

# New York City Water Board

## Activities, Operations and Accomplishments – Fiscal Year 2013

The New York City Water Board (the “Board”) is responsible for setting water and sewer rates at a level sufficient to fund the operating, capital, 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 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, 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 actively monitors billings and collections throughout the year, and Board members receive a financial update almost every month, regardless of whether or not there is a public meeting. In addition, the Board maintains various contractual obligations necessary to achieve its requirements and objectives. Presented below are highlights of the Board’s activities, operations and accomplishments for the period of July 1, 2012 through June 30, 2013:

On September 21, 2012, the Board:

- Received a briefing on the System’s financials and DEP’s operations, including an update on fiscal year 2012 revenue results, DEP’s Project Management Information System, the Operational Excellence Program (*OpX*), regulatory matters, and the Citywide fleet consolidation.

On October 10, 2012, the Board:

- Accepted the independent auditors’ report on the audited financial statements for the fiscal years ended June 30, 2012 and June 30, 2011 and authorized the release of the financial statements.
- Reviewed the annual fiscal year 2012 investment report and approved adoption of the investment guidelines.
- Consented to a property disposition and released the Board’s leasehold interest in the Review Avenue Repair Yard for transfer to the Fire Department of the City of New York.

On November 9, 2012, the Board:

- Consented to a property disposition and released to the City the Board's leasehold interest in the site of DEP's former meter test facility, Brooklyn Block 7, Lots 1, 9, and 21.
- Received a briefing on Hurricane Sandy's impact on the System.
- Proceeded to Executive Session to discuss the annual Water Board performance evaluation.

On December 7, 2012, the Board:

- Consented to the grant of an easement by the City to the Town of Gardiner that would be sufficient for the construction of a town road.
- Approved the selection of a lockbox and payment processing contractor pursuant to a competitive solicitation process and authorized management to enter into the resulting contract.
- Received a financial update for fiscal year 2013 to date, including the projected value of System damage from Hurricane Sandy and DEP programs for customers whose properties were impacted by the storm.

On February 15, 2013, the Board:

- Received a financial update for fiscal year 2013 to date, including the Service Line Protection Program and *OpX*.

On April 5, 2013, the Board:

- Received a presentation on fiscal year 2014 rate and billing policy proposals.

From April 29 through May 3, 2013, in each borough of the City, the Board held public hearings concerning proposed fiscal year 2014 System rates, charges, and billing policies.

On May 10, 2013, the Board:

- Adopted its annual expense fund and System budget.
- Adopted a rate increase of 5.6% based on the budget requirements and the testimony and reports submitted at the public hearings.

- Adopted annual rates of \$53.88 plus sales tax per water service line contract and \$95.88 plus sales tax per sewer service line contract for the Service Line Protection Program.
- Extended the compliance grace period for properties that had been automatically enrolled in the Multiple-family Conservation Program (“MCP”) in fiscal year 2013; such properties were given until January 1, 2015 to have a meter and automated meter reading device installed and until June 30, 2016 to have high-efficiency fixtures installed.
- Adopted a manual meter reading fee of \$25 for each manual reading requested by a customer.
- Received a presentation on proposed water rates for upstate customers.
- Accepted the resignation of Ms. Marcia Bystryn and thanked her for her service to the Board.

On June 10, 2013, the Board held a public hearing concerning a proposed rate increase for water sold to users outside of the City pursuant to the Water Supply Act of 1905.

On June 14, 2013, the Board:

- Discussed the testimony submitted in connection with the public hearing, adopted a regulated rate of \$1,496.76 per million gallons for users outside of the City, and continued the rate for water that exceeds the allowance quantities at the in-City metered rate.
- Consented to the City’s transfer of a 24-inch water main and appurtenant structures that had been constructed in connection with the Catskill/Delaware Ultraviolet Disinfection Facility to the Town of Mt. Pleasant and released the Board’s leasehold interest therein.
- Received a financial update for fiscal year 2013 to date.
- Accepted the resignation of Mr. Donald Capoccia and thanked him for his service to the Board.

On June 28, 2013, the Board accepted the resignation of Mr. Albert Moncure due to his retirement from City service and thanked him for his service to the Board.