

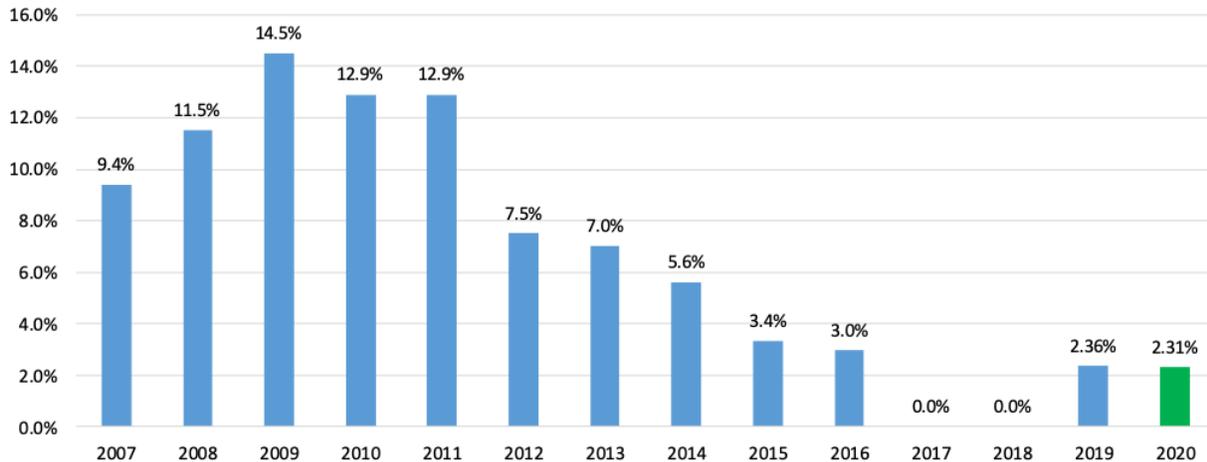
Rate Proposal Would Keep the Cost of Water in New York City Well Below the National Average

Administration's commitment to eliminate the rental payment has retained \$792 million to date in the water system, keeping rates affordable while ensuring funding for critical drinking water and wastewater projects

The New York City Department of Environmental Protection (DEP) today proposed a 2.31 percent increase in the Fiscal Year 2020 (FY20) water rate to the New York City Water Board. The proposed rate would keep the cost of water in New York City well below the national average. Since Mayor de Blasio made the commitment to shrink, then eliminate, the rental payment from the water system, \$792 million of ratepayer funds have stayed in the system, helping to fund critical programs while keeping rates low for property owners and businesses. The proposed rate increase is subject to review and approval by the Water Board.

The proposal also maintains existing affordability programs for low-income homeowners and multi-family housing properties that are expected to benefit as many as 60,000 customers and 40,000 units, respectively. In addition, the proposal recommends freezing the minimum charge at \$1.27 per day for the sixth consecutive year for those customers who use fewer than 92 gallons per day.

“Thanks in large part to Mayor de Blasio’s commitment to eliminate the rental payment from the water system, in addition to effective management of DEP’s operations and the system’s balance sheet, we are able to fully fund the City’s critical drinking water and wastewater systems while keeping the cost of water in New York City well below the national average,” said **DEP Commissioner Vincent Sapienza**. “In addition, we are extending savings to as many as 60,000 low-income, senior, and disabled customers, as well as providing bill credits to keep up to 40,000 multi-family housing units affordable.”



What the Proposed Rate Would Mean for an Average Customer

If the 2.31% water rate increase is adopted by the Board:

- A typical single-family homeowner will see an increase from \$945/year to \$967/year for water and sewer bills—an increase of \$1.82/month (based on an average consumption of 70,000 gallons of water per year).
- A typical multi-family unit with metered billing will see an increase from \$702/year/unit to \$718/year/unit—an increase of \$1.35/month (based on an average consumption of 52,000 gallons of water per year).

Continuing Emphasis on Affordability

DEP is focused on maintaining a package of rates and billing policies that keep costs at a reasonable level for customers facing affordability challenges. A number of billing policies emphasizing rate affordability are expected to be reauthorized for FY20:

- The Home Water Assistance Program provides a bill credit of \$115 to 60,000 low income households. Income verification is performed by other governmental agencies, and eligible property lists are provided to DEP and the Water Board—customers do not need to apply or take other action to receive the credit. The program was first introduced for FY 2015, and has been presented to the Water Board for reauthorization in FY20.
- The Multifamily Water Assistance Program provides a bill credit of \$250 per affordable residential unit to up to 40,000 units located in multifamily properties with at least fifteen years remaining on a rental affordability agreement with either the NYC Department of

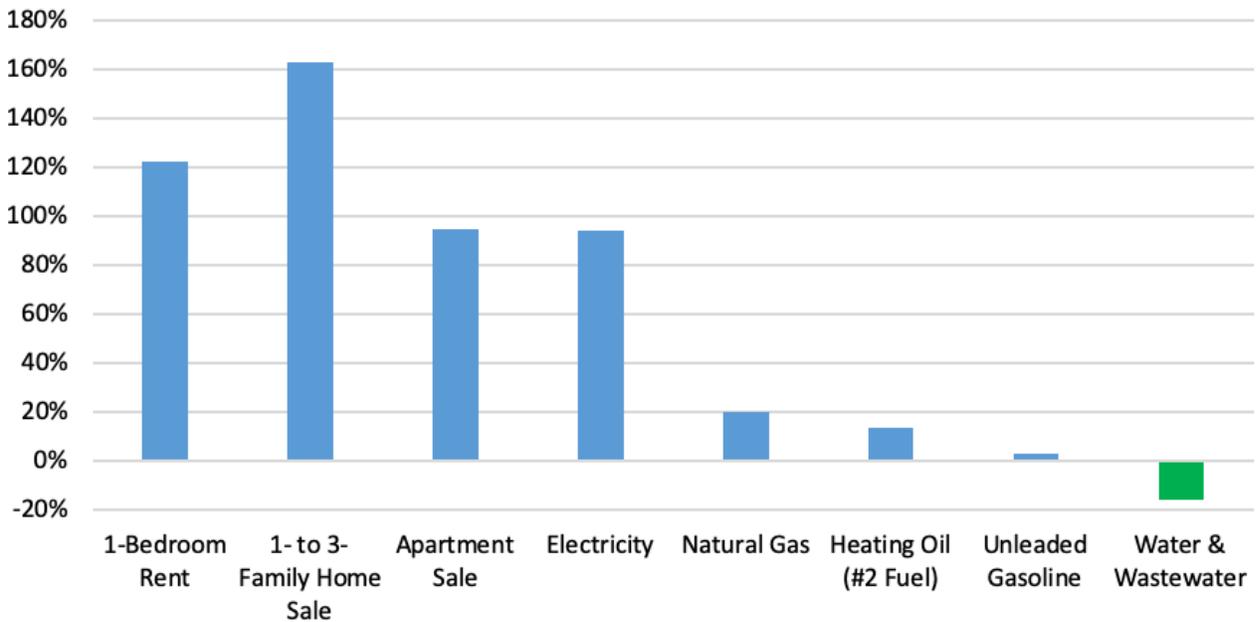
Housing Preservation and Development or the NYC Housing Development Corporation. The program was first implemented for FY 2018, and has been presented to the Water Board for reauthorization in FY20. The ranking formula first introduced in FY19, that allocates credits by assigning a preference to the most affordable units, based on area median income, would continue to be used in FY20.

- Freezing the minimum charge. Customers who use less than 92 gallons per day are billed at the minimum water charge of \$1.27 per day, including wastewater charges. DEP proposes to freeze the minimum charge for the sixth consecutive year at the FY 2014 rate, benefitting many single family homeowners, including many seniors citizens. For customers billed based on the minimum charge, the annual water and sewer bill is \$464 per year.

In addition, Mayor de Blasio is not requesting a Rental Payment from the water system for FY20.

NYC Water Rates are Below the Average of Large U.S. Cities

While other costs in NYC are higher for residents, NYC water rates are below the average for the thirty largest U.S. cities, and NYC’s relative affordability compared to the thirty largest cities continues to improve, based on 2018 cost data.



		New York City	30 Large City Average ¹	NYC vs. Average
Based on 80k gallons per year	2014	\$992	\$987	0.5%
	2015	\$1,025	\$1,048	-2.2%
	2016	\$1,055	\$1,101	-4.2%
	2017	\$1,055	\$1,156	-8.7%
	2018	\$1,055	\$1,205	-12.4%
Based on 70k gallons per year	2019	\$945	\$1,119	-15.5%
	2020	\$967	N/A	N/A

Based on rates in effect as of February 2019

Rate Hearings

The Water Board is responsible for considering and adopting water and wastewater rates following the proposal and subsequent public hearings. The New York City Water Board has scheduled five public hearings for the upcoming FY20 water rate proposal:

Bronx

Thursday, May 30 at 7pm
 Hostos Community College, Savoy Building, 2nd Floor
 120 East 149th Street

Manhattan

Tuesday, June 4 at 2pm
 255 Greenwich Street, 8th Floor

Queens

Wednesday, June 5 and 7pm
 John F. Kennedy, Jr. School (P721Q)
 57-12 94th Street

Brooklyn

Monday, June 10 at 7pm

St. Francis College, Founders Hall

180 Remsen Street

Staten Island

Tuesday, June 11 at 7pm

Joan & Alan Berniknow Jewish Community Center

1466 Manor Road

Following the five public hearings, the Water Board will meet to consider and adopt FY20 rates; new rates would become effective on July 1, 2019.

DEP manages New York City's water supply, providing approximately 1 billion gallons of high-quality drinking water each day to more than 9 million residents, including 8.5 million in New York City. The water is delivered from a watershed that extends more than 125 miles from the city, comprising 19 reservoirs and three controlled lakes. Approximately 7,000 miles of water mains, tunnels and aqueducts bring water to homes and businesses throughout the five boroughs, and 7,500 miles of sewer lines and 96 pump stations take wastewater to 14 in-city treatment plants. DEP has nearly 6,000 employees, including almost 1,000 in the upstate watershed. In addition, DEP has a robust capital program, with a planned \$19.7 billion in investments over the next 10 years that will create up to 3,000 construction-related jobs per year