations need to be made. Whether it be— or not.
MR. CARNEY: You—both you and Greg have been extraordinary with regard to your ethics advise over the course of my time with the Board. Thank you very much, Al.

Greg, are you still on the phone? Thank you very much for your service. It’s been wonderful. Hate to see you go but thank you. Fingers crossed that you’re going to do some terrific things and if you want to send some business my way, it’s fine.

MR. ASCIERTO: Sounds good for me. Thanks again.

MR. CARNEY: It is what it is. The question then is, and there is a resolution, the appointment of the Board’s Ethics Officer, that the proposal is that Al Rodriguez will become the Board Ethics Officer. Al, it’s an odd circumstance to ask you—

MR. RODRIGUEZ: [Interposing] Yeah. I was going to ask if Omar could take the roll?

MR. CARNEY: [Interposing] If Omar could poll the Board?

MR. RODRIGUEZ: Yeah.

MR. CARNEY: Yes. I think that’s a great
idea. Omar, if you—so the resolution is that Al Rodriguez become the Water Board’s Ethics Officer. I will ask for the approval of the Board and if—and Omar will poll the Board to see whether or not that resolution is approved.

MR. NAZEM: Okay. All right. So we’re on the question of the adoption of the resolution of appointing Albert Rodriguez Board Ethics Officer. Chairman Carney, how do you vote?

MR. CARNEY: Yeah.

MR. NAZEM: Member, Fernandez-Ketcham?

MS. FERNANDEZ-KETCHAM: Yeah.

MR. NAZEM: Member, Freed?

MR. FREED: Aye.

MR. NAZEM: Member Goldin?

MR. GOLDIN: Approve.

MR. NAZEM: Member Hsu is not on the phone. I’ll just clarify he’s not on the phone. Member Hsu is not voting. Member Shaw?

MS. SHAW: Agreed.

MR. NAZEM: And Member Zarrilli?

MR. ZARRILLI: Aye.

MR. NAZEM: Okay. All right. We have six in favor and the resolution passes.
MR. CARNEY: Thank you very much, Omar. Congratulations you are now the new Board—the Board’s new ethics officer.

MR. RODRIGUEZ: Thank you.

MR. CARNEY: All right. We have—the next agenda item is a fiscal year financial update. Will you do that Omar, or with someone else?

MR. NAZEM: If the Commissioner is still on the phone. —- the Commissioner.

MR. CARNEY: Well, he—everything you wanted to cover, he covered.

MR. NAZEM: Well, he did.

[Crosstalk]

MR. CARNEY: The update on the DEP’s sustainable rate structures study. Are there any comments we need to hear on that issue, on that matter?

MR. FREED: Yeah, I’d love an update on that. Just to hear where we are. That I know, there’s been a lot of work on the DEP side of the obligations. I’d love to give them an opportunity to talk it through.

MS. LICATA: It that my queue? This is Angela Licata speaking.
MR. NAZEM: This is the sustainable rate study structure? Yes. Please?

MS. LICATA: Okay. Omar, I don’t know if you have the capacity to put any slides up or I’ll just speak to - -.

MR. NAZEM: So the presentation slides for members of public are on the Board’s website. It’s nyc.com/nycwaterboard. So when you go to the announcements, click on the PDF, and that’s where they’re accessible. We’re not projecting anything over video conferencing software. You need to go to the website, look over the PDF and they’re in the PDF packet. Members have the packs in their inbox, you know, I sent fifteen minutes before the start of the meeting.

MS. LICATA: Thanks, Omar. Well, first and foremost, I’m going to take you through the status of the analysis, but the important point is that this is not something that is being led singularly at DEP. Obviously, the Commissioner has commissioned this study. Has tasked me with completing this assignment and has been extremely supportive of the work that we’re undertaking. Also this is happening in
conjunction and collaboration with the Chief financial officer, Joe Murin and with the Water Board treasurer, Omar Nazem.

And we have various stakeholders that we’ll discuss in the moment, but we really do wholeheartedly view this study as the intelligence gathering and decision-making tool for a variety of groups. Not the least of which includes the mayoral team, the water finance authority, OMB, and of course, the Water Board. And then on top of that, we have a lot of public stakeholders that are very interested in our work. So we do provide updates to them as well.

And just a recap of where we are to date, is that we kicked off this three-year study in August of 2020 and we’ve had a variety of stakeholders’ engagement sessions and have developed a frequently asked questions based on feedbacks from our stakeholders. And so that they can go, they can learn and build upon their learning as we continue to work through the process and with them and with others.

And most important accomplishment to date is this comparative rate structure analysis. And
we’ll talk a little bit about that in a moment. 
So to date, it has been a very time-consuming 
research-oriented task process, but we are now 
quickly coming upon what I believe to be a huge 
transactions into a very complex and rigorous 
analytic mode. So there is a lot of work ahead 
of us. And we’re looking forward to that 
because I think it’s going to get really 
exciting at this point in time.

The next point I want to make is that the 
advisory group meetings were held in July of 
2021, October of 2021. And the next one will be 
February or thereabouts of 2022. And then we’ll 
have our final recommendations by June of 2023. 
So we’re about halfway done, with about 18 
months to go.

And the comparative analysis report, that’s 
really important to spend a moment on because it 
really studies the rate structures, and rate 
implementation options of the most like 
utilities or utilities that have done some 
really innovative rate structures that they’ve 
adopted themselves. So we have the great 
fortune of not being the first to have adopted
some of these unique structures, but to really study how they have worked. What the upsides are, what the downsides are. And the work that we’ll be doing going forward is mainly to look at how those various rate structures would impact our customer base. So we have to really tool this to really understand how it’s going to impact the variety of customers that we have.

One of the things that I’d like to note is that the majority of the other utilities that we’ve looked at, they have implemented a fixed fee. So without getting to a punchline and I really don’t know until we do this very a detailed analysis. The fixed fee seems like a very common practice because it does allow for a portion of the fee to be steady, for it to not be linked entirely to consumption. It gives certainty to the customer, and it gives certainty to the utility. And it does represent, fixed charges that the agency has that do not rise and fall to consumption. So I do believe that, that is going to be the element of the changes that we will see.

And what we will also be looking at very
carefully are the impacts on vulnerable populations or socio-economically disadvantaged communities. We want to make sure that we have some type of lifeline rate for them. Some type of a minimum amount of water that is guaranteed to those customers at the safe and affordable rate. And we would be also looking at the various customer assistance programs that we’ve already established and some additional ones that may be available to us as we go forward in this process as well.

And so I know I’m talking a lot, but just trying to share some thoughts with you. Maybe I will spark some questions from you. We talked a little bit when we were talking about resilience and climate change and adaptation, about embracing uncertainty, looking at variabilities, looking at how we need to be ready for a variety of outcomes. But when it comes to a rate study, I feel like I—the opposite side of the coin is really important, and we need to make sure that we have certainty and financial resilience. So to the Chair’s point earlier, that is really the tightrope that we’re going to be walking. And
I’ll just pause there and see if there’re any, any questions on what I’ve already said.

MR. NAZEM: Are there questions from the Board?

MR. FREED: I don’t have a question, but I just want to say that I have attended both of the public meetings, and I appreciate the challenge you have in engaging the public on such a complicated specific issue. And I know, you know, some of the questions in the first meeting were, can you explain the rate structure? How does DEP bill? The knowledge base that, that is engaged in this and trying to bring everyone up to the same speed and the same common denominator, and that is quite a challenge. So I think that’s going to continue to be a struggle as we get into more complex issues of how do we have space to delve into the nuance of it and the complexity of this is so important. At the same time, we’re educating people.

MR. CARNEY: It’s the nuances here that are extraordinary. How do you—how does the new billing system give us a better portal to know
where people really are at risk? To know what, what the trip measures there may be, to know what it is that we’re not addressing. We—we’ve got the, the—the entire spectrum of folk from absolutely no need to tremendous need. How do we—can we, it’s Adam’s question, how do we address those who are in greatest need? How do we get at that? How do we know who they are and then what do we do?

MR. FREED: Yeah, and I—I’ll note, the one thing I would just note that I had in my noted from the first meeting and just to make all the other Water Board members aware of this, the current scope of work is for the study. It doesn’t include, and Angela, please correct me if I’m wrong, the work for implementation of a new rate structure. That would have to come in the next generation and a next step in the Water Board. So I think it’s just a strong base to build from but there’s still a lot of work left to do and how—you know, what, we’ll need to be very deeply involved in that.

MS. LICATA: Yes, that’s absolutely correct. And with respect to the question on the
customers, we’ve been looking at our customers carefully for many years in terms of what the socio-economic demographics are across the city. We’ve done a lot of analysis on the affordability question. We’ve looked at it from the perspective of how do we raise rates to meet various mandates, how much more debt can we take on, how much more can some of these customers afford to pay? And the way in which we’ve really been able to collect that information is to, you know, work with the human resources administration and some of the other databases. So there’s been a lot of looking at our own demographics and then comparing that with customers that may be getting heating assistance or SNAP Program assistance. So we have a pretty good understanding of that issue. Now, what do we do to address it, that’s where it gets a little trickier.

MR. CARNEY: And much more difficult. I applaud your efforts. I believe that you’re doing everything that you can do right now. That—the question is, do we need new ideas and if we do where do we get them? And I—and I—my
fingers are crossed that what you’re doing
adequately addresses what we don’t know, but
finger crossed that if there are new ideas,
we’ll stumble over them or they’ll just come to
us because we’ve earned the right to have them,
well see what happens.

All right. We are—we’ve had the sustainable
rate study presentation. We’re going now to the
next agenda item, which is a briefing, well,
actually, we’ve done some of these, the LIHWAP
assistance program. Is there anything else we
need to do with that?

MR. MURIN: No, just Mr. Chair, this is Joe
Murin. I think the commissioner covered that
in his talking point.

MR. CARNEY: Yes, he did, I’m—and I’m very
comfortable with it. Is there any other
business to come before this Board for this
meeting? Hearing no comments and no questions,
may I have a motion please, to adjourn the
meeting?

MR. GOLDIN: So moved, Mr. Chair.

MR. CARNEY: Thank you, Jon. Is there a
second?
MR. FREED: Sure, I’ll second.

MS. FERNANDEZ-KETCHAM: Second --.

MR. CARNEY: Thank you very much. Mr. Secretary, if you would have poll of the membership?

MR. RODRIGUEZ: Sure. Taking a poll to terminate this meeting. Chairman Carney, how do you vote?

MR. CARNEY: To end the meeting.

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

MS. FERNANDEZ-KETCHAM: Yes, we can end the meeting.

MR. RODRIGUEZ: Okay. Member Freed??

MR. FREED: I vote aye and wish everyone a wonderful new year and holidays.

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

MR. GOLDIN: I vote to adjourn and wish everybody happy holidays and a good healthy new year. Thank you.

MR. RODRIGUEZ: Member Shaw?

MS. SHAW: I vote to adjourn.
MR. RODRIGUEZ: And Member Zarrilli?

MR. ZARRILLI: Approved and looking forward to seeing everybody in 2022.

MR. RODRIGUEZ: Can I just check in one last time, Member Hsu, are you on the phone?

MR. CARNEY: I don’t think so, Al.

MR. RODRIGUEZ: Okay.

MR. CARNEY: Are you there — ? Before you all hang up I—happy holidays to everybody. I am a Christmas—a Christmas celebrant, and I will wish everybody a very Merry Christmas. Thank you all for joining us today. Take care. Okay.

MS. SHAW: Bye everyone.


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