

NEW YORK CITY WATER BOARD MEETING

AGENDA

Thursday, December 5, 2019 - 8:30 A.M.

Location: 255 Greenwich Street, 8th Floor
Room 8-S1S2
New York, New York 10007

1. Roll Call
2. Resolution: Approval of Minutes of October 11, 2019 Meeting
3. Resolution: Adoption of Rate Schedule Effective January 1, 2020
4. Presentation: Update on DEP Customer Information System Upgrade

**MINUTES OF THE MEETING OF THE
NEW YORK CITY WATER BOARD
OCTOBER 11, 2019**

A meeting of the New York City Water Board (the “Board”) was held on October 11, 2019 starting at approximately 9:30 a.m. at 255 Greenwich Street, 7th Floor, Room 7W1, New York, New York 10007. The following members of the Board attended the meeting:

Alfonso Carney,

Evelyn Fernandez-Ketcham,

Jonathan Goldin, and

Jukay Hsu,

constituting a quorum. Mr. Carney chaired the meeting, and Albert Rodriguez served as Secretary of the meeting. Chair Carney opened the meeting by extending a welcome to newly appointed Board member, Dr. Demetrious Carolina. Next, Chair Carney asked that Board members complete the annual Board self-evaluation survey. In addition, he noted that representatives of American Water Resources were present at the meeting and available to answer any questions regarding a public hearing to be scheduled in the future regarding a proposed change in water and sewer service line protection rates.

Approval of the Minutes

The first item on the agenda was approval of the minutes of the Board’s previous meeting held on June 14, 2019. There being no discussion, upon motion duly made and seconded, the minutes of the meeting held on June 14, 2019 were unanimously adopted.

Acceptance of the Independent Auditor’s Report for Fiscal Years 2019 and 2018.

The next item on the agenda was the presentation and acceptance of the Independent Auditor's Report on the Audited Financial Statements of the Water and Sewer System for the Fiscal Years ended June 30, 2019 and June 30, 2018 and authorization of the public release of such audited financial statements. Chair Carney reported that the Joint Audit Committee of the Water Board and the New York City Municipal Water Finance Authority met with the System's independent auditors, Marks Paneth, and reviewed their report. Marks Paneth reported that the financial statements fairly present the net position of the System in conformance with generally accepted accounting principles and provided a letter, which stated that they found no material weakness in the System's internal controls over financial reporting. After such review, the Joint Audit Committee unanimously approved a recommendation that the Board and the Authority accept the auditor's report and authorize the public release of the financial statements.

There being no further discussion, upon motion duly made and seconded, the following resolution was unanimously adopted by the Board.

RESOLUTION

WHEREAS, the New York City Water Board (the "Board") and the New York City Municipal Water Finance Authority (the "Authority") established a joint Audit Committee in light of their joint role in the financial operations of the water and wastewater system of the City of New York (the "System"); and

WHEREAS, pursuant to the joint Audit Committee Charter and the Board resolution of January 25, 2008 establishing the joint Audit Committee, the Board and the Authority each acting separately, after receiving a recommendation from the joint Audit Committee, shall annually approve the audited financial statements of the System; and

WHEREAS, on October 11, 2019, the Audit Committee met with the independent auditors and reviewed their report on the System's audited financial statements for the fiscal years ended June 30, 2019 and June 30, 2018; and

WHEREAS, the Audit Committee believes the independent auditors' report and the financial statements are reasonable and appropriate and has recommended that the Board and the Authority accept the independent auditors' report and authorize the release of the financial statements; and

WHEREAS, the Board of Directors of the Authority approved the auditors' report and authorized the release of the financial statements contingent on their approval by the Board; it is therefore,

RESOLVED, that the Board hereby accepts the independent auditors' report on the audited financial statements of the System for the fiscal years ended June 30, 2019 and June 30, 2018 and authorizes the release of such audited financial statements, provided that both the independent auditors' report and the audited financial statements may be amended to reflect non-material changes acceptable to the Comptroller of the Authority.

Approval of Investment Guidelines and the Fiscal Year 2019 Investment Report

The next agenda item was the presentation and approval of the Board's Investment Guidelines and the Fiscal Year 2019 Investment Report as annually required by the New York State Public Authorities Act.

There being no further discussion, upon a motion duly made and seconded, the following resolution was unanimously approved by the Board.

RESOLUTION

WHEREAS, the New York City Water Board (the "Board") adopted Investment Guidelines to establish policies for the investment of its funds on May 2, 1986 and subsequently amended the Investment Guidelines on October 24, 1990 and February 14, 1997; and

WHEREAS, pursuant to the Investment Guidelines, the Board is required annually to review and approve both the Investment Guidelines and an Investment Report; and

WHEREAS, the Board has reviewed the Investment Guidelines as contained in the Fiscal Year 2019 Investment Report and finds both the guidelines and report to be reasonable and appropriate; it is therefore

RESOLVED, that the Investment Guidelines and the Fiscal Year 2018 Investment Report, copies of which will be filed with the minutes of this meeting, are hereby approved.

Adjournment

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

SECRETARY

NEW YORK CITY WATER BOARD

December 5, 2019

RESOLUTION

WHEREAS, the Board is authorized pursuant to Section 1045-g(4) of the New York City Municipal Water Finance Authority Act (the “Act”) to establish, in accordance with Section 1045-j of the Act, 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

WHEREAS, in accordance with Section 1045-j (3) of the Act, a public hearing concerning a proposal to change the rates charged for the water and sewer service line protection plan was held on November 15, 2019, and a summary of the hearing and all written statements submitted by November 14 2019 have been received and reviewed by the Board; and

WHEREAS, based on the testimony and statements submitted in connection with the aforementioned public hearing, the Board has determined to increase the annual rate for the water service line protection plan from \$53.88 to \$66.84 and to increase the annual rate for the sewer service line protection plan from \$101.64 to \$114.60 effective January 1, 2020; it is therefore

RESOLVED, that the Water and Wastewater Rate Schedule dated January 1, 2020, a copy of which is attached hereto, which reflects the increases to the annual rates of the water and sewer service line plans as described above is hereby approved.

NEW YORK CITY WATER BOARD

**WATER AND WASTEWATER
RATE SCHEDULE**

EFFECTIVE ~~JULY 1, 2019~~ JANUARY 1, 2020

- c. DEP, after giving reasonable advance notice to the Customer, is denied Access to read any meter or meters at the property,
the Water Board may, in addition to any other rights or remedies available to it at law or in equity, terminate the incentives provided to such property under this Section B, by written notice to the Customer, specifying the date of termination.

PART V – MISCELLANEOUS FEES AND CHARGES

Section 1. Service Line Protection Program

The Water Board has made a water and sewer service line protection program available to its residential Customers with a water service line of 2” or less. Customers have the option of purchasing water and/or sewer service line coverage and will be billed for such coverage at the following annual rates, prorated from the date of enrollment:

- A. Water Service Line Protection Policy: up to ~~\$53,886.84~~.
- B. Sewer Service Line Protection Policy: up to ~~\$101,641.60~~.

Terms of the program are pursuant to the offering documents.

Section 2. Dishonored Payment Charge

A charge of \$20.00 will be imposed on each account where a payment is returned unpaid for any cause.

Section 3. Denial of Access, Theft of Service and Attributed Consumption Charges

A. Denial of Access Charges

DEP requires Access to inspect a premises and to install, repair, replace or upgrade water meters and remote reading and AMR devices in order to ensure the accuracy of charges rendered for services received and to ensure that all Customers are billed appropriately and in proportion to other Customers in accordance with this Rate Schedule. It shall be the Customer’s responsibility as a condition of service to facilitate Access to a premises at a time and in a manner acceptable to DEP. If a Customer fails to provide and/or facilitate Access as required by DEP, Denial of Access charges shall be imposed.

1. Denial of Access Notice Procedure

If a Customer fails to facilitate Access as required by DEP, DEP may issue a first written notice to the Customer that requires the Customer to facilitate Access to DEP within a fixed period of time. This first written notice shall be sent by regular mail to the Customer, any party registered with DEP to receive third-party notification or copies of bills or delinquency notices, and the property owner’s address registered with DOF and HPD, if different from the DEP registered address. If Access has not been facilitated by



Billing for the Future – Customer Information System Upgrade

December 5, 2019

Albert Kramer, New York City
Department of Environmental Protection

DEP Needs a New Customer Information System (CIS)

- DEP's existing system is over 20 years old.
- The professionals who maintain the system are retiring and it is becoming more difficult to find people who can maintain it since the coding language is outdated.
- As the system ages, the potential for operational risks grows.
- In order to live up to customer expectations, DEP needs to have a more streamlined system that puts data in our hands quickly and efficiently.
- A new system will allow DEP to overcome auditing, accounting, and reporting limitations that exist in the legacy system.
- Provides an opportunity to implement best practices.
- Provides some flexibility around the structure of Water Board water and wastewater charges.

DEP is working with technology vendor Itineris to customize and implement Itineris' custom solution for water and wastewater utilities that is based on the Microsoft Dynamics software product.

Nine Different Functional Project Tracks Are Underway

- 1 FUNCTIONAL
- 2 TESTING
- 3 DATA
MIGRATION
- 4 ORGANIZATIONAL
CHANGE MGMT
- 5 TRAINING
- 6 INTEGRATION
- 7 INFRASTRUCTURE
- 8 PROJECT
MANAGEMENT
- 9 APPLICATION
MAINTENANCE

Implementing a new billing system will:

- Transform DEP into a leading practices organization with a state of the art, highly configurable, and modern water and sewer billing system that will:
 - Enable the implementation of leading/best practices
 - Empowerment of end users
 - Improve overall efficiency
 - Meet or exceed customer expectations
- Provide rate design flexibility
- Improve business analytics
- Create the ability to leverage additional self-service capabilities to reduce inquiries and reduce turnaround times
- Shift from paper to electronic data
- Automate workflows and queue management
- Result in a new bill and an enhanced customer experience
- Provide streamlined access to information
- Allow for enhanced financial reporting

✓ Successfully finished the **Analysis Phase** on time, on budget

(31) Deliverables approved and signed off, including:

- Approved TO BE Operating Model consistent with New System best-practice processes and limiting customization
- Identification of the system integrations required to support the TO BE Operating Model
- Identification of the source data required to be migrated to support the TO BE Operating Model
- Technical Environment/Infrastructure Requirements review, design, and planning.

✓ Successfully finished the **Design Phase** on time, on budget

(29) Deliverables approved and signed off, including:

- Design documents finalized for the configuration updates, new functionalities and interfaces
- Data Migration transformation and load activities has begun
- Testing preparation for Unit Testing
- Successfully completed New System training for the Project Core team
- Started work on Organizational Change Management

✓ Kicked off the Development Phase

- Risk is a natural part of any project of this size and complexity.
- The PMO is actively engaged in risk management for the project. A Risk Register is maintained by the PMO and is routinely reviewed with the project's Executive Sponsors.
- The top project risks include:
 1. Complexity of implementing multiple interconnected system modules relied on by a large workforce.
 2. Ensuring the appropriateness and compatibility of any modification requests to the COTS (commercial off-the-shelf) product.
 3. Organizational change management, including workforce development and personnel management.
 4. Operation and maintenance post go-live, including organizational redesign of DEP's Customer Service and Information Technology Divisions.

Thank You – And Any Questions?

