

NEW YORK CITY WATER BOARD

PUBLIC NOTICE

NOTICE IS HEREBY GIVEN THAT a meeting of the New York City Water Board will be held on Wednesday, February 7, 2024 at 9:15 a.m. at 255 Greenwich Street, 8th floor conference room S1/S2, New York, New York 10007.

The meeting will be held as an in-person meeting. A recording of the meeting will be posted to the Water Board's website at nyc.gov/waterboard after the meeting. The materials that will be discussed at the meeting will also be made available on the Board's website.

The public is welcome to submit questions to the Board before or after the Board's meeting by sending an email to nycwaterboard@dep.nyc.gov or by telephone using phone number 718-595-3591. The Board's meetings themselves are designed to present the Board with an opportunity to discuss and conduct its business in an open, public forum. The public is welcome to attend and observe, and members of the public are requested to refrain from asking questions while the Board is in session, and to submit questions before or after – but not during – the meeting.

NEW YORK CITY WATER BOARD MEETING

Wednesday, February 7, 2024 - 9:15 A.M.

Location: 255 Greenwich Street
Eighth Floor, Room S1/S2
New York, New York 10007

AGENDA

1. Roll Call
2. Resolution: Vote on Approval of Minutes of December 8, 2023 Meeting
3. Presentation: Department of Environmental Protection Presentation on Proposed Real Property Transaction Involving Land in Kent, New York and the Seven Hills Lake Dam
4. Resolution: Approval of the Proposed Real Property Transaction in Kent, New York
5. Any Other Board Business or Topics for Discussion

**MINUTES OF THE MEETING OF THE
NEW YORK CITY WATER BOARD**

December 8, 2023

A meeting of the New York City Water Board (the “Board”) was held on Friday December 8, 2023 at 255 Greenwich Street, Manhattan, New York in the 8th floor conference room, beginning at approximately 9:30 a.m. The following members of the Board attended the meeting:

Evelyn Fernandez-Ketcham,

Jonathan Goldin,

Jukay Hsu, and

Arlene Shaw

constituting a quorum. Upon the assent of the members, Member Shaw served as acting Chair, Albert Rodriguez served as Secretary of the meeting, and Board officers Executive Director Joseph Murin and Treasurer Omar Nazem were in attendance, joined by Department of Environmental Protection Commissioner Rohit Aggarwala.

Approval of the Minutes

The first item on the agenda was approval of the minutes of the Board’s previous meeting held on November 6, 2023. Member Goldin presented a request that the minutes state clearly that American Water Resources had agreed at the November meeting that the Board would be indemnified against third party claims. Following the assent of the other members, and upon motion duly made and seconded, the minutes of the meeting held on November 6, 2023 were put to the members for a vote. The members in attendance unanimously approved the minutes by a voice vote.

Approval of Contract Extension and Revision to the Program Terms with American Water Resources (d/b/a Oncourse Home Solutions)

Acting Chair Shaw introduced the next agenda item, the proposed second extension of the Board’s multi-year contract with American Water Resources/Oncourse Home Solutions to provide water and sewer

service line warranties to DEP customers, and explained to the Board that a public hearing on the proposed modifications to the AWR program was held on December 1, 2023. Acting Chair Shaw summarized the request to extend the contract, expand the scope of services, and to increase the price of the warranties, and proceeded to introduce several representatives from AWR present at the meeting, including chief executive officer Aaron Cooper, chief financial officer Josh Cohen, and general counsel Colleen Garrity.

Member Goldin requested that AWR commit to providing the Board with updates on an annual basis regarding the program’s operation, including the claims experience of customers, customer satisfaction rates, and program trends, as well as the company’s net promoter score. Mr. Cooper agreed to the request, and reiterated the company’s commitment to service quality, trust, and transparency. Mr. Goldin requested additional information regarding the termination provision of the agreement, in response to which Treasurer Nazem explained that the Board’s agreement with AWR could be terminated on 30 days prior notice.

Commissioner Aggarwala voiced his thanks to the Board for its work in reviewing the AWR contract extension, and stated that the revised program would be of value to DEP’s customers.

Upon motion duly made and seconded, a resolution authorizing Board staff to effectuate the revisions to the AWR agreement and program terms was put to the members for a vote. The members in attendance unanimously approved the resolution by a voice vote.

RESOLUTION

WHEREAS, the Board is authorized pursuant to Sections 1045 and 1046 of Title II-A of the New York State Public Authorities Law (the “Law”) to establish, in accordance with Section 1045-j of the Law, fees, rates, rents or other charges for the use of, or services furnished, rendered or made available by the water and wastewater system of the City of New York (the “City”), and in accordance with Section 1045-g (5) to enter into contracts and to retain private consultants for the purpose of obtaining professional or technical services to assist the Board in carrying out its responsibilities; and

WHEREAS, in accordance with Section 1045-j (3) of the Law, a public hearing

concerning a proposal to revise the fee amounts and the available program coverage options of the water and sewer service line protection program was held at 255 Greenwich Street, 8th floor conference room 8-S1/S2, in Manhattan, New York on December 1, 2023, and a summary of the hearing and all written statements submitted prior to 4:30pm on December 7, 2023 was received and reviewed by the Board; and

WHEREAS, the water and sewer service line protection program is an optional program offered in cooperation with American Water Resources, d/b/a Oncourse Home Solutions (“AWR”), with the program fees associated with the program assessed on behalf of AWR to customers choosing to purchase the plans through those customers’ New York City Department of Environmental Protection water and wastewater bills; and

WHEREAS, based on the aforementioned public hearing and public testimony, and other information available to it, the Board has determined that the following revisions and amendments are appropriate to reflect in the Board’s rate schedule: (i) an increase to the annual fee for the basic water service line protection program to an amount not to exceed \$84.84 per year, or proportional periodic rate thereof, (ii) an increase to the annual fee for the basic sewer service line protection program to an amount not to exceed \$143.04, or proportional periodic rate thereof, and (iii) the addition of a second tier to the service line protection program, providing coverages in addition to those offered under the existing basic water and sewer line program prices in a combined water and sewer offering, with such combined coverages available to enrolling customers in an amount not to exceed \$263.88 per year, or proportional periodic rate thereof; it is therefore

RESOLVED, that pursuant to the Resolution of the Board dated June 15, 2012, that the Board’s Executive Director shall negotiate an amendment to the Board’s agreement with AWR effectuating such changes to the program as described herein, and extending the term of the agreement in accord with the terms of the second five-year extension option described in the Agreement of the Board dated July 31, 2012, as amended on June 18, 2018, and as

extended by letter agreement dated July 11, 2023; and it is therefore further

RESOLVED, that amendments to the Water and Wastewater Rate Schedule that took effect July 1, 2023, a copy of which is attached hereto with proposed amendments reflecting the changes to the annual fee amounts and available program options as described by this Resolution, is hereby approved, with such changes to take effect no sooner than February 1, 2024, or upon a later date as may be decided upon by the Board's Executive Director.

Presentation by Department of Environmental Protection on Customer Programs

Acting Chair Shaw introduced the next agenda item, a presentation on DEP's customer affordability programs. Commissioner Aggarwala briefed the Board on DEP's work involving customers with accounts receivable facing affordability challenges. The Commissioner noted that the Board's customer amnesty program had assisted 13,000 customers, resulting in \$22 million of interest forgiveness and \$105 million of customer payments through the program. The Commissioner further praised DEP's Bureau of Customer Services for its work in cooperation with New York State on the low income water assistance program, which provided \$32 million of program benefits to 8,250 DEP customers, resulting in reduced accounts receivable balances, adding that the Board's own LIHWAP Plus program that partnered with the New York State program resulted in an additional \$8 million of account benefits to customers participating in the State program, with the additional account benefits received by 5,500 of the 8,250 accounts resulting in most cases with an overdue account balance of \$0 after receiving the account benefit. Commissioner Aggarwala added that the Board's affordable multi-family program authorized at the time of the Amnesty program was still in operation, and that 152 properties had participated in the program to-date, resulting in \$4 million of account benefits, with another 89 properties prospectively eligible to receive an account benefit. The Commissioner described the dynamic with

the multi-family participants as typically involving larger accounts receivable balances per property, and accordingly a large investment of DEP staff time to conclude negotiations with each property. The Commissioner further noted that DEP continued to carry a sizeable accounts receivable balance.

Turning next to service terminations, the Commissioner described the success of the program, which had resulted in most of the 333 properties receiving termination notices choosing to pay the account balance in full or to enter into a payment agreement and make a 25% down payment toward the account balance, and characterized the criteria for account selection as focusing on accounts associated with higher value properties and with larger accounts receivable balances. Properties receiving shut-off notices could obtain an exemption if a young child or senior citizen lived in the building, and of the initial pool, only 18 properties experienced water service disconnections, of which three properties paid to restore their water service. The remaining properties were typically vacant properties without occupants. Acting Chair Shaw asked if it was fair to characterize the properties as abandoned, with Commissioner Aggarwala responding that although the properties typically had owners of record, there was often a transaction or bankruptcy proceeding involving the property. Member Goldin inquired about whether the Board could attach a lien to a property, and how such liens would work. Commissioner Aggarwala characterized the Board's liens as a feature of law that attached automatically to the building, proceeding to further explain that DEP had considered filing legal paperwork to record liens in property databases.

Commissioner Aggarwala concluded his presentation with a summary of the Autopay Plus program, which had offered an initial \$100 credit and a subsequent \$50 credit for accounts enrolling after the initial period, with 21,000 accounts enrolling in the Autopay Plus program of e-billing and automatic payments and providing a full set of account contact information. The Commissioner concluded by stating that DEP is working to complete enrollment for an additional 16,000 accounts

NEW YORK CITY WATER BOARD

RESOLUTION

WHEREAS, pursuant to the New York City Watershed Memorandum of Agreement dated January 21, 1997 (the “MOA”), the City of New York (the “City”), acting by and through the New York City Department of Environmental Protection (“DEP”), is engaged in programs within the New York City Watershed communities to ensure an adequate supply of clean and healthful drinking water to millions of New York City residents, as well as to several other regions in New York State; and

WHEREAS, the City and 7 Hills Lake Property Owners, Inc. (“Seven Hills”) have been engaged in discussions to reduce the burdens of shared ownership and shared maintenance responsibilities of the Seven Hills Lake Dam (the “Dam”); and

WHEREAS, significant repairs and improvements are currently necessary to maintain the Dam’s safety, the total cost of which is expected to be in the range of \$1,063,000 to \$1,617,000; and

WHEREAS, the City desires to transfer potential liabilities related to owning the Dam, for reasons that include the Dam’s role impounding a water body that is not part of the City’s water supply system, as well as the presence of land conservation protections, as described below, that will remain with the land in the absence of City ownership; and

WHEREAS, Seven Hills understands that the proposed conveyance will be subject to all terms of the Conservation Easement NYC-MOA 141W002632 (“Conservation Easement”), which shall run with the land, to ensure that it is held in perpetuity in an undeveloped state to protect the New York City Watershed and the New York City drinking water supply; and

WHEREAS, the City has provided DEC with the requisite notice related to the Conservation Easement, and DEC has not exercised its option to purchase the landholding; and

WHEREAS, New York City Administrative Code §4-106(9) authorizes the conveyance of real property for a public purpose over water supply lands, and DEP certifies that the proposed

conveyance will not endanger or injure the water supply structures or other property of the City, nor interfere with the use and operation of City assets for water supply or sanitary protection purposes; and

WHEREAS, by letter dated February 5, 2024, the Board has received certification from Eileen Proffitt, P.E. of AECOM USA, Inc., and William Pfrang, P.E., of Macan Deve Engineers, Co-Consulting Engineers to the Board, that it has evaluated the above dispositions and has confirmed that such transfers and grants would have no impact on the operation of the System, the collection of revenues of the System, or the ability of the Board to make any payments required under the Lease; it is therefore

RESOLVED, that, pursuant to Sections 11.1(d)(i) and 11.1(d)(ii) of the Lease, the Board hereby consents to the property dispositions by conveyance deed in the form approved by the New York City Law Department; and be it further

RESOLVED, that the officers of the Board are, and each of them hereby is authorized and empowered, in the name and on behalf of the Board, to grant such consent and to take such other and further actions as the officers or any officer deems necessary or appropriate to effectuate the foregoing resolution.