



CUSTOMER SERVICE GOALS

- ▶ Provide the highest quality service to nine million New Yorkers, including our 835,000 bill-paying customers.
- ▶ Ensure effective and fair revenue collection.
- ▶ Encourage economic development by simplifying and improving permitting processes.

DEP delivers water to nine million New Yorkers every day. Eight million live in New York City, and one million live in Westchester, Putnam, Ulster, and Orange counties. The 835,000 bill-paying customers who pay for water and sewer services make it possible to operate, maintain, and build the city's water and sewer infrastructure, and we have a special obligation to these customers to provide transparent, high-quality, and efficient customer service.

That means explaining water and sewer bills to our customers and telling them how their money is being spent, getting bills right, treating customers fairly, making corrections quickly when a mistake is made, making it easy to pay a bill, and providing fast, professional assistance on any issue. We also have a responsibility to keep water rates as low as possible by running the system efficiently and taking the steps necessary to ensure that all New Yorkers who can afford to pay their water and sewer charges actually pay. For New Yorkers facing economic hardship, we must continue to offer payment plans and ensure that every effort is made to tell people about exemptions and programs for which they may be qualified.

DEP is also responsible for developing citywide drainage plans to ensure that our water and sewer infrastructure can meet the current and future demands of a growing city. PlaNYC, Mayor Bloomberg's sustainability blueprint, projects that New York City's population will grow by one million people by 2030. In the next four years, the City and private developers will make major investments in infrastructure connections as a result of the more than 100 re-zonings that the Department of City Planning has implemented since 2002 to open large portions of the city to sustainable residential, commercial, and industrial development. DEP must work closely with the development community to expedite projects and make sure that the city's water and sewer infrastructure can support any proposed development.



DEP's Customer Services unit operates a call center and is installing wireless water meter readers for all of our 835,000 bill-paying customers. Opposite: a customer service representative.

To achieve these goals and improve the way we interface with engineers, construction companies, developers, and other customers, DEP will simplify the permitting process, clarify requirements and regulations, and increase outreach to our many stakeholders. DEP has made significant strides in these areas during the past several years. With smart investments in technology and strong performance management, we will become a more customer service-oriented organization by focusing on transparency, responsiveness, and efficiency.

STRATEGIES & INITIATIVES

Goal: Provide the highest quality service to nine million New Yorkers, including our 835,000 bill-paying customers.

3 Substantially complete the installation of Automated Meter Reading (AMR) devices citywide by January 2012 and continue to improve the online AMR tool.

AMR provides accurate, wireless water meter readings to DEP at least four times per day and hourly for larger customers. This technology will eliminate the need to estimate water bills and will enable DEP to provide precise consumption information to our customers on a daily basis. In July 2010, Mayor Bloomberg and Commissioner Holloway launched AMR online through nyc.gov. By signing up, customers can manage their water use daily and identify problems, like leaks, that can drive up water bills if they are not fixed quickly. DEP will roll out new features for AMR online based on customer feedback and suggestions.

AUTOMATED METER READING

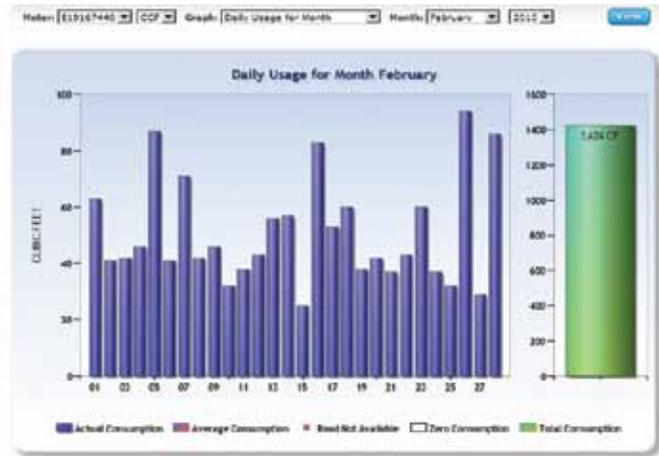
DEP is committed to providing more accurate and timely billing information to its customers. In pursuit of this goal, DEP is installing Automated Meter Reading (AMR) technology for all customers citywide. AMR will allow DEP to eliminate estimated bills and provide more accurate billing and consumption information to customers on a more frequent schedule. Customers will be able to track their water consumption in near real-time and manage their water usage more effectively than in the past.



Older water meters were only read four times per year, but wireless meter readers provide real-time data on water use that customers can access online.

4 Develop a leak notification system for customers who want to know when their water use deviates from normal consumption patterns.

Using new real-time consumption data available through AMR online, DEP will launch a voluntary notification program by January 2011 to alert property owners when their water consumption appears to deviate from normal usage. Spikes in water use can indicate a leak that could substantially increase a homeowner's water bills if not quickly addressed. We will also develop a smart phone application that will allow customers to track their water use and respond to potential leaks and consumption spikes on the go.



Customers can now track and manage their water use in near real-time.

5 Reduce call response time to 30 seconds or less.

DEP has expanded customer service call center hours for customer convenience and has dramatically reduced call wait time from an average of 4 minutes 24 seconds in 2006, to just 58 seconds today. We will continue to reduce response times to meet Mayor Bloomberg's goal of 30 seconds or less for customer service inquiries, while still maintaining the accurate and friendly service standards that our customers expect.

6 Continue and expand programs for customers in financial distress.

DEP currently runs two programs that provide support and assistance for customers in financial distress: the Safety Net Referral Program (SNRP) uses an existing network of City agency and not-for-profit programs to help customers with financial counseling, low-cost loans, and legal services. The Water Debt Assistance Program (WDAP) provides temporary water debt relief for qualified property owners who are at risk of mortgage foreclosure. In addition to these programs, we will continue to offer payment plans for customers who may have difficulty paying their entire bill at once. We will also undertake an aggressive communications campaign to make sure customers know about these programs and any exclusions they may be qualified to receive, such as the Senior Citizens Homeowner's Exemption (SCHE) and the Disabled Homeowner's Exemption (DHE).

WATER DEBT ASSISTANCE PROGRAM

Since we announced the Water Debt Assistance Program (WDAP) in February 2010, DEP has approved over 800 property owner applications and set aside over \$4 million in debt. Customers who are at risk of foreclosure and face enforcement action can have their long-term debt set aside until their property is sold or refinanced. WDAP serves as an important component of Mayor Bloomberg's goal to launch the most ambitious home foreclosure prevention effort of any city in the nation.

7 Offer customers a service line protection plan.

A significant majority of water infrastructure leaks that DEP responds to involve private service lines that connect customer properties to the distribution system. Property owners are responsible for service line repairs, which must be completed by a qualified contractor. As a result, customers are often forced to pay thousands of dollars to repair a damaged service line, or risk termination of service. To reduce this risk, DEP will explore offering customers a service line protection plan in which participating customers would pay a small monthly premium in exchange for guaranteed repair of a service line break. A protection plan would spare homeowners the high costs of unexpected service line repairs, and would free up DEP resources to repair, maintain, and improve the water and sewer network.

8 Promote NYC water by building partnerships with community organizations, businesses, and other city agencies.

To engage New Yorkers and increase awareness of the benefits of NYC water and DEP's role in providing it, we will expand and strengthen our partnerships with not-for-profit organizations and businesses, and will broaden our education outreach to public and independent schools. As part of this effort we will expand Water-On-the-Go, our program that brings portable public water fountains to neighborhoods and events throughout the five boroughs. And we will work with community partners and other city agencies to promote tap water as a healthy, affordable, and environmentally conscious alternative to soda, bottled water, and other drinks.

Goal: Ensure effective and fair revenue collection.

9 Replace the DEP customer information data system and convert to monthly account billing.

DEP currently sends its customers a quarterly bill that provides minimal information about historical and comparative water use. This is mainly due to the limitations of our customer information data system, which is outdated and inflexible. Working with IBM, DEP is building a new customer information system that will go live by 2012. In connection

CUSTOMER INFORMATION SYSTEM

To take advantage of more robust customer data as it becomes available through AMR technology, DEP will also implement a new Customer Information System (CIS) that will allow account information to be tracked and managed more effectively. The new system, together with the AMR data, will facilitate DEP's tracking, planning, and budgeting for water consumption.



DEP holds regular outreach events in all five boroughs to give customers an opportunity to learn about ways to reduce bills or participate in DEP's assistance programs.

with the switch, DEP will convert from quarterly to monthly billing so that customers can better keep track of their water and sewer charges. The new monthly bills will provide more customer-specific information about year-to-year water use, and will increase monthly revenue collection, which will help to keep future water rate increases as low as possible.

10 Convert customers to paperless billing and online payment methods.

Our customers should be able to pay their bills quickly and easily. In the spring of 2010, DEP launched a direct-debit payment option through nyc.gov that allows customers to get a 2% discount on their water and sewer bill. DEP launched a paperless billing option in 2010. Customers who sign up will no longer receive a paper bill in the mail and will instead receive an email from DEP with a link to an online location where they can view and pay their bill. If just 10% of customers sign up for paperless billing, DEP would save approximately \$170,000 per year in printing and postage costs.

ONLINE OPTIONS AND PAPERLESS BILLING

DEP customers can see and pay their bill and track their water use online at one convenient location.

We encourage all our customers to switch to paperless billing, a cost-effective way to reduce our environmental impact. For each customer that goes paperless, DEP will save more than \$2.00 per year.

Go to www.nyc.gov/dep and click on the blue My DEP Account button to get started.



11 Increase revenue collection with new collection tools and by targeting specific customer segments.

The vast majority of DEP's customers pay their water bills in full and on time. However, a small population of chronic nonpayers have the means to pay, but simply choose not to. DEP will aggressively pursue these nonpaying customers through traditional and new methods, including piloting a contract with a third-party collection agency to increase the scope and success of our collection efforts.

12 Renew and expand DEP's lien sale authority.

DEP's authority to sell liens on seriously delinquent water and sewer charges expired at the end of 2010. Without this vital enforcement mechanism to encourage regular payment of water and sewer bills, the New York City Water Board would have had to raise water rates an additional 2.2% each year in fiscal years 2009, 2010, and 2011, further shifting the burden of running the water system from those who don't pay their bills to those who do. Single family homes are currently exempt from the lien sale and are instead put through a service termination process to collect on delinquent payments. Service termination is a time consuming process that ties up DEP field staff, creates a potential public health risk, and costs DEP approximately \$2,700 per home. Extending lien sale authority to single family homes would not only eliminate service terminations for non-payment of water bills, it would significantly increase revenue collection at little to no cost. We estimate that expanding lien sale authority to single family homes would yield an additional \$25 million in annual revenue, or the equivalent of a 1% discount on the water rate with virtually no additional operational expense involved.

DEP is working with the City Council to reauthorize and expand lien sale authority to keep water rates as low as possible and to ensure that all New Yorkers pay their fair share for water and sewer services.

13 Replace approximately 30,000 large meters on industry-recommended cycles over the next 10 years.

Today, DEP still bills many of its largest water users on an annual flat fee that often does not accurately reflect a property's actual water use. To ensure that large users fully pay for what they consume, DEP has begun a systematic effort to replace the city's 30,000 largest meters on regular industry-recommended cycles over the next 10 years. This effort will increase the number of large customers on metered billing and could save millions in otherwise lost revenue. DEP has also developed a "Hard to Access" process that will place account holders on a more expensive "Denial of Access" water rate if they restrict access to their meter.

14 Evaluate new water rate structures.

Based on a comprehensive rate study we completed in December 2009, DEP plans to evaluate the current water rate structure and make modifications where appropriate.

- **Frontage Rate.** While DEP does not currently subsidize water and sewer charges, a frontage, or flat-rate charge, is applied to certain residential buildings. The frontage rate provides a measure of predictability to property owners and DEP but does not reflect actual water use. The current frontage rate is scheduled to expire in July 2012, and DEP will work with the New York City Water Board and the affected property owners to determine whether—and to what extent—we should continue to offer a frontage rate once AMR installations are completed citywide. DEP will look into the possibility of developing a conservation frontage program that would credit property owners who reduce their metered water consumption below their frontage rate; this would allow customers to stay on frontage billing while incentivizing lower consumption.
- **Fixed Rate.** With the decline in water consumption expected to continue and with plans for future capital work, such as fixing the leak in the Delaware Aqueduct, that could require periods of water conservation, DEP will consider introducing a fixed rate for a portion of annual water and sewer charges.
- **Stormwater Charge.** Beginning in the first half of 2011, DEP will assess a stormwater charge on a pilot basis to standalone parking lots that do not have water service, and therefore pay nothing towards DEP's costs to collect and treat stormwater. DEP will use the results of this pilot to determine whether and to what extent a stormwater charge could be applied more broadly throughout the city.



Replacing water meters on a regular basis is critical to ensure accurate consumption data and billing information.

- **New Development Charge.** Every time a new development is built in New York City, an additional burden is placed on DEP's water and sewer infrastructure due to increases in water usage and wastewater generation. By charging a system buy-in fee for new developments, DEP could ensure that the infrastructure investment costs associated with building out water and wastewater infrastructure are more fairly distributed across city users.

Goal: Encourage economic development by simplifying and improving permitting processes.

15 Increase online permitting for businesses, engineers, and contractors.

DEP will make the permitting process more transparent and straightforward for developers and construction contractors. Within three years, we will convert to online permitting and publish user-friendly guidance and requirement checklists for site connection permits. We will establish standard service turnaround times and set clear expectations about required documentation. We have already begun to refine the permitting process to eliminate unnecessary steps and will engage the business community to make the improvements that they believe will be most effective.

16 Consolidate permitting functions to simplify customer interactions with DEP.

Today, developers and homeowners must visit multiple offices and city agencies to complete their approval for a connection to the water and sewer system. DEP is co-locating these functions with other city agency field offices to improve both the customer experience and turnaround times for business permits and licenses. Mayor Bloomberg has made improving and simplifying business interactions with the City a top priority, and DEP is working hard to ensure that businesses are able to easily navigate the often complex world of City permitting. Small businesses are the engine that drives New York's economy and we must ensure that they are not burdened by unnecessary or overly complicated permit requirements.

17 Update and improve DEP's air permitting database.

Some businesses throughout the city remain out of compliance with air quality regulations; certain business owners are simply uninformed while others willfully fail to comply with the New York City Air Code. To facilitate more effective enforcement, DEP will update its air permitting database, which will also assist businesses in applying for permits. DEP will also provide our inspectors with handheld computers to make data collection and management faster and more accurate.

OUTREACH TO CUSTOMERS

Interacting with the public and ensuring that customers are well informed is a critical part of DEP's mission. DEP will continue to hold annual meetings in communities throughout the city to inform the public about projects that affect their neighborhoods and programs that may be available to provide bill payment assistance. DEP's Economic Development Unit also holds regular meetings with business communities that DEP regulates, including automotive repair shops and restaurant owners.

18 Publish an annual regulatory agenda.

DEP will engage the business community to publish an annual regulatory agenda to provide compliance assistance and increase awareness of regulatory processes. As a regulator of businesses and individuals under our pretreatment, sewer hookup, and air, noise, and asbestos permitting programs, DEP must be transparent and flexible with businesses while at the same time protecting the environment and improving New Yorkers' quality of life. Publishing an annual regulatory agenda will increase awareness of regulatory processes and ultimately achieve meaningful improvements in public health through close consultation with businesses and other stakeholders.

19 Publish regulatory guidance manuals.

DEP's Economic Development Unit provides compliance assistance to a variety of business sectors through workshops, consultations, and written guidance. The unit has developed a series of fact sheets that outline detailed regulatory requirements for the automotive repair and collision sectors. DEP has also created a sewer design and construction guidebook that provides professional engineers, contractors, and developers with the specifications and design elements required for private sewer construction. To simplify and enhance compliance standards for the many businesses DEP regulates, we will develop user-friendly online guidance documents for major business sectors in New York City and will ensure that all information about regulations is easily accessible to the business community through nyc.gov.

20 Simplify the reporting process for businesses and other entities that are required to report hazardous substances to DEP.

Businesses and other entities that own or store hazardous materials over a certain quantity are required to report to DEP on an annual basis. For years, customers filed their hazardous materials reports through a paper-based manual system. In January 2006, DEP launched the initial Tier II Online Filing System to make it easier for businesses to file their hazardous material reports. As part of this effort, in January 2011, DEP will release a newly enhanced filing system to greatly simplify the filing process for businesses that store significant quantities of hazardous materials.

DEP'S ECONOMIC DEVELOPMENT UNIT

Did you know that DEP has an economic development unit? This group is responsible for fostering the joint goals of economic development and environmental protection by offering compliance and technical assistance to New York City industrial and commercial establishments and promoting environmentally sound business practices.



Our inspectors work hard to ensure that businesses comply with City regulations. Opposite: NYC sewer cover.



NYC SEWER