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NEW YORK CITY WATER BOARD
NYC Water Board Meeting
June 15, 2020

1 [START RECORDING]

2 AUTOMATED VOICE: Is now joining. Two
3 participants are now joining.

4 MALE VOICE: Hi folks. So, far not - -. We
5 are going to give people another two or three
6 minutes to join. We will probably start about
7 five after - -. Can I ask everyone to please
8 place their phone on mute, for the duration of
9 this. We are going to go through all the
10 registered speakers, and we are going to give
11 anyone who has not registered previously a
12 chance to register. We will get to that point
13 and kind of explain how that will work. But can
14 I ask everyone to please place their phone on
15 mute for the time being-

16 MR. JIM BUCKLEY: [Interposing] Jim Buckley-

17 AUTOMATED VOICE: Is now joining. Is now
18 joining.

19 MR. BUCKLEY: Jim Buckley.

20 AUTOMATED VOICE: Is now exiting.

21 MALE VOICE: You have to give your name and
22 then-

23 FEMALE VOICE: [Interposing] - -

24 AUTOMATED VOICE: Is now joining.

25 MALE VOICE: -came on - -.

1 MR. OMAR NAZEM: Yeah, it's Omar Nazem-

2 AUTOMATED VOICE: [Interposing] Unknown
3 participant is now joining.

4 MR. NAZEM: Evelyn Fernandez-Ketcham, I
5 think I heard you join. Are you on the line?

6 MS. EVELYN FERNANDEZ-KETCHAM: Hello, Omar.
7 Yes, I am.

8 MR. NAZEM: Hi. Good afternoon. John
9 Goldin, are you on the line? Okay. Adam Freed,
10 are you on the line, yet? Okay. We are going
11 to give people about two or three more minutes
12 to convene. Then we will get going. Any other
13 members-

14 AUTOMATED VOICE: [Interposing] Unknown
15 participant is now joining.

16 MR. NAZEM: Any other members on the line,
17 can you announce yourselves now please?

18 DR. DEMETRIUS CAROLINA, SR.: Demetrius
19 Carolina.

20 AUTOMATED VOICE: Is now joining.

21 MR. ADAM FREED: Adam Freed.

22 AUTOMATED VOICE: Is now joining.

23 MALE VOICE: Good afternoon, Dr. Carolina,-

24 AUTOMATED VOICE: [Interposing] Two
25 participants are now joining.

1 MR. JONATHAN GOLDIN: Good afternoon,
2 Jonathan Goldin.

3 AUTOMATED VOICE: Is now joining. Unknown
4 participant is now joining.

5 MR. NAZEM: Yeah, Michael, it's Omar again.
6 We have - we have members, Adam Freed, Demetrius
7 Carolina, Evelyn Fernandez-Ketcham and Jonathan
8 Goldin on the line. I think that's - those are
9 the four, I believe we were expecting.

10 MALE VOICE 2: [Interposing] - -

11 AUTOMATED VOICE: Is now joining.

12 MR. NAZEM: I don't hear anyone else
13 announce themselves. So, I think we can get
14 going in about one minute, if you are ready?
15 Okay. Michael, can you confirm you can hear me
16 too?

17 MALE VOICE 2: You've got him on mute over
18 there. - - stay on mute. You've got to take
19 them off mute on that.

20 MR. NAZEM: Oh.

21 MR. MICHAEL LOCKHART: Michael Lockhart.

22 AUTOMATED VOICE: Is now joining.

23 MR. MICHAEL DELOACH: Can you hear me, Omar?

24 MR. NAZEM: Yes, there we go, Michael.

25 Thank you.

1 MR. DELOACH: No problem. I'm ready when
2 you are.

3 FEMALE VOICE: [Interposing] - -.

4 MS. ARLENE SHAW: Arlene - Arlene Shaw is
5 on.

6 AUTOMATED VOICE: Participants are now
7 joining.

8 MALE VOICE 4: Hi, Arlene.

9 MS. SHAW: Omar, Arlene Shaw is on.

10 MALE VOICE 4: We heard you Arlene, thank
11 you.

12 MS. SHAW: Okay, perfect.

13 MALE VOICE 4: Yes.

14 MR. NAZEM: Can I ask everyone who is not
15 speaking to please place their phone on mute-

16 AUTOMATED VOICE: [Interposing] Unknown
17 participant is now exiting.

18 MR. NAZEM: We are going to go through the
19 registered speakers first when we get to that
20 section. We will give everyone a chance to
21 speak. And anyone who is not previously
22 registered, we will give you a chance to
23 register towards the end as well. But just to
24 keep the background noise at a minimum, can we
25 please-

1 AUTOMATED VOICE: [Interposing] Unknown
2 participant is now joining.

3 MR. NAZEM: -just keep phones on mute.
4 Thank you.

5 MR. DELOACH: Omar, are you ready for me to
6 go ahead and get started?

7 MR. NAZEM: Yes, I think so. We - I just -
8 we have members Carolina, Freed, Shaw,
9 Fernandez-Ketcham and Goldin on the phone. Just
10 so you know. Those are the five folks we have
11 with us. So, yes, you can get going any time,
12 Michael. Thank you.

13 MR. DELOACH: Okay, great. Yes, just to
14 reiterate, if everybody could mute their phones
15 that would make this go a lot easier. This is a
16 public hearing of the New York City Water Board.
17 As a reminder, this is a forum for the Board to
18 solicit and hear public feedback. In order for
19 this to be effective, and everyone to have an
20 opportunity to-

21 AUTOMATED VOICE: [Interposing] Is now
22 joining.

23 MR. DELOACH: -we need to outline some
24 rules. In light of the COVID-19 pandemic, we
25 are departing from our historical practice of in

1 person public hearings, as you can tell.

2 PETER: Peter

3 AUTOMATED VOICE: Is now joining.

4 MR. DELOACH: The conference call format is
5 still new for the Water Board public hearings,
6 and we are trying to strike a fair balance that
7 every - that lets everyone be heard while also
8 maintaining-

9 MR. MIKE DELONG: [Interposing] Mike Delong
10 [phonetic]

11 AUTOMATED VOICE: Is now joining.

12 MR. DELOACH: We would ask that everyone,
13 again, just please your phone on mute-

14 AUTOMATED VOICE: [Interposing] Two
15 participants are now joining.

16 MR. DELOACH: -including the registered
17 speakers, in order to limit the background
18 noise. We are going to have a presentation by
19 DEP. After that, we will call the names of the
20 speakers from the list of preregistered
21 speakers, one by one. After we finish calling
22 names from that preregistered list, there will
23 be an opportunity for any other speaker to state
24 their name-

25 AUTOMATED VOICE: [Interposing] Unknown

1 participant is now joining.

2 MR. DELOACH: We will then create a second
3 list of these speakers and call those speakers
4 to speak, in alphabetical order by last name.
5 The topics of this meeting are the two proposals
6 made by the Department of Environmental
7 Protection, to the Board, at its May 22nd
8 meeting. The materials from the meeting are
9 available on the Water Board website at
10 nyc.gov/board/nycwaterboard.

11 MALE VOICE 5: [Interposing] - -

12 AUTOMATED VOICE: Is now joining.

13 MR. DELOACH: Again, that website is
14 nyc.gov/nycwaterboard. This meeting is being
15 recorded and an audio recording and transcript
16 of the meeting will be made available on the
17 Board's website. Accordingly, as we progress
18 through the meeting, I will ask the presenters,
19 Board Members, and members of the public to
20 clearly announce their name before they speak,
21 so that it will be clear that the - in the audio
22 recording and transcript who is doing the
23 speaking.

24 As we stated earlier, we are joined today by
25 Water Board members including Adam Freed, Jon

1 Goldin, Demetrius Carolina, Evelyn Fernandez-
2 Ketcham, and Arlene Shaw. Did I miss any other
3 members on the call? Great.

4 We are also joined today by Joe Murin. He
5 is the Chief Financial Officer at DEP. Jeff
6 Lynch, DEP's Deputy Commissioner of Customer
7 Service. And Omar Nazem, the Water Board's
8 Treasurer.

9 I would like to invite Water Board member
10 Adam Freed to say a few opening words, before
11 giving DEP the opportunity to present. Adam,
12 are you there?

13 MR. FREED: I am indeed. Thank you very
14 much.

15 MR. DELOACH: Go for it.

16 MR. FREED: And first and foremost, I wanted
17 to thank-

18 AUTOMATED VOICE: [Interposing] Is now
19 joining.

20 MR. FREED: -the Water Board - the Water
21 Board staff for their work in preparing for
22 this, and for the - the previous Water Board
23 meeting, and for the hearing that we have coming
24 up and meeting on Friday. I also want to thank
25 the Board Members who are able to join us today.

1 I have been on the Water Board for six or
2 eight years, and find that, you know, this is
3 one of the core missions and responsibilities we
4 have, is to make sure we have an opportunity to
5 hear from the public, to go to the boroughs, to
6 go upstate-

7 AUTOMATED VOICE: [Interposing] Unknown
8 participant is now joining.

9 MR. FREED: In the past, when we were
10 allowed and able to do this in person and look
11 forward to returning to those visits next year,
12 as part of this process. And to remind those
13 that are listening, for the public record, that
14 while there is a proposal before the Water
15 Board, we are an independent board. We listen
16 very closely. We review all of the testimony
17 that has already been presented to us, and will
18 be presented through the process, and weigh it.
19 So, while we are hearing today a proposal for
20 the rate for the forthcoming fiscal year, no
21 decisions have been made, and we come to this
22 with an open mind, and actively seeking the
23 input from the public.

24 So, appreciate those that have already
25 submitted testimony, those that we will hear

1 from today, and want to remind people that our
2 minds are still open, and look forward to the
3 dialogue and discussion today.

4 MR. DELOACH: Thank you, Member Freed,
5 appreciate it. Now, Chief Financial Officer,
6 Joe Murin, will make a presentation to the
7 public and the Board. Again, a copy of these
8 presentation materials is available on the Water
9 Board's website, under the Announcements section
10 on the Home page. Again, you can reach the
11 Board's website by visiting
12 nyc.gov/nycwaterboard. Joe, are you able to
13 hear me and ready to go?

14 MR. JOSEPH MURIN: Yes, I am Michael. Thank
15 you.

16 MR. DELOACH: Great.

17 MR. MURIN: So, good afternoon, everyone.
18 This is Joe Murin, Chief Financial Officer, for
19 the New York City Department of Environmental
20 Protection, also the Executive Director for the
21 Water Board. I would like to thank Adam, you
22 know, Adam Freed, for the comments that he
23 added, for the Water Board's perspective.

24 I also want to emphasize, as well, my thanks
25 to Omar Nazem, for all the work that he and his

1 team have put into preparing both for the
2 Board, and then for this public hearing, and for
3 the upcoming meeting that we will be having on
4 Friday, where the Board will consider and you
5 know, determine their path forward.

6 I am going to be referring to the Water Rate
7 Outlook for Fiscal Year Beginning July 1st,
8 2020, as the presentation that was on the Water
9 Board website. I will be going through this and
10 it is, you know, I would you know, ask everyone
11 to refrain from commenting or questioning, you
12 know, since it is a public hearing, and we could
13 have an opportunity, you know, later, from the
14 public perspective, when people could ask
15 comments at that time.

16 So, that being said, I am going to go to
17 slide number 2, which is the agenda for today's
18 presentation, which is first to update on the
19 impact of COVID-19 pandemic on operations in the
20 Department of Environmental Protection and water
21 and wastewater system. Two, water consumption
22 and financial trends since the outbreak of
23 COVID-19 in the city. Three, update on DEP's
24 capital projects and, four, proposal on water
25 and wastewater rates to the Water Board in light

1 of the outbreak of COVID-19 in the system
2 service area.

3 Next, is slide three, DEP's utility
4 operations have adjusted to COVID-19. The
5 outbreak of COVID-19 has presented unprecedented
6 challenges. The agency has adjusted, and water
7 and wastewater utility operations are
8 functioning normally.

9 System integrity

10 -Water supply and wastewater treatment
11 capacity is unaffected.

12 -Water quality unaffected. And water supply
13 system is not a conduit for transmitting COVID-
14 19.

15 -System employees being provided with
16 personal protective equipment.

17 -And managing against an uptick in flushing
18 of toilet paper substitutes.

19 Next, Workplace Changes

20 -Onsite temperature monitoring is being
21 followed.

22 -Over 80% of office employees working from
23 home.

24 -Mandatory work from home for non-essential
25 employees

1 -Mandatory social distancing

2 -Using staggered and compressed work
3 schedules

4 -Meeting occurring by phone or video
5 conference

6 -Distribution of PPE and hand sanitizer to
7 personnel

8 -And revised dismissal and sickness
9 guidelines

10 Customer Impacts

11 -Non-emergency water repairs and shutdowns
12 are suspended

13 -Meter replacements are on hold

14 -Lien sale currently suspended until
15 summer/late fall of 2020

16 -DEP call center and corresponding units are
17 open; walk in customer service offices are
18 closed

19 -Online DEP permitting issuance; emergency
20 repair permits available in person.

21 Next, on slide four, COVID-19 outbreak has
22 reduced water use in the city. And this has a
23 graph, so it is not very easy to relay verbally.
24 But basically, since, you know, 3/16/2020, which
25 is when the shutdown went into effect, total in-

1 city water consumption has declined by 3.3
2 percent, compared to Fiscal Year 2019. Since
3 7/1/19, the beginning of the Fiscal Year 2020,
4 cumulative water usage is lower by 1.6 percent
5 compared to Fiscal Year 2019.

6 Onto slide five, Impact of COVID-19 on
7 Operating Revenues,

8 -Customer payments started to soften in mid-
9 March, and since March 16th are 8% lower than
10 during the same time period in Fiscal Year 2019.

11 -We are forecasting that full year FY2020
12 revenues will come in at approximately 1%
13 decline from the amount of revenue collected in
14 Fiscal Year 2019.

15 -The factors behind the lower revenues are:

16 -Customers deferring payments based on
17 household economic hardships across both
18 residential and commercial segments

19 -Lower water consumption by commercial
20 customers driven by business closures, the stay-
21 at-home order, and less tourism

22 -And the decision to suspend the Fiscal
23 Year 20 sale of liens against overdue water
24 bills until early autumn 2020.

25 Slide six, System Ten-Year Capital

1 Investment Plan. Here we show a pie chart of
2 the systems 2020 through 2029 capital investment
3 plan, which is a total of \$20.5 billion. I will
4 go through some of the larger slices there, as
5 to where the money is being, you know, committed
6 towards, or planned to be committed. Which is:

7 -State of Good Repair at 35% for \$7.1
8 billion

9 -Mandated Projects at 26% for \$5.4 billion

10 -Sewer Construction for 16% at \$3.2 billion

11 -Water Main Construction at 10% for \$2.1
12 billion

13 -Southeast Queens Sewers Upgrades, 7% at
14 \$1.6 billion

15 -Dependability Programs at 4% for \$760
16 million

17 -And Other at 2% for \$446 million

18 Onto slide seven, Capital and Operations and
19 Maintenance Updates. On the **Capital Plan**:

20 -DEP's capital construction work is
21 considered essential and is allowed to proceed
22 under existing COVID-19 restrictions.

23 -\$370 million in capital funds were
24 accelerated into FY20 to FY24 from the outyears
25 in the April Executive Plan for Wastewater and

1 Water Main Projects.

2 **Operations and Maintenance:**

3 -Like all City agencies, DEP is operating
4 under conservative budgeting strategy with
5 respect to both the rest of Fiscal Year 2020 and
6 Fiscal Year 2021.

7 -Most hiring not related to COVID-19
8 response is moving at a slower pace.

9 Basically, I will say we have hired no one.

10 Rate Proposals to be Effective July 1st,
11 2020.

12 -We are proposing, to the Board, no change
13 to rates and to continue billing customers at
14 current water and wastewater rates.

15 -No increase for customers in-City and north
16 of the City

17 -We are continuing to - we are proposing 20
18 million dollars for affordability billing credit
19 programs, consistent with prior years.

20 And there is also a graphic chart showing
21 the zero percent compared to the prior years'
22 percentage increases.

23 Slide nine, Typical DEP Bill Would Remain at
24 Current Levels. So, going down through this,
25 Annual combined water, and wastewater charges

1 for representative customers. So, for Fiscal
2 Year '20 and for '21,

3 -Average single family charge will remain at
4 \$967.12

5 -Average multi-family metered charge will
6 remain at \$718.43

7 -For multi-family conservation program, per
8 residential unit, will remain at \$1,052.29

9 -And the minimum charge for properties using
10 less than 92 gallons per day will remain at
11 \$463.55

12 Slide ten, Budget Includes \$20 Million for
13 Affordability Programs.

14 1. \$6 million of that \$20 million is funds
15 available for Home Water Assistance Program Bill
16 Credits

17 -These are available to smaller residential
18 properties, estimated at 52,000 eligible
19 accounts.

20 -Eligibility is based on participation in a
21 qualified property tax discount program, or
22 utility payment assistance program.

23 -The Bill credit of \$115.89 per qualified
24 water billing account.

25 2. Next is \$10 million in funds, of the \$20

1 million, for affordable Multi-family Water
2 Assistance Program bill credits.

3 -These are available to multi-family
4 properties that are party to a rental
5 affordability agreements with HPD or HDC, where
6 the terms of the agreement has at least 15 years
7 remaining

8 -Fiscal Year 2020 allocation criteria
9 prioritizing the most affordable properties
10 based on median rent compared to area median
11 income

12 -And the \$250 bill credit per approval
13 rental apartment unit

14 3. The final piece of the \$20 million is \$4
15 million budgeted funds for leak forgiveness
16 program credits.

17 -This program covers self-reported leaks
18 that the property owner fixes.

19 -Repaired leaks are eligible for 50% credit
20 of the charges on the leak.

21 Next, on slide 11, New York City Rates
22 Remain Below Other Cities. This shows a
23 comparison, and I will go to line 20. We are
24 still waiting for the data for line 21. The New
25 York City average is \$967.00 for water and

1 sewer. And the 30 large city average is
2 \$1,173.00. So, we are still below the national
3 average, or the 30 city average, I should say.

4 The next slide, slide 12, New York City
5 Water Rate Consistently Below Other Cities.
6 This is a graphic representation of the 30 city
7 average, showing that New York City has
8 consistently been below most of those 30 cities.

9 Next, slide 13, Policy Update Multi-Family
10 Conservation Plan.

11 -Customers enrolled in the Multi-Family
12 Conservation Plan Flat Rate Billing Program who
13 did not provide documentation to DEP, by
14 December 31st, 2018, are now exposed to a 10%
15 surcharge on their annual bill.

16 -In light of the COVID-19 pandemic, DEP is
17 not assessing the 10% surcharge for Fiscal Year
18 '20, and will not include the 10% surcharge in
19 the Fiscal Year '21 annual billing.

20 That is the proposal before the Board.
21 Preliminary Water Board Financial Outlook, this
22 is a table showing the budget for the operating
23 and other - the capital - the financing expenses
24 for the system. So, I will go down each line
25 there.

1 -Water Authority funds for debt service
2 and cash-funded capital investment, or
3 defeasance of existing debt is - was estimated
4 for Fiscal Year '20 at \$1.943 billion, for the
5 preliminary estimate for Fiscal Year 2021 is
6 \$1.634 billion. The change in that is lower
7 budget for balance sheet management; lower year
8 end balances; and release of reserves from
9 escrow; and debt savings.

10 -Next line is DEP Operations and
11 Maintenance, which is the cost to run and
12 maintain the system, for personnel and all other
13 costs. Estimate for Fiscal Year '20 was \$1.6
14 billion. Estimate for - preliminary estimate
15 for Fiscal Year 2021 is \$1.578 billion. And the
16 reason for that is continuing to invest in
17 engineering and operations, and customer service
18 bureaus; and includes minimal, you know,
19 estimates for the COVID-19 response. Basically
20 a flat budget for the Operations and
21 Maintenance.

22 -Water Board and Authority combined expense
23 budget, this was 97 million dollars estimate for
24 Fiscal Year 2020. The preliminary estimate for
25 Fiscal Year 2021 is \$109 billion - \$109 million,

1 sorry. So, minor change on that.

2 -And then there is a onetime reinstatement
3 of the rental payment to the City, which is a
4 charge of \$128 million in Fiscal Year 2020. And
5 we are estimating, at this time, that there will
6 be no charge for that for Fiscal Year 2021. And
7 that was a 50% charge based on what the City
8 could charge the Board if they were able to ask
9 the maximum amount according to the lease
10 agreement.

11 So, total projected expenses for the system,
12 estimated for Fiscal Year 2020 were \$3.769
13 billion. The estimate for Fiscal Year 2021,
14 preliminarily, is \$3.321 billion.

15 Next, slide 15, this is a Recap of the Rate
16 Proposal to be Effective July 1st, 2020. Again,
17 we are proposing no change to the rate for
18 Fiscal Year 2021. That includes no increase to
19 customers north of the City, and that is
20 inclusive of the \$20 million for affordability
21 bill credit programs.

22 Slide 16, Water Board Rate and Budget
23 Adoption Conference Call. The Board will be
24 convening on this Friday, June 10th, by
25 conference call, using phone number (347) 921-

1 5612, and conference ID 956 371 194#, and the
2 time of the Board meeting will be at 8:30 a.m.
3 That is Friday, June 19th.

4 That concludes my portion of the
5 presentation. I turn it back over to Hearing
6 Officer DeLoach.

7 MR. DELOACH: Thanks so much, Joe. Again,
8 that was Chief Financial Officer Joe Murin.
9 Now, I am going to give preregistered speakers
10 the opportunity to testify, by calling their
11 names one at a time. As a reminder, verbal
12 remarks are limited to five minutes per speaker.
13 And I want to emphasize that all comments,
14 written and verbal, will be addressed at the
15 Water Board Meeting this Friday, June 19th.

16 Jim Buckley, from University Neighborhood
17 Housing Program, are you on the phone?

18 MR. BUCKLEY: I am, yes.

19 MR. DELOACH: Would you like to give
20 testimony?

21 MR. BUCKLEY: Sure. I submitted a copy of
22 the testimony the other day. I won't read the
23 whole thing to you, but I just wanted to, you
24 know, say thank you to DEP and the Water Board
25 for, you know, for keeping our water system

1 together. I know it has been tough in terms
2 of the buildings that were involved in running.
3 I can't even begin to imagine how complicated it
4 is, for - you know, for what everybody is doing
5 to keep the water system functioning.

6 Secondly, we support all the proposals that
7 - that have been made, in terms of maintaining
8 the Multi-Family Conservation Program. We are
9 happy to have the Multi-Family Water Assistance
10 Program, you know, for another year. We have
11 been advocating for an increase in the amount of
12 money and - in that program. The reason is it
13 has been really amplified by what is happening
14 currently, in terms of affordable and low mod
15 income multi-family housing, but also for low
16 mod income home owners. And so, we would
17 encourage the Board to consider the possibility
18 of expanding the program, if not this year, in
19 future years. And that's all I've got to say.
20 So, thank you very much.

21 MR. DELOACH: Thank you very much, Jim.
22 Appreciate it. Larry Levine, from NRDC. Are
23 you on the phone?

24 MR. LARRY LEVINE: Yes, I am.

25 MR. DELOACH: Go ahead, Larry.

1 MR. LEVINE: Thanks. So, my name is Larry
2 Levine. I am a senior attorney and Director of
3 Urban Water Infrastructure, with National
4 Resources Defense Counsel. And I am testifying
5 on behalf of our over 18,000 members and 51,000
6 online activists in New York City.

7 I submitted detailed written testimony on
8 Friday, but I would like to summarize the key
9 points from that. In short, we support the
10 proposal not to increase rates for FY21 in light
11 of the current economic circumstances. But we
12 also strongly urge the Board to do three things
13 in connection with acting on the rate proposal.

14 First is to amend the proposed rate schedule
15 to expand the availability of low income
16 assistance, and extend protections from shut
17 offs, lien sales and late fees, in light of the
18 current situation with COVID, both the - the
19 dire health impacts of COVID, and economic
20 impacts.

21 The - you obviously can't wash hands without
22 water. And that is the number one health
23 recommendation to prevent the spread of - and
24 limit the spread of the pandemic. We applaud
25 DEP for suspending all non-emergency-

1 KAREN: [Interposing] Karen

2 AUTOMATED VOICE: [Interposing] Is now
3 joining.

4 MR. LEVINE: -water shutoffs, and for
5 deferring lien sales until at least the end of
6 the summer. But we would note that there is not
7 a specific end date on either of those. And if
8 those protections are really going to be needed
9 for quite some time, given the economic fallout
10 and - of COVID and how that affects people's
11 ability to pay their water bills.

12 This is an issue that has gotten attention
13 from the state legislature, and from the
14 governor. A couple of weeks ago, the state
15 legislature passed a bill, which is on the
16 governor's desk awaiting signature, to create a
17 statewide moratorium on utility shutoffs, for
18 not only water but also gas and electric. And
19 it includes - that bill includes not only a
20 moratorium through the end of the state
21 emergency - the state of emergency, but also for
22 180 days beyond that.

23 MR. MICHAEL MORRELL: [Interposing] Michael
24 Morrell.

25 AUTOMATED VOICE: Is now exiting.

1 MR. LEVINE: For 180 days beyond that for
2 customers that can show that they have adverse
3 financial impact because of - because of COVID.
4 And so, we expect that bill to become law. And
5 if it does, it will become binding on New York
6 City, on DEP, but I would urge that if, for any
7 reason, that bill does not take effect, that the
8 - that the Water Board require those same
9 protections to be put in place, by DEP.

10 Relating to that, there is also a need for
11 financial assistance, as arrears will accumulate
12 for people unable to afford the bills. It is
13 one thing to say we won't turn water off for a
14 period of time, and it is vital, but it is also
15 then going to be necessary to address the
16 situation where people who have been unable to
17 afford a bill are not suddenly going to be able
18 to afford to immediately pay off accumulated
19 arrears.

20 I note that the City of New York submitted a
21 petition to the Public Service Commission, which
22 was granted last Thursday, to give an additional
23 amount of low income credit for Con Ed customers
24 in the City. And would strongly urge that as an
25 operator of a municipal water utility, that the

1 City itself offer the same sorts of additional
2 benefits and - and credits for low and moderate
3 income customers, in the City of the customers
4 of the City. Not merely asking for other
5 utilities to do so.

6 And one specific thing that the City could
7 do, in that regard, that DEP and the Water Board
8 could do, is expanding the Home Water Assistance
9 Program. I noted, in testimony for NRDC last
10 year, that the program automatically gives a
11 credit to customers who - who receive the LIHEAP
12 benefit - Low Income Home Energy Assistance
13 Program benefit - for gas and electric
14 customers. It automatically gives the credit
15 for customers who are currently receiving
16 certain other property tax credits in New York
17 City.

18 But that is, by far, a minority of all of
19 the customers who meet those same income
20 criteria, as the people who are receiving the
21 Home Water Assistance Program Benefit. And the
22 reason for that is that the LIHEAP program
23 reaches only a minority of those who are
24 eligible for it.

25 So, to be fair and consistent across the

1 board, in every year, and especially in this
2 year, the Water Board should require that credit
3 be available, upon application, by anyone who is
4 not yet receiving LIHEAP, but submits an
5 application showing they qualify for it.

6 I'll move on just to two other points, more
7 briefly. Number two is the rate study. There
8 has been discussion, for several years, of the
9 need for a revamp of - an update of DEP's water
10 rate structure. There is a contract, an RFP
11 that was put out in the fall of 2018, for a rate
12 consultant. There was a hearing on awarding
13 that contract late last year, for a three year
14 term of, I believe, a million and a half dollar
15 consulting contract. And I would ask if DEP can
16 share what the status of awarding that and
17 beginning the work is. It wasn't apparent from
18 the - from the City record.

19 But really urge, and I have some specific
20 recommendations in our testimony, and you will
21 hear more from the swim coalition later. We
22 really urge the Water Board to hold DEP
23 accountable, as a condition of approving the
24 FY21 rates, hold DEP accountable for
25 implementing that study in an expeditious way,

1 and in a way that includes robust stakeholder
2 input, and to focus especially on - on revising
3 the rate structure to have a separate stormwater
4 charge, separate from the wastewater charge,
5 which would improve the - the equitable recovery
6 of - of revenues needed to manage stormwater and
7 combine sewer overflows as putting the burden,
8 putting the cost for it on those who are putting
9 the burden most heavily on the public sewer
10 system.

11 And then lastly, on the rental payment, we
12 were disappointed to learn that the rental
13 payment was not completely waived for last year.
14 Our recollection and understanding was that the
15 mayor had said that was the intention for FY20.
16 So, I would also ask if DEP can share why that
17 didn't happen. Appreciate the statement that it
18 is expected that it will be, for FY21, waived,
19 but again, would urge the Water Board to
20 condition approval of the rate on - on the City
21 administration's agreement to waive that for
22 FY21. And finally, as we have said before, and
23 many others have, there really needs to be a
24 permanent solution for the rental payment, so
25 that we don't continue having the risk of

1 diverting rate payer revenues away from the
2 system, diverting dollars away from the system
3 that could be used, and should be used to - to
4 improve it and ensure that we have clean and
5 safe drinking water and wastewater treatment for
6 decades into the future. Thank you for your
7 time.

8 MR. DELOACH: Great, thank you.

9 MR. FREED: If I may, this is - this is
10 Member Freed. I just want to thank NRDC for
11 their testimony. As you know, has come up in
12 past rate case hearings and other meetings, I am
13 a very strong proponent of the separated
14 stormwater charge, particularly based on
15 impervious area. So, you know, we will just ask
16 the DEP staff if we could circle back on that
17 request for information on the status of the
18 contract, in advance of Friday's hearing, that
19 would be very helpful for the Water Board
20 members.

21 MR. DELOACH: Understood; thanks, Adam.
22 Michael Lockhart, from the American Utility
23 Consultants, are you on the phone? Michael
24 Lockhart, are you on the phone, by any chance?
25 Okay. We can come back if you are muted.

1 Jierno Marte [phonetic], are you on?

2 MR. JUARDIAN MARTE: Juardian Marte
3 [phonetic], yes.

4 MR. DELOACH: Sorry, for the
5 mispronunciation. Go ahead.

6 MR. MARTE: No big deal. Thank you very
7 much for the opportunity. I submitted my
8 written statement to you guys. I hope that you
9 guys read it. Because I am very, very concerned
10 about the sewage issue. And I hope that, you
11 know, this meeting a good resolution may come
12 out where either reduce the charges on the
13 sewage, or come up with a solution where we can
14 find out whether the water that has been used is
15 actually going to the sewage.

16 In my case, as I explained in my written
17 statement, you know, the water that I have been
18 leaking, the past three years, specifically, was
19 for my - -. I was very surprised when I got the
20 huge bill, you know, for the sewage. And also
21 as I, you know, wrote on my statement, you know,
22 there is a whole bunch of - - call it on - -
23 operations going on in the city where you know,
24 the sewage is actually being contaminated-

25 AUTOMATED VOICE: [Interposing] Unknown

1 participant is now exiting.

2 MR. MARTE: So, basically, you know, I would
3 like to see you know, some sort of a law
4 enforcement on those unauthorized car wash, you
5 know mobile car wash, you know that are popping
6 up all over uptown and the Bronx.

7 Lastly, basically, I just want to maintain
8 my property looking beautiful. You know, I love
9 grass and basically, without the water, I am not
10 going to be able to maintain it. And you know,
11 like I said before, my neighbors are in the same
12 boat as me, you know, we want to maintain our
13 neighborhood looking nice.

14 MR. LOCKHART: [Interposing] Michael
15 Lockhart.

16 AUTOMATED VOICE: Is now exiting.

17 MR. MARTE: And basically, you know, but the
18 prices on the sewage used - utilization, you
19 know, it's - it's astronomical. It's something
20 that we cannot afford. Okay. And I really hope
21 that you guys come up with an idea of how to go
22 about this, you know, solving this issue.

23 On my written statement, I talked about a -
24 a separate meter, I guess. You know, it is
25 something that maybe you guys can think about,

1 talk about, and - and hopefully, you know,
2 approve it, because it would really help, you
3 know, in solving this issue. For now, that's
4 all I have to say-

5 AUTOMATED VOICE: [Interposing] Is now
6 joining.

7 MR. MARTE: You know, I could - that's all I
8 have to say. So, - so, you guys have my written
9 statement and hopefully you guys take it into
10 consideration and help me out here, with this
11 issue. I appreciate the opportunity. Thank
12 you.

13 MR. DELOACH: Thank you very much. Michael
14 Lockhart, did you jump back on?

15 MR. LOCKHART: I did. Can you hear me?

16 MR. DELOACH: Yes. Do you want to go ahead
17 and do testimony?

18 MR. LOCKHART: Yes, thank you. Okay, I
19 would like to address four issues. The - the
20 first one is the Letter of Authorization. And
21 we respectfully request that DEP cease requiring
22 letters of authorization be notarized since it
23 is burdensome to customers, especially during
24 COVID, but even afterwards. We work with
25 hundreds of utility companies and tax agencies

1 across the country, and DEP honestly is the
2 only entity that requires a notarized LOA.

3 MR. MARTE: [Interposing] Juardian Marte

4 AUTOMATED VOICE: [Interposing] Is now
5 exiting.

6 MR. LOCKHART: Excuse me? Even the State of
7 New York Department of Taxation and Finance, on
8 their Power of Attorney form, does not require a
9 notary anymore. They used to.

10 AUTOMATED VOICE: [Interposing] Unknown
11 participant is now joining.

12 MR. LOCKHART: And maybe that is what is was
13 mirrored after.

14 Second issue is the Complaint and Appeals
15 filing via email. We would appreciate if the
16 rate schedule was modified to allow complaints
17 to be filed via email. Doing so digitally is
18 not only more convenient and saves money, but it
19 is also environmentally friendly.

20 Three is the Multi-Family Water Assistance
21 Program. We - we applaud the Board for renewing
22 this important and necessary program, during the
23 past few years, to help the affordable housing
24 community. However, it's - it's not enough
25 money there, and we encourage it to be expanded

1 from \$10 million to \$20 million, so that it
2 can assist 80,000 units instead of right now
3 only 40,000. This program not only encourages
4 affordability, but it also encourages
5 conservation, which is - which is great.

6 The fourth issue is the ten percent MCP
7 surcharge. For that, we are - we are disturbed
8 that the proposed waiver of the ten percent MCP
9 surcharge, for buildings that are not in
10 compliance, with the Multi-Family Conservation
11 Program is considered.

12 One of our clients received a deadline
13 reminder notice and that warned of a ten percent
14 - "Ten percent surcharge annually beginning with
15 the July 1, 2019 MCP bill." And they - they
16 frantically tried to comply to avoid that
17 surcharge, and they spent considerable amount of
18 time and money, and this included going - this
19 included spending dozens of hours going through
20 apartments, disrupting tenants, to make sure
21 that the fixtures conformed to the rate of
22 usage. And then, they paid \$22,000.00 to have
23 two different doctor's offices metered. It
24 wasn't easy. The doctor's offices each had to
25 shut down for - for three or four days each.

1 And now they feel like a fool.

2 Your consideration of waiving this ten
3 percent surcharge makes a mockery out of this
4 client and other property owners that went
5 through similar efforts to comply with MCP's
6 requirements. And we are still, as a result,
7 instead of - instead of avoiding the ten percent
8 surcharge, our client is now most likely going
9 to be paying more annually, because those
10 doctor's offices are now metered and using more
11 than if they - if they had stayed on the flat
12 rate, and just ignored DEP's instructions.

13 This proposal justifies the waiver, of the
14 surcharge, "in light of the COVID-19 pandemic".
15 However, the surcharge was supposed to have been
16 assessed in July of 2019, with the MCP bill,
17 which is long before the pandemic started -
18 eight months prior.

19 By waiving the - the surcharge, for Fiscal
20 Years '20 and '21, the Water Board is sending a
21 strong signal that it is not serious about water
22 conservation. As a result, metered and
23 compliant MCP customers are going to continue to
24 subsidize non-compliant MCP customers who are
25 wasting water. By - by waiving this surcharge,

1 for customers who have not installed low flow
2 fixtures, it is only encouraging them to
3 continue to waste water. And if there is no
4 penalty for compliance, building, they are just
5 not going to comply.

6 Since frontage accounts were automatically
7 converted to MCP, in 2012, the deadline for
8 compliance, without a penalty, was extended to
9 December 31st, 2018. Therefore, property owners
10 had six years to actually comply. And now we
11 are extending it another two. It just doesn't
12 make any sense.

13 If this proposal is approved, the City
14 should make whole those customers who, in good
15 faith, like ours, like our customer, who
16 unnecessarily incurred significant expenses, to
17 comply with MCP's requirements, recognizing that
18 the threatened surcharge will most likely never
19 be imposed. That is it should reimburse them
20 for the expense of installing meters for
21 commercial spaces, and put those commercial
22 spaces back on IMON, so that those meters are
23 not billed.

24 Alternatively, and we think this is a better
25 idea, if DEP wants - does not want to impose a

1 ten percent surcharge on non-compliant
2 building owners, we think it would be better to
3 provide a ten percent discount to MCP customers
4 who certify compliance as a reward for their
5 conservation efforts, so they are not paying the
6 same as people who didn't comply. That's - that
7 would be fair and equitable and maintain the
8 integrity of MCP's original intention, which is
9 to encourage the installation of water saving
10 fixtures in multi-family buildings. Thank you
11 very much.

12 MR. DELOACH: Thanks so much, Michael.
13 Appreciate it. Julie Welch, are you on, from
14 the Swim Coalition?

15 MS. JULIE WELCH: I am.

16 MR. DELOACH: Go ahead.

17 MS. WELCH: Thank you. Thank you to the
18 Water Board for providing this opportunity to
19 comment on DEP's Proposed FY21 Water and
20 Wastewater Charges. And also, thank you very
21 much, to DEP, for all the work you are doing
22 keeping us safe during these uncertain times.

23 My name is Julie Welch. I am the Program
24 Manager for Swim Water Infrastructure Matters
25 Coalition. And I am delivering testimony today

1 on behalf of the Stormwater Infrastructure
2 Matters Coalition Steering Committee. This
3 testimony is based on our written testimony we
4 submitted last week, to the Board.

5 Swim Steering Committee fully endorses this
6 testimony of our coalition members and Natural
7 Resources Defense Counsel. And calls specific
8 attention to NRDC's recommendations to expand
9 protections for low income customers and other
10 households that are in current financial
11 distress due to the COVID-19 pandemic.

12 Swim Coalition is a group of 70
13 organizations throughout the City, who are
14 dedicated to ensuring swimmable, fishable waters
15 around New York City, through natural
16 sustainable stormwater management practices.
17 Our members are a diverse group of community
18 based, city-wide, regional, and national
19 organizations, water recreational users, and
20 institutions of higher education - sorry.

21 We are deeply concerned about the impacts on
22 public health, and the health of our waterways
23 from polluted stormwater runoff and combined
24 sewer overflows, which make our waterways unsafe
25 to touch after it rains, sometimes even as

1 little as one-tenth of an inch.

2 Additionally, as noted in our written
3 testimony, there is now evidence that as far as
4 COVID two viral particles have been detected in
5 sewage. And while we do not yet know the actual
6 health risks to recreational water users, there
7 is heightened urgency in ensuring that DEP's
8 work to reduce CSO's stays on track.

9 Regarding the proposal for no rate increase,
10 we are in support of that, and recognize the
11 turbulence in our economy caused by COVID-19.
12 Hundreds of thousands of New Yorkers have been
13 unemployed and will need significant time to
14 regain their financial footing.

15 We commend DEP for being among the minority
16 water and wastewater utilities that offer
17 customer service programs. Yet, DEP's current
18 programs likely do not meet the full need,
19 especially at this time of widespread financial
20 hardship. And again, we point to the
21 recommendations of NRDC for expanding protection
22 to the low income customers and other households
23 currently in financial distress.

24 We also support the wise advice of the Water
25 Board Members that the May 22nd Water Board

1 Meeting, in which recommendations were made
2 for DEP to conduct long range scenario planning
3 and be sure to have a plan in place to
4 incorporate any future shock scenarios of double
5 digit increases in years ahead.

6 As in year's past, Swim Coalition has, again
7 does call on the Water Board to mandate that DEP
8 modernize New York City's rate structure to
9 equitably incentivize-

10 MALE VOICE: [Interposing] - - from Ubiquis.

11 AUTOMATED VOICE: Is now exiting.

12 MS. WELCH: -responsible stormwater
13 management in order to reduce the burden that
14 polluted stormwater places on - - system and
15 waterways. The current structure puts unfair
16 burden on many New Yorkers, including residents
17 of affordable housing, and fails to create
18 incentives for sustainable stormwater
19 management.

20 Cities around the U.S. have restructured
21 their water and sewer rates to address that
22 burden, and DEP must modernize our rates as
23 well.

24 To illustrate the reallocation of cost
25 burdens that these reforms could achieve, two

1 Swim Coalition member organizations, NRDC and
2 - - have - - interactive tools, developed with-
3 AUTOMATED VOICE: [Interposing] Unknown
4 participant is now exiting.

5 MS. WELCH: -which evaluates the various
6 stormwater rate restructure scenarios and
7 different categories of rate payers in New York
8 City. The scenarios modeled by the tool
9 illustrate that it should be possible to reduce
10 total water and sewer costs for most residential
11 properties, including one, two and three family
12 homes, and multi-family apartment buildings.

13 We urge the Water Board and DEP to have a
14 look at this tool, and certainly offer to meet
15 with you to review it further. And encourage
16 the Water Board to adopt a resolution, in
17 conjunction with approval of the FY21 rates,
18 directing DEP to take specific steps towards
19 developing a new and more equitable rate
20 structure.

21 And also reference to NRDC's comments on the
22 rate study that DEP is conducting, we would like
23 to see the City record reflect whether the
24 contract has been finalized and if the program
25 is moving forward. And in 2019, we submitted

1 recommendations for robust public engagement
2 in this study, both prior to it beginning, so
3 that stakeholders can inform the criteria upon
4 which the study is based, and throughout its
5 duration.

6 And we ask the Water Board to provide public
7 oversight of the study and to direct or actively
8 collaborate with DEP to conduct vital and robust
9 stakeholder engagement.

10 One of our recommendations, which we
11 attached to our written testimony, is that DEP
12 convene an equitable restructuring advisory
13 committee, to inform the content of the study.
14 And that that committee be made up of
15 stakeholders from every borough, such as
16 affordable housing advocates, antipoverty
17 organizations, epidemic scientists,
18 environmentalists, financial analysts, policy
19 experts, as well as advisors from cities that
20 have already restructured their rates.

21 And lastly, the rental payment, as noted in
22 previous testimony by Swim Coalition, we
23 encourage the Water Board to request that the
24 Mayor forego the rental payments again this
25 year, for FY21. Though the mayor has done so

1 for several years, we understand that in FY20,
2 despite the stated intention to do so, when the
3 rates were adopted, the City ultimately did
4 collect the rental -

5 AUTOMATED VOICE: [Interposing] Unknown
6 participant is now exiting.

7 MS. WELCH: While we are painfully aware of
8 the direct fiscal challenges faced by the City,
9 the rental payment is a relic of an outdated
10 agreement made more than three decades ago, and
11 revenue from rate payers should stay with DEP.

12 We urge the Water Board to make a
13 commitment, from the mayor, and forego the
14 rental payment, and also to look closely at the
15 ending of the rental payment permanently. And
16 that's it. Thank you for the opportunity to
17 provide our testimony. As noted, we would be
18 happy to review our recommendations with the
19 Board and with DEP.

20 MR. DELOACH: Great. Thank you, Julie.
21 Now, I am going to ask if there is anyone else
22 who would like to speak today that had not
23 preregistered. If you would, please unmute
24 yourself and state your name clearly. Is there
25 anyone on the call that would like to testify?

1 Okay, great.

2 Before we conclude this meeting, I want to
3 remind everyone that the Water Board will meet
4 by teleconference-

5 KAREN: [Interposing] Karen

6 AUTOMATED VOICE: [Interposing] Is now
7 exiting.

8 MR. DELOACH: -meet by teleconference open
9 to the public, Friday, this week, June 19th, at
10 8:30 a.m. The Board will be voting on rates
11 and charges for Fiscal Year '21, as well as the
12 budget - as well as its budget for Fiscal Year
13 2021, among other business. The draft meeting
14 agenda and conference call information are
15 available on the Board's website, once again at
16 nyc.gov/nycwaterboard. If you have a pen, you
17 can quickly take down the conference call
18 information now. The phone number is (347) 921-
19 5612. Again, it is (347) 921-5612. And the
20 conference ID number to enter to get on the call
21 is 956 371 194. Again, 956 371 194 followed by
22 the pound key.

23 Adam Freed, is there anything else you would
24 like to add before we wrap up the call?

25 MR. FREED: No, I - I would just appreciate,

1 again, and express my appreciation for
2 everyone who submitted testimony and spoke
3 today. As I said, our minds are not made up.
4 It is a proposal that is now before the Board,
5 as we consider it. And we take all of the
6 testimony we have received so far, and will
7 continue to receive in the coming days, very
8 seriously. So, greatly appreciate everyone
9 calling in to what will hopefully be the only
10 meeting that we have to do remotely for a public
11 hearing. And look forward to discussing the
12 testimony with my fellow board members.

13 MR. DELOACH: Thank you, Adam Freed.
14 Finally, the public is free to submit written
15 comments to the Board prior to the meeting on
16 Friday. Comments can be emailed to
17 nycwaterboard@dep.nyc.gov. Again, that email
18 address is nycwaterboard@dep.nyc.gov. Or you
19 can mail it to DEP's office at 59-17 Junction
20 Boulevard, 8th Floor, Flushing, New York 11373.

21 In light of the pandemic, we would highly
22 recommend emailing your comments, if that is
23 possible. I think with that, Omar, I think we
24 are - we conclude this meeting and thank
25 everyone for their participation and look

1 forward to talking on Friday. Omar, anything
2 to add?

3 MR. NAZEM: Thank you, everyone. Thank you,
4 Michael.

5 MR. DELOACH: Great. Everyone have a good
6 day. Thanks so much.

7 FEMALE VOICE: Okay, thank you all. Bye
8 bye.

9 MR. DELOACH: Bye bye.

10 MS. SHAW: Thank you all.

11 AUTOMATED VOICE: Multiple people are now
12 exiting.

13 MALE VOICE: Thank you.

14 MALE VOICE: Thank you.

15 AUTOMATED VOICE: Multiple people are now
16 exiting. Multiple people are now exiting.
17 Multiple people are now exiting. Multiple
18 people are now exiting. Multiple people are now
19 exiting.

20 FEMALE VOICE: - -.

21 AUTOMATED VOICE: Is now exiting.

22 [END RECORDING]

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C E R T I F I C A T E

1
2 I, Joyce Waser, certify that the prior
3 proceedings were transcribed from audio files
4 and have been transcribed to the best of my
5 ability. I further certify that I am not
6 connected by blood, marriage, or employment with
7 any of the parties herein nor interested
8 directly or indirectly in the matter
9 transcribed.

10
11 Signature 

12 Date June 16, 2020

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