

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

March 3, 2023

A meeting of the New York City Water Board (the “Board”) was held on Friday March 3, 2023 at 255 Greenwich Street, Manhattan, New York in the 8th floor conference room, beginning at approximately 9:00 a.m. The following members of the Board attended the meeting:

Alfonso Carney,

Adam Freed,

Jonathan Goldin, and

Daniel Zarrilli

constituting a quorum. Mr. Carney chaired the meeting and Treasurer Omar Nazem served as Acting Secretary of the meeting.

Approval of the Minutes

The first item on the agenda was approval of the minutes of the Board’s previous meeting held on December 6, 2022. Upon motion duly made and seconded, the minutes of the meeting held on December 6, 2022 were put to the members for a vote. The members in attendance unanimously approved the minutes by a voice vote.

Consulting Agreement with Former DEP Commissioner and Chief Operating Officer Vincent Sapienza, P.E.

The next agenda item considered by the Board was a request from the Department of Environmental Protection (“DEP”) to approve a resolution authorizing funding for the retention of DEP’s former Commissioner and Chief Operating Officer Vincent Sapienza, P.E., who retired from City employment in February 2023, to assist DEP by providing consulting services and management administrative support to facilitate the ongoing management transition at the agency under the new

Mayoral administration. Upon motion duly made and seconded, the members in attendance unanimously approved the resolution by a voice vote.

RESOLUTION

WHEREAS, pursuant to Sections 1045-b and 1045-g of the New York City Municipal Water Finance Authority Act (the "Act"), the New York City Water Board (the "Board") is authorized to enter into contracts and to retain private consultants on a contract basis for the purpose of obtaining professional or technical services to assist the Board in carrying out its responsibilities; and,

WHEREAS, the Board's primary duty under the Act is to establish and collect water and wastewater rates and charges in an amount sufficient to place the water supply and wastewater systems of the City of New York on a self-sustaining basis; and

WHEREAS, the New York City Department of Environmental Protection (DEP), which operates the City's water and wastewater system and serves as the Board's customer service and billing agent, has requested that the Board assist in the agency's effort to facilitate an efficient and seamless transition of the management and administration of DEP's operating bureaus, including the Bureau of Customer Services, and to obtain supplemental technical expertise at a time when DEP's headcount is below budgeted levels; and

WHEREAS, Vincent Sapienza retired from City service on February 24, 2023, having worked at DEP continuously since 1983 in numerous capacities, most recently as Chief Operating Officer responsible for all of the agency's operating, engineering, and customer service bureaus, and previously having served in other senior leadership roles in the agency, including as Commissioner, Deputy Commissioner of the Bureau of Engineering Design and Deputy Commissioner of the Bureau of Wastewater Treatment; and

WHEREAS, the Board views Mr. Sapienza as possessing unique knowledge and capabilities with respect to DEP water and wastewater operations and assets, and wishes to authorize the Board's Executive Director to negotiate suitable and mutually agreeable commercial terms with Mr. Sapienza, conducted in accordance with the Water Board's Policy on the Procurement of Goods and Services, in particular, Section 5.i and Section 6, it is therefore

RESOLVED, that the Executive Director is hereby authorized and directed to enter into discussions and negotiations of a professional services agreement with Mr. Sapienza, to retain Mr. Sapienza's services as an independent contractor to the Board for a term of agreement not to exceed three years, and upon such other terms and conditions as the Executive Director may deem reasonable and appropriate; and be it further

RESOLVED, that the compensation for services performed for the term of the agreement shall not exceed \$250,000 in any single fiscal year, and under no circumstances shall the amount of aggregate compensation exceed \$750,000 of Board funds, at an hourly rate not to exceed \$150 per hour.

Presentation by Department of Environmental Protection Commissioner Rohit Aggarwala on 2023 Agency Priorities

Commissioner Aggarwala proceeded to provide the Board with an update on several of the key developments and initiatives underway at DEP. The Commissioner started by highlighting the extent to which Mayor Adams has supported the agency and prioritized his in-person presence at key DEP events and field operations, in particular noting his positive comments about DEP during emergency water main repair work, such as during the February 2022 water main break at the Rangel Houses. The Commissioner proceeded to update the Board on the completion of the mid-year review of the City's Filtration Avoidance Determination ("FAD") by the New York State Board of Health and the issuance of the revised FAD, highlighting the reduced requirement for land acquisition, given the large percentage of the watershed already owned by the City as the result of the City's previous watershed land acquisitions, and emphasized the City will continue to focus on land acquisitions on a focused basis, in particular in the East of the Hudson region.

The Commissioner described some of DEP's progress in hiring, including creating a new watershed maintainer title, and reaching full staffing in the sewage treatment worker title for the first time in several years, as the result of DEP working with Deputy Mayor Meera Joshi to obtain

a special hiring allotment, enabling DEP's wastewater plants to perform both preventative and emergency maintenance to the desired levels.

Member Freed asked about DEP's work on lead service line replacements, and in particular if DEP had examined using newer drilling techniques, such as directional drilling, as a substitute for replacement methods that require opening the street's surface. The Commissioner agreed to provide the Board with more information about the agency's research into directional drilling.

The Commissioner presented the Board with a summary of some of the key metrics in the DEP monthly management report, highlighting that most of the agency's trends were consistent with target levels, noting that sewer backup resolutions were an exception to the positive trend, due to the FY 22 numbers in the comparison period included flooding caused by Hurricanes Henri and Ida, highlighting that the year-to-date FY 23 trends were consistent with target levels.

Turning to the forces he believed would be most likely to shape DEP's forward-looking priorities, the Commissioner identified the post-pandemic recovery and overall macroeconomic conditions, in addition to requests for achieving greater equity and climate change. The Commissioner identified the Board's accounts receivable and progress on completing hiring actions, including the return to in-person work at City offices, in addition to processing 871 promotions and salary adjustments, as areas where the agency was returning to its traditional workplace patterns, flagging that FY 2023 would be a year of aggressive hiring by the agency. The Commissioner also noted DEP's additions to the customer service call center's staffing level in 2023, prompting Member Freed to mention his own positive experience in reaching out to the DEP call center.

Member Zarrilli asked if the DC 37 remote work pilot would have an impact on DEP's activities. Commissioner Aggarwala emphasized that the pilot program is a pilot, but that it could

help to recruit staff in more difficult to fill area where DEP faces hiring challenges, such as legal and engineering titles, where remote work has become more typical. Executive Director Murin added that the likeliest path forward on the pilot would be for the City to test the pilot program within a small number of agencies on a one remote day per week basis, within the parameters of the employee's normal work schedule, and that the pilot program would be a collaborative effort between the Mayor's Office, the Office of Labor Relations, and DC 37, with a decision about rolling the program out to other agencies after the end of the test period, further noting that some of the agency's roles were not well-suited to remote work. The Commissioner referred to a morale study recently completed by the agency, which concluded that DEP's field staff enjoyed higher job satisfaction rates than its office-based staff, in part because of the scheduling flexibility available to field-based staff. Extending professional development opportunities, and allowing staff beyond the senior staff level to attend conferences, were among the initiatives cited by the Commissioner as designed to improve employee morale, in addition to extending daytime physical exercise opportunities to the DEP police, and allowing overtime work to be performed remotely for eligible titles, including call center staff taking Saturday phone calls on a remote basis.

The Commissioner next addressed the Mayor and the agency's focus on improving equity, mentioning that on December 30, the Governor signed a new Cumulative Impacts Law that was expected to impact DEP projects occurring within an environmental justice neighborhood by requiring project environmental impact statements to include a cumulative impact assessment of chemical and other physical influences in a project's region, noting the partnership between the Governor's office and the Commissioner's office in working to secure appropriate revisions to the law.

Member Freed asked how the agency's workforce of 5,400 was distributed between the

environmental, water, and wastewater areas. Executive Director Murin explained that the combined headcount of water supply and distribution was approximately 2,000, with wastewater treatment staffing approaching 2,000, and the environmental and regulatory function's staffing part of the balance of the remaining agency headcount. Chairman Carney requested that the Board be provided with an update on the diversity statistics of the agency's workforce, including specifics on women and minority agency employees,

Next, Commissioner Aggarwala briefed the Board on the agency's 10-year capital plan, which he described as a \$31 billion plan, which includes targeted capital expenditures in the early years of the plan of \$3 billion per year, and mentioned that the capital spending for FY 23 was progressing proportionally to the passage of the year, with 2/3 of the budgeted capital spending occurring in the first eight months of the year. The Commissioner apprised the Board of the revised fall 2023 date for the Delaware Aqueduct shutdown and repair, and referred to the greater use of water from the Croton watershed to supplement water from the west-of-the-Hudson watersheds.

The Commissioner then briefed the Board on DEP's work regarding the system's past due accounts receivable balance. The Commissioner described progress on the customer amnesty programs approved by the Board at its December meeting, which DEP began administering on January 30, which included email and letter outreach to 52,000 customers and to customers eligible for the other billing relief programs authorized by the Board in December, including the programs available to affordable multi-family buildings and to enrollees in the Federal affordable water program.

The final topic the Commissioner discussed was progress on the strategic planning work currently underway at DEP, including work with an outside consulting firm and the agency's stormwater resiliency planning efforts. Member Zarrilli asked if the State's Environmental Bond

Act or the Inflation Reduction Act would have an impact on the system's capital program or future water rates. Commissioner Aggarwala explained that one of the challenges with State funding sources is the likely allocation of State funds the City can expect to receive, comparing the City's 48% share of the State population to, in the case of a recent State funding pool of \$250 million for clean water infrastructure, the City's actual receipt of funds from the pool of only \$6 million of the available funds, due to a per municipality program limit of \$10 million. The Commissioner referred to a weekly meeting coordinated by the Deputy Mayor's office, and attended by DEP, that is designed to ensure the City obtains as much Federal grant funding as possible. The Commissioner noted that funding under the Bipartisan Infrastructure Law has to date largely been in the form of Community Development Block Grants, with the awarded funds heavily weighted toward NYCHA resiliency projects, adding that the agency has identified a funding opportunity for the agency's stormwater management work in connection with cloudbursts that the agency believes may be eligible for funding under FEMA's Building Resilient Infrastructure and Communities program, and described the agency's more than thirty different cloudburst projects, including an initial project that was funded, as well as four additional cloudburst projects that were committed and funded following Hurricane Ida, and describing an additional 26 projects on which the agency intended to proceed with design work, in the belief the projects could be grant-fundable. Executive Director Murin reminded the Board that the grants administration RFP previously approved by the Board was underway, with bids due in mid-March. The Commissioner noted the upcoming release of results of grant applications for lead service line replacements under the Bipartisan Infrastructure Law, and that DEP had applied for 50% of the grants and 50% of the loans available under the State-administered program.

Member Freed asked if it would be appropriate for the Board to review the authorities and responsibilities of the Water Board, in light of the increasing demands on the system to address

stormwater and resiliency needs, and whether there would be scope under those authorities for the Board to support DEP's efforts in the areas of stormwater and resiliency. Chairman Carney agreed with the request, and Commissioner Aggarwala agreed that the Board would receive an update before its upcoming April or May meeting.

Adjournment

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

/S/
SECRETARY