



THE CITY OF NEW YORK INDEPENDENT BUDGET OFFICE

110 WILLIAM STREET, 14TH FLOOR NEW YORK, NY 10038
(212) 442-0632 • EMAIL: press@ibo.nyc.ny.us
<http://www.ibo.nyc.ny.us>

FOR IMMEDIATE RELEASE
October 10, 2024

Press Contact
Malek Al-Shammary: press@ibo.nyc.ny.us
(917) 513-7488

Understanding NYC's Water Bills

October 10, 2024, – The New York City Independent Budget Office has completed an analysis of the New York City Water and Sewer System, providing insights into the rate setting process, the rental payment paid to the City, and assessed water bills by charge type, borough, property type, and council district.

New York City's water system is the largest public source of unfiltered water in the United States, and the system employs multiple billing structures for ratepayers. Most properties in the City are charged a metered water and sewer rate based on water usage. The remaining properties are billed using flat rate structures that do not reflect water use, specifically the Multi-Family Conservation Program (MCP), through which properties are billed a fixed charge per dwelling unit, and frontage, which bills properties based on square footage, occupancy, number of plumbing fixtures, and other physical attributes. The revenue generated from water bills must cover the costs of operations and maintenance of the water system, finance the capital program for improvements, and pay a rental payment to the City for the lease of the water system, if requested by the City. This report utilizes water bill data from 2020 to enhance public understanding of the City's water system rates and the distribution of water bills among ratepayers.

IBO's report [can be accessed here](#), and key takeaways are below:

- Each year from 1985 through 2015, mayoral administrations requested the annual rental payment from the Water Board, until it was partially paused by the de Blasio Administration. The Adams Administration reinstated the lease payments in 2024. From 2024 through 2028, the City plans to charge the Water Board an average of \$325 million in each year of the 2024 through 2028 financial plan, contributing 3.1 percentage points of the 8.5% increase in water bills for 2025.
- Water bills (charges, not revenue) in 2020 totaled \$3.7 billion. Metered water bills generated \$2.5 billion (70%) of total bills, followed by MCP with \$889 million (24%). Frontage and city charge generated approximately \$100 million each (3% each). Therefore, over a quarter of water bill charges are not based on water consumption, raising water conservation concerns.
- The MCP's flat per unit rate of about \$1,050 in 2020 was higher than 82% of metered bills per unit in similar buildings. Opponents may argue that because MCP is not tied to water usage, there is no incentive for MCP properties and residents to undertake water conservation measures. It is important to note that a switch from MCP to metered would not necessarily mean current MCP properties would have lower or higher water bills; metered bills would be driven by the type of fixtures installed and relative water consumption.

- Manhattan and Brooklyn each generated about \$1 billion in 2020 water bills, Queens generated \$800 million, and the Bronx generated \$600 million, while Staten Island generated \$160 million. While most water bill charges are primarily generated by metered billing, the Bronx has the highest share of MCP revenue in the City.



New York City Independent Budget Office

IBO's mission is to enhance understanding of New York City's budget, public policy, and economy through independent analysis.