

## **New York City Water Board**

### Activities, Operations, and Accomplishments – Fiscal Year 2024

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

The Board monitors billings and collections throughout the year, and Board members receive between five and eight financial updates annually. In addition, the Board periodically enters into contracts to support its revenue and collection activities. Presented below are highlights of the Board’s activities, operations and accomplishments for the period of July 1, 2023 through June 30, 2024:

On September 11, 2023, the Board:

- Received a briefing from the Department of Environmental Protection on the system’s revenues and customer programs
- Approved two contracts retaining Amawalk Consulting Group and Carollo Engineers as co-rate advisors to the Board
- Approved a contract with the Center for Western Weather and Water Extremes at the Scripps Institution of Oceanography at the University of California, San Diego to provide scientifically-informed decision making and research services
- Approved an extension to and additional funding for the Board’s design-build advisors at Arup

On October 11, 2023, the Board:

- Accepted the independent auditor’s report on the audited financial statements for the fiscal years ended June 30, 2023 and June 30, 2022 and authorized the release of the financial statements
- Reviewed the annual fiscal year 2023 investment report and approved the ongoing adoption of the investment guidelines

- Received a presentation from the Department of Environmental Protection requesting approval to retain a consultant to advise the Board on the potential presence of PFAS compounds in the area of the Kensico basin and reservoir, and approved a funding authorization for that purpose
- Received a presentation requesting the release from the Board's leasehold of a section of a water system landholding in Manhattan located in Hell's Kitchen, for purposes of supporting an affordable housing project and construction of public space

On November 6, 2023, the Board:

- The Board heard a presentation, and approved a contract funding request, to provide for a partnership with Fuse Corp, a not for profit entity that partners experienced professionals drawn from the private sector with advisory roles in the government
- Received a presentation proposing a term extension as well as pricing and coverage revisions to the Board's partnership with American Water Resources / Oncourse Home Solutions
- Received a report by members of the Board's governance committee

On December 8, 2023, the Board:

- Approved a term extension and pricing and coverage revisions to the Board's agreement with American Water Resources / Oncourse Home Solutions
- Received a presentation providing a financial update covering DEP's portfolio of core customer assistance programs

On February 7, 2024, the Board:

- Received a presentation summarizing a request for the release from the Board's leasehold of a section of land in Kent, New York for transfer to a local homeowner group, and approved a resolution authorizing such transfer

On May 3, 2024, the Board:

- Received DEP's proposed approach to water rates for FY 2025, including a proposed increase of 8.5% to in-City rates and proposed increases to the wholesale allowance quantity and excess rates of 1.82% and 8.5%. DEP agreed to take the proposal under consideration and to hold public hearings.

On May 28, 29, and 30 and on June 4, the Board held in-person public hearings on the proposed increase to water and wastewater rates charged to customers located in the City.

On June 5, 2024, the Board held an in-person public hearing by on the proposed wholesale water rates charged north of the City.

On June 13, 2024, the Board:

- Adopted the Board's annual budget for FY 2025.
- Adopted the Board's rate schedule effective July 1, 2024, including an increase to water and wastewater rates of 8.5%, and a reauthorization of the Board's core \$30 million package of customer affordability programs.
- Adopted increases to the wholesale allowance quantity and excess rates of 1.82% and 8.5%, respectively, effective July 1, 2024.
- Approved the appointment of the Board's new executive director, Nerissa Moray
- Approved an audit contract with the Board's auditors at Grant Thornton covering fiscal years 2024 through 2027