

Testimony before the NYC Water Board

April 19, 2002

Thank you for the opportunity to testify before you today. I am Richard C. Hellenbrecht, Vice President of the Queens Civic Congress, an umbrella group representing nearly 100 community associations throughout the borough of Queens.

Water, essential for life and also necessary as a commodity in the development of businesses, must be viewed as a precious, but affordable, resource. Water rates that increase yearly place a hardship on single family homeowners {many of whom are seniors living on fixed incomes} co-op's and small businesses. This makes it imperative that the Water Board keep the rates as low as possible.

The Queens Civic Congress advocates that the water board and the city acknowledge the Water and Sewer charge as a use tax dedicated to the maintenance and operation of the treatment facilities and the city water supply. Use taxes traditionally regulated cost as well as promoted conservation. In reality, use taxes, regressive in nature, often become back-door funding resources, set outside of the normal budgeting process.

The 6.5 percent increase must be put in context that as one in a series of continuing increases. Since the beginning of metering in the 1980's, the cost of water has increased by at least four fold.

The water tax no longer works as a tax aimed at usage. This tax uniquely factors in the capital costs for building a new water supply and treatment facilities plus the transfer of pre-1982 infrastructure bond debt. Including these capital costs, which are greater than actual operating expenses, in calculating the water rate is a regressive practice not used by any other portion of the city for funding capital items. Furthermore, many of these expenses are Federal mandates. Rather than make ratepayers carry this burden, the City and its water board ought to seek appropriate federal and state relief. It's only fair.

The New York City capital budget should fund the capital costs for water supply and treatment facilities. We strongly urge the Water Board to take this testimony into consideration and to accelerate watershed protection measures including the purchase of lands surrounding the upstate watershed.

We also object to the practice of setting rates before the City adopts its budget. Our platform, found on our website, www.queensciviccongress.org, specifically calls for this reform. Pending State legislation introduced by Assembly Member Mark Weprin and proposed by the former Borough President Fernando Ferrer, would address this inequity.

The Queens Civic Congress also wishes to note its support for pending legislation passed once by the Assembly that would provide a tax levy subsidy to households 65 or older and with incomes below \$27,900 to help offset the increasing water rates. Modeled on SCRIE and SCHE, this program developed by Ferrer and Queens Assembly Member Ann Margaret Carrozza would help seniors keep housing costs in check, enable them to stay in their homes and continue to be an important neighborhood stabilizer. The Bronx State Senator Guy Velella sponsors the legislation, A.6835/ S.4027. The QCC urges the Water Board's support to help get the Senate as well as the Assembly to act in the current session.

Thank You.