



# Some Facts on the New York City Water and Sewer Supply System

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# History - 1970's

- City commences long discussed third water tunnel
- Needed to allow redundancy to older 1<sup>st</sup> and 2<sup>nd</sup> water tunnels
- Construction slowed and almost halted by mid 1970's fiscal crisis
- Safe Water Drinking Act and Clean Water Acts passed by US

# History – 1970's

- Huge capital need for:
  - third water tunnel
  - SWDA and CWA
- City unable to borrow to pay for these needs
- Water Usage at 1.512 billion gallons per day in 1979 and rising

# History – 1980's

- In order to borrow money City creates MWFA to borrow in 1985
- Water Board sets rates to cover borrowing
- In 1984 rate payers covered 48% of the system's costs
- In 1988 move to metering
  - To conserve water
  - To be “fairer” about making big users pay

# History – 1980's



- Substantial construction of
  - Sewage treatment plants
  - Other water supply facilities
- Large federal grants help support much of this construction

# History 1990's

- Federal grants end
- System is virtually entirely supported by rate payers
  - Capital Construction Cost
  - Operational Cost
- From 1997 to 2005 construction and borrowing needs are moderate

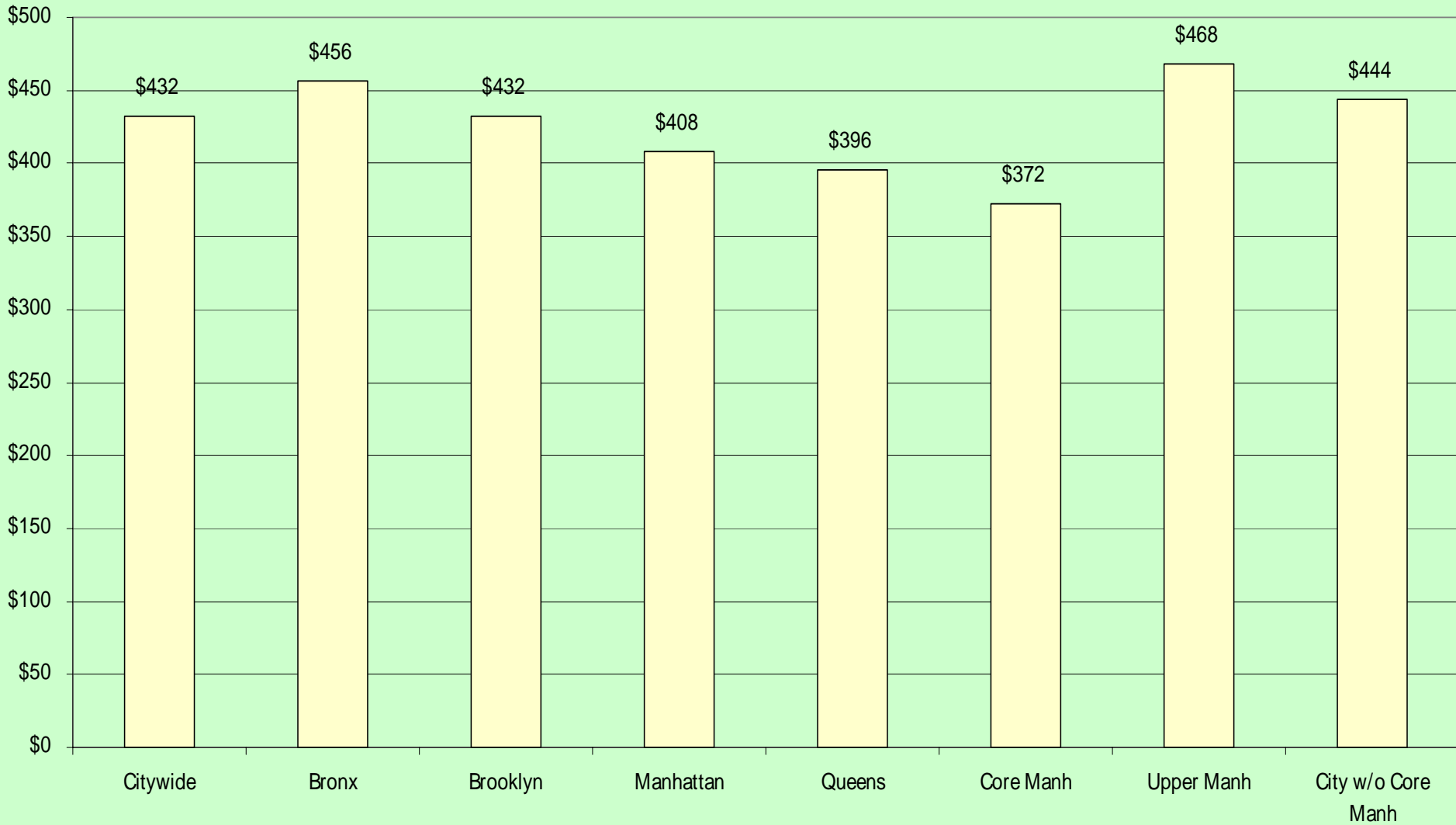
# History 1990's

- Widespread water metering introduced
- Low income neighborhoods pay more than high income neighborhoods
- Conservation achieved but costs don't go down
  - Usage reduces to 1.086 billion gallons per day, 28% reduction from 1979

# Annual Water Costs per Unit 2005

Pre-47 Rent Stabilized Buildings

More than 10 Units

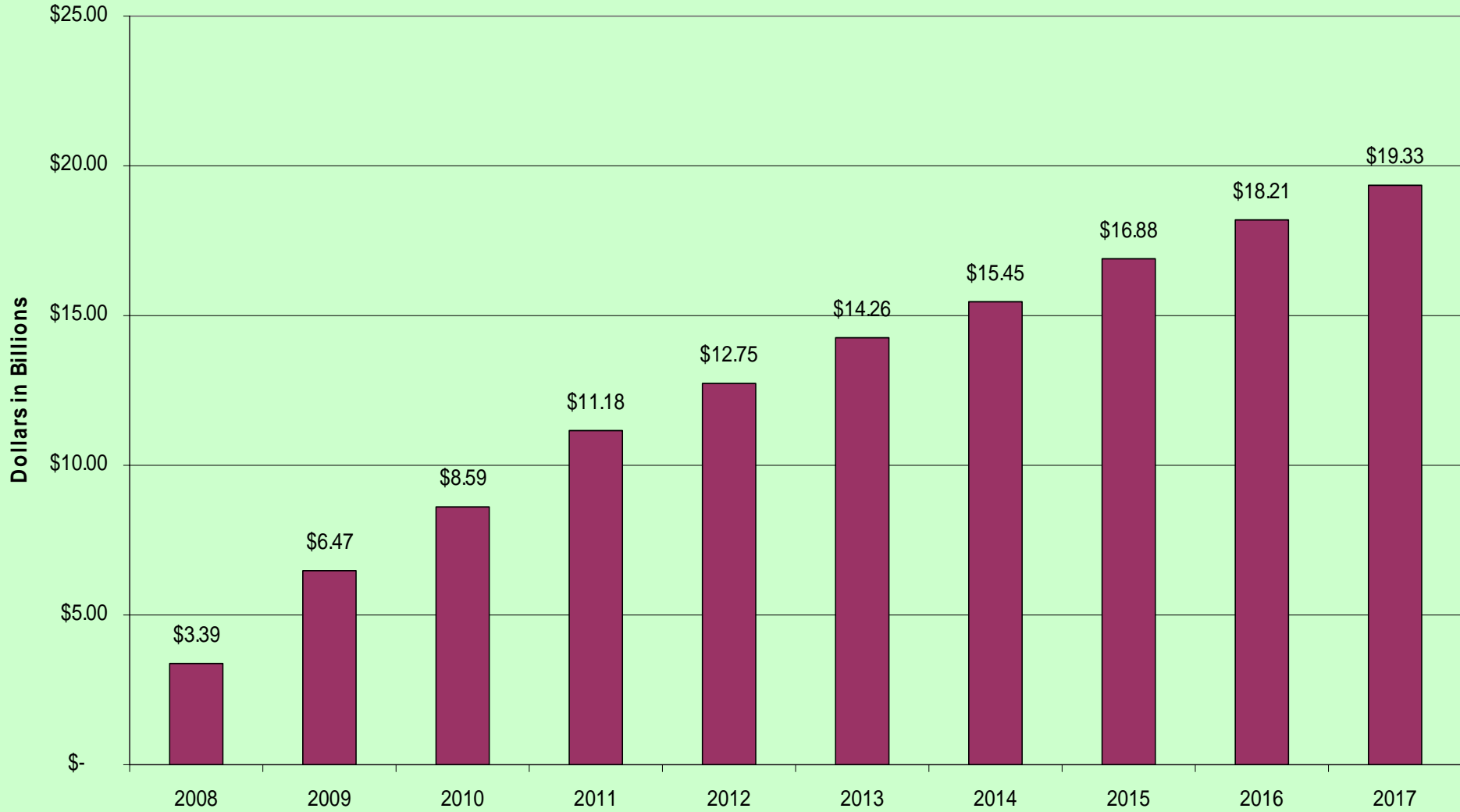


# History 2000's+

- No likely federal assistance
- Substantial increased capital expenditure
- Rates increasing at double digit pace

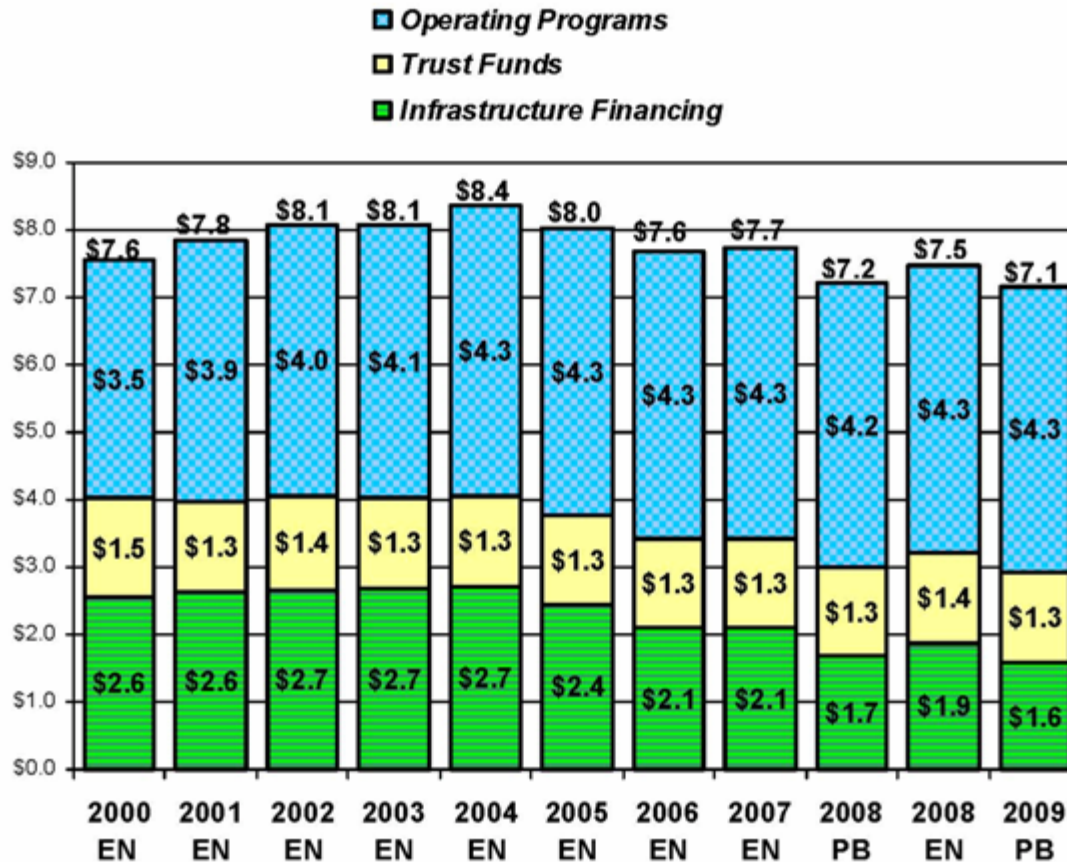
# Cumulative Capital Expenditures

From 2007 Prospectus



# Environmental Protection Agency's Resources by Major Category

(Dollars in Billions)



Totals may not add due to rounding

<sup>1</sup> FY 2002 does not include \$175.6 M provided for Homeland Security in the Emergency Supplemental Appropriations Act

<sup>2</sup> Reflects FY 2005 Enacted 0.8% Rescission

<sup>3</sup> Reflects FY 2006 Enacted 0.476% rescission plus 1% additional rescission—excludes Hurricane Supplemental funding

<sup>4</sup> FY 2008 Enacted includes a 1.56% rescission and a \$5 M rescission to prior year funds.

# Water and Sewer

## Selected Revenue and Expenditure Trends 1997-2011

