

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

**September 9, 2024**

A meeting of the New York City Water Board (the “Board”) was held on Monday September 9, 2024 at 255 Greenwich Street, Manhattan, New York in the 8th floor conference room, beginning at approximately 9:15 a.m. The following members of the Board attended the meeting:

Alfonso Carney,

Adam Freed,

Arlene Shaw, and

Daniel Zarrilli

constituting a quorum. Mr. Carney chaired the meeting and Albert Rodriguez served as Secretary of the meeting. Board officers Executive Director Nerissa Moray and Treasurer Omar Nazem were in attendance, and were joined by Rohit Aggarwala, Albert Kramer, P.J. Sagar, and Todd West from the City’s Department of Environmental Protection.

**Approval of the Minutes**

The first item on the agenda was approval of the minutes of the Board’s previous meeting held on June 13, 2024. Upon motion duly made and seconded, the minutes of the meeting held on June 13, 2024 were put to the members for a vote. The members in attendance unanimously approved the minutes by a voice vote.

**Contract With Citibank, N.A.**

Treasurer Nazem described the proposed contract amendment to the Board, explaining that Citibank provides the Board’s bank accounts and payment processing services for paper payment methods as well as part of the Board’s electronic payments, and that Citibank was selected through

a competitive RFP process resulting in a contract signed in 2013. Mr. Nazem described the scope of services provided, noting that in addition to providing bank accounts and handling the Board's wire transfer and ACH payments, Citibank through a subcontractor is also responsible for processing paper payments, typically in the range of 3,000 checks and other paper payment instruments each day, through a lockbox payment center located in Delaware. Mr. Nazem further described the technology used in processing the payment payments, including the automated sorting and orienting of the payment instruments and the use of optical character recognition technology in extracting key data from the payment instruments.

Mr. Nazem explained that the cost of the service was small compared to the value received, noting that the cost to replicate the payment processing services directly would be significantly higher than the cost of retaining the existing vendor.

Member Shaw described some of the dynamics involving the original contract procurement, noting that the lockbox facility location was one of the negotiating items during the original procurement, and further explained that the contract had resulted in good value to the Board and continued to reflect a good overall deal in terms of the services and costs involved.

Member Zarrilli and Treasurer Nazem discussed the specific terms of the extension, with Mr. Nazem explaining that additional funding authorization was not required, since the original Board resolution had authorized \$16 million of expenditures under the Citibank agreement, of which \$9.5 million of expenditures remained under the original funding authorization, but that a term extension of the agreement was being requested. Member Shaw and Treasurer Nazem discussed some of the trends in the banking industry, with Member Shaw describing lockbox services as something banks were focusing on less than in the past, and explaining that other banking services were important accompaniments to payment cashing services.

Following the presentation and discussion, the members in attendance unanimously

approved the following resolution by a voice vote:

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**RESOLUTION**

**WHEREAS**, pursuant to Sections 1045-b and 1045-g of the New York City Municipal Water Finance Authority Act (the "Act"), the Board is authorized 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, including tasks relating to the planning, development, financing, or construction of the water and wastewater system of the City of New York; and

**WHEREAS**, the Board's duties under the Act include establishing and collecting water and wastewater rates and charges in an amount sufficient to place the City's water supply and wastewater system (the "System") on a financially self-sustaining basis; and

**WHEREAS**, the Board seeks to provide property owners with multiple options for remitting payment for water and wastewater bills, including digital and paper-based methods of payment; and

**WHEREAS**, the Board further seeks to obtain banking, lockbox, and payment processing services on a cost effective basis and in a manner that ensures continuity of operations as may be provided for under the Water Board's Policy on the Procurement of Goods and Services ("Procurement Policy"), Section II(6); and

**WHEREAS**, the Board at its December 7, 2012 meeting authorized the Board's Executive Director to enter into negotiations with Citibank, N.A., pursuant to the Board's Procurement Policy, Section II(5)(i), and at the same time authorized \$16,000,000 of funding for the agreement, of which approximately \$9,500,000 of the authorized funding remains available; and

**WHEREAS**, the term of the Board's agreement with Citibank, N.A. ends on November 12, 2024, and the Board wishes to enter into negotiations with Citibank

to ensure the availability of banking, lockbox, and payment processing services; it is therefore

**RESOLVED**, that the Executive Director is hereby authorized and directed to instruct the Board's professional staff to negotiate and enter into an amended definitive legal agreement for an additional term of up to five years, including any extension options, and upon such other terms and conditions as the Executive Director may deem reasonable and appropriate; and be it further

**RESOLVED**, that the compensation authorized and payable to Citibank shall remain within the total compensation limit established by the Board's resolution of December 7, 2012.

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#### **Property Transaction in Olive, New York**

The next agenda item involved a proposed real estate transaction in Olive, New York, where a City landholding includes a covered bridge located on the property. P.J. Sagar from the Department of Environmental Protection's legal department presented the proposed transaction, explaining that the bridge was not a water supply asset, and that the water system would benefit from not bearing ongoing responsibility for maintaining the bridge. Mr. Sagar stated that the counterparty in the proposed transaction was the Ashokan Foundation, an organization that operates the Ashokan Center located near to the covered bridge, and described the core of the transaction as transferring 1.32 acres of City land including the bridge to the Ashokan Foundation. Mr. Sagar noted that the City would retain easements allowing continued access to the property, while the Ashokan Foundation would assume all responsibility for operating and maintaining the bridge and would be subject to restrictive covenants on the use of the property. Mr. Sagar described some of the drainage at the property, explaining that maintaining the drains had been an operational challenge for the City, and walked the Board through the purchase and sale agreements, including the amendments to the agreement. In

response to questions by Member Freed, Mr. Sagar explained that the third amendment to the purchase and sale agreement had already been signed, but that the transfer of title to the Ashokan Foundation was conditional on Water Board approval and that the City would have ongoing access to the property to ensure that the drainage near to the bridge was properly cleared.

Mr. Sagar further explained the maintenance responsibilities, which with the proposed transaction would transfer responsibility for maintenance of the bridge to the Ashokan Foundation during times when water releases from the City's water system exceeded a threshold amount. Mr. Sagar added that besides the access easements, the City would also retain an inundation easement that would allow the City to operate a nearby release channel to manage water releases from the City's reservoir system.

The next section of the presentation addressed the restrictive covenants on the use of the property, which include a restriction on using the property in any fashion that might endanger or interfere with the City's water supply system and that require the historical and scenic character of the property to be preserved. Mr. Sagar added that the City's Law Department had approved the legal form of the purchase and sale agreement and the form of the title deed. Mr. Sagar further explained that the City had previously provided \$2.5 million for the purposes of maintaining and improving the bridge.

Following the presentation and discussion, the members in attendance unanimously approved the following resolution by a voice vote:

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**RESOLUTION**

**WHEREAS**, pursuant to Sections 1045-b and 1045-g of the New York City Municipal Water Finance Authority Act (the "Act"), the Board is authorized 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, including tasks relating to the planning, development, financing, or construction of the water and wastewater system of the City of New York; and

**WHEREAS**, the Board's duties under the Act include establishing and collecting water and wastewater rates and charges in an amount sufficient to place the City's water supply and wastewater system (the "System") on a financially self-sustaining basis; and

**WHEREAS**, the Board seeks to provide property owners with multiple options for remitting payment for water and wastewater bills, including digital and paper-based methods of payment; and

**WHEREAS**, the Board further seeks to obtain banking, lockbox, and payment processing services on a cost effective basis and in a manner that ensures continuity of operations as may be provided for under the Water Board's Policy on the Procurement of Goods and Services ("Procurement Policy"), Section II(6); and

**WHEREAS**, the Board at its December 7, 2012 meeting authorized the Board's Executive Director to enter into negotiations with Citibank, NA., pursuant to the Board's Procurement Policy, Section II(5)(i), and at the same time authorized \$16,000,000 of funding for the agreement, of which approximately \$9,500,000 of the authorized funding remains available; and

**WHEREAS**, the term of the Board's agreement with Citibank, N.A. ends on November 12, 2024, and the Board wishes to enter into negotiations with Citibank to ensure the availability of banking, lockbox, and payment processing services; it is therefore

**RESOLVED**, that the Executive Director is hereby authorized and directed to instruct the Board's professional staff to negotiate and enter into an amended definitive legal agreement for an additional term of up to five years, including any extension options, and upon such other terms and conditions as the Executive

Director may deem reasonable and appropriate; and be it further

**RESOLVED**, that the compensation authorized and payable to Citibank shall remain within the total compensation limit established by the Board's resolution of December 7, 2012.

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**Two Property Transactions in Mount Pleasant, New York Involving the Relocation of Westlake Drive and the Construction of a Parking Lot for School Use**

Mr. Sagar proceeded to present the next two proposed property transactions, involving the relocation of a section of Westlake Drive in Mount Pleasant, New York and the construction of a parking lot, also in Mount Pleasant, to replace parking capacity that would otherwise be diminished due to the road's relocation. Mr. Sagar summarized the transaction as involving the release of an easement on one section of land where the road is currently located, and the granting of a new easement on a different section of land where the road will be located following its relocation through the construction of a new road, and presented a map describing the existing and future location of a section of Westlake Drive. Mr. Sagar described some of the history of the area under discussion, and explained that an improved and more secure perimeter boundary would be one of the results from the proposed transactions, and characterized the transaction as part of the larger \$2 billion Kensico-Eastview Connection project that the Department of Environmental Protection was commencing. Commissioner Aggarwala echoed these comments, explaining that the overall purpose of the transaction and construction involving Westlake Drive was to rationalize the design of DEP's assets located in the surrounding area.

Mr. Sagar further explained that due to Westlake Drive's relocation, some street parking would be displaced, and that in order to replace the parking capacity, the proposed transaction would also include transferring a section of City-owned land to the Valhalla School District and the

construction of a parking lot on the transferred section of land. Mr. Sagar explained some of the financial details, which include the City bearing the cost of constructing the parking lot and providing \$310,000 of cash to the Town of Mount Olive for the ongoing maintenance of the newly constructed road.

Mr. Sagar explained that the land transferred to the Town for roadway use would be subject to use restrictions limiting its functioning to surface transportation purposes and that would restrict any land uses that could harm the City's water supply. The parking lot easement would similarly be subject to certain restrictions, including the return of the land to the City if the adjacent buildings were to cease functioning as schools, in addition to restrictions on use of the land that could be harmful to the City's water supply. Mr. Sagar explained that the City had certified that neither of the Mount Pleasant transactions would be detrimental to the City's water supply or negatively affect System revenues, and that the City's Law Department had approved the legal forms used in the transaction.

Member Shaw asked if the Board could receive information at a future date explaining how the City monitors the portfolio of easements and interests held by third parties with respect to City-owned land.

Following the discussion and presentation, the members in attendance unanimously approved the following pair of resolutions by a voice vote:

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*(first of the two Mount Pleasant Resolutions)*

**RESOLUTION**

**WHEREAS**, the City provides drinking water for roughly nine million New Yorkers, including the Town of Mount Pleasant and other upstate communities, from City water supply assets, including the Kensico Reservoir; and

**WHEREAS**, the City is constructing a tunnel to convey water from the



Kensico Reservoir to the Catskill/Delaware Ultraviolet Disinfection Facility in Westchester County (“KEC Tunnel”); and

**WHEREAS**, to protect the public during construction of the KEC Tunnel and appurtenances, and to secure the City’s water supply assets during and after construction, the City will relocate a portion of Westlake Drive and close a portion of the former Westlake Drive, including the associated street parking, to public access; and

**WHEREAS**, as consideration for the Town to grant the City a release of a portion of the Town’s existing easement for a public road located on the existing Westlake Drive (“Release”), the City has agreed to construct a new road (“Relocated Westlake Drive”) on a portion of the City Property, and to grant an easement for public road purposes to the Town of Mount Pleasant (“Easement”); and

**WHEREAS**, the New York City Administrative Code §4-106(9) authorizes the conveyance of easements or rights-of-way in, over, or across water supply lands for a public purpose, and DEP has certified that the proposed conveyance will not endanger or injure the water supply structures or other property of the city or interfere with the use and operation thereof for water supply or sanitary protection purposes; and

**WHEREAS**, pursuant to Section (d)(ii) of the Lease, the City may, with the prior written consent of the Board, grant interests in property covered by the Lease, which, in the reasonable judgment of the Board, do not interfere with the operation and maintenance of the System and the collection of revenues from the System; and

**WHEREAS**, by letter dated September 3, 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 property actions 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 the Board hereby gives its consent for the City to convey the Road Easement by legal form approved by the New York City Law Department, in accord with the property boundaries described in Attachments A, B, and C and in the memorandum of the New York City Department of Environmental Protection dated August 12, 2024; and be it further

**RESOLVED**, that the officers of the Board be, 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.

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*(second of the two Mount Pleasant Resolutions)*

### **RESOLUTION**

**WHEREAS**, the City provides drinking water for roughly nine million New Yorkers, including the Town of Mount Pleasant and other upstate communities, from City water supply assets, including the Kensico Reservoir;

**WHEREAS**, the City is constructing a tunnel to convey water from the Kensico Reservoir to the Catskill/Delaware Ultraviolet Disinfection Facility in Westchester County (“KEC Tunnel”); and

**WHEREAS**, to protect the public during construction of the KEC Tunnel and appurtenances, and to secure the City’s water supply assets during and after, the City will relocate a portion of Westlake Drive and close a portion of the former Westlake Drive, including the associated street parking, to public access; and

**WHEREAS**, to offset the eliminated street parking spaces located on the existing Westlake Drive, the City has agreed to construct a new parking lot (“Parking Lot”) on a portion of the City Property, and to grant an easement to the Valhalla School District to use the Parking Lot for ingress and egress for so long as the Valhalla Middle and High Schools remain public schools, and provided that the Valhalla School District is obligated to perform maintenance and repairs (“Easement”); and

**WHEREAS**, the New York City Administrative Code §4-106(9) authorizes the conveyance of easements or rights-of-way, in, over or across water supply lands for a public purpose and DEP has certified that the proposed conveyance will not endanger or injure the water supply structures or other property of the city or interfere with the use and operation thereof for water supply or sanitary protection purposes; and

**WHEREAS**, pursuant to Section (d)(ii) of the Lease, the City may, with the prior written consent of the Board, grant interests in property covered by the Lease which, in the reasonable judgment of the Board, do not interfere with the operation and maintenance of the System and the collection of revenues from the System; and

**WHEREAS**, by letter dated September 3, 2024, the Board has received the 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 property actions 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 the Board hereby gives its consent for the City to convey the Easement by legal form approved by the New York City Law Department in accord with the property boundaries described in Attachments A and B and in the

memorandum of the New York City Department of Environmental Protection dated August 12, 2024; and be it further

**RESOLVED**, that the officers of the Board be, 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.

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**Update on the Service Line Protection Program**

Albert Kramer, Deputy Commissioner of DEP’s Bureau of Customer Services, led the presentation, and described several developments and the overall progress of the Board’s agreement with American Water Resources (Oncourse Home Solutions). Mr. Kramer summarized the purpose of the program as providing property owners with an additional option to financially protect water and sewer lateral lines. Mr. Kramer described how after several years of consistent enrollment levels the growth of the program’s enrollment had resumed, with approximately 7,000 new customers enrolling in the program in recent months. Deputy Commissioner Kramer explained that an American Water Resources-funded \$50 enrollment credit for newly enrolling customers was a contributing factor in the renewed program growth, and further noted that DEP had started transferring calls to the American Water Resources call center in certain instances, when a customer making a DEP call might be interested in speaking with American Water Resources. Commissioner Aggarwala added that some of the additions to the program since its renewal, such as periodic program reviews and the tree repair fund, had already proved their value to the program.

**Other Business**

Commissioner Aggarwala concluded the meeting by providing a short update on the repair work involving the Delaware Aqueduct, noting that the repair was commencing as planned during the fall and that the repair and connection of the new tunnel segment was the conclusion of a long planning

process managed by DEP and its partners.

**Adjournment**

There being no further business to come before the Board, upon motion duly made and seconded, the meeting was adjourned.

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/S/  
SECRETARY