Queens Civic Congress finds any increase this year unwarranted and will continue to work with like-minded New Yorkers to make this case. We hope our electeds pay close attention. Our <u>testimony</u> before the Water Board controlled by City Hall outlined how to hold the line. Let's not let up and continue to express outrage at this gouging.

- Corey Bearak, President, Queens Civic Congress

http://cityroom.blogs.nytimes.com/2008/05/16/water-rates-will-rise-145-percent/#comments

The New Hork Times

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Water Rates Will Rise 14.5 Percent

By Anthony DePalma

Updated, 3:16 p.m. | The New York City Water Board voted this morning to approve a 14.5 percent increase for water and sewer rates — the largest increase since 1992. When the new rate is in place on July 1, according to the city's Independent Budget Office, water rates will have risen a cumulative 77 percent [pdf] since 2001, and double digit increases are expected to keep coming for at least a few more years. According to official projections, the average single-family homeowner will pay \$800 for water in the fiscal year that starts July 1, up from \$700 this fiscal year.

The six board members who were present voted unanimously to approve the rate increase; one member, Marilyn Gelber, was absent.

Although the decision was expected, some city officials made a last-ditch effort to prevent it. The city comptroller, William C. Thompson Jr., who is contemplating a run for mayor next year, told the Water Board:

The proposed 14.5 percent rate increase, on the back of an 11.5 percent increase last year, will have a very real, deleterious effect on those that can least afford it. The city has elected to hold to its 14.5 percent rate increase request — the largest since fiscal year 1992 — even as the Water Board has demonstrated a strong interest in bringing more fairness to the rate structure, for which I commend them. I am deeply disappointed by the refusal of the Bloomberg administration to seriously consider with the Water Board the various proposals that would have provided some rate relief to the consumer.

The City Council speaker, Christine C. Quinn, said in a statement:

The 14.5 percent increase in water rates is excessively high, especially as New Yorkers are dealing with rising costs for every other basic necessity. It's time for the Department of Environmental Protection to start looking for other ways to maintain services without passing the extra costs onto consumers. Whether that means restructuring their lease agreement, finding ways to cut expenses out of their budget or moving their capital expenses to a more appropriate agency, everything should be on the table.

A rise in water rates should be our last resort, not an annual ritual.

City Councilman Leroy G. Comrie Jr., a Queens Democrat, said he was "disappointed but not surprised" by the vote. "The mayor maintains that this hike will generate money for real projects in our city," Mr. Comrie said in a statement. "Therefore, like many of my fellow constituents, I will be looking forward with much-anticipation to immediate relief that addresses the inadequate sewer system which plagues our borough."

Emily Lloyd, the commissioner of the city's Department of Environmental Protection, issued a statement arguing that the water rate increase was necessary (statement runs through end of post):

Last year at this time, Water Board rate projections indicated the likely need for a double digit increase of 11.5 percent in FY '09. A few key factors, however, have contributed to the need for an '09 increase of 14.5 percent, or three points higher than predicted.

Even though the growing cost of building and maintaining infrastructure is well known, D.E.P. recognizes that any rate increase will be significant for our customers, particularly now. D.E.P. has implemented a variety of measures to help keep the increase as low as possible.

These measures include:

* The Payment Incentive Program for delinquent customers, has brought in close to \$63 million in this fiscal year, and will generate a large amount of additional revenue in the upcoming four years, as a result of payment agreements;

* The residential service shut off program for non-payment, now entering its eighth week, and has maintained a 95 percent pre-termination payment rate;

* The first stand-alone water lien sale will take place on Monday.

* Automated Meter Reading, a technology which helps other cities achieve near perfect collection rates, will be installed in New York City beginning this summer; and

* D.E.P. has also cut its own agency expenses.

These strategies, as well as significant customer service improvements were undertaken as part of the overall transformation of D.E.P.'s Bureau of Customer Services. Also, in conjunction with its new enforcement efforts, D.E.P. has created a Safety Net program for the most vulnerable New Yorkers. Already, close to 500 people have opted into the Safety Net program, which connects customers with a range of assistance programs, including budgetary counseling and emergency grants and/or loans.

But even though we are very pleased with the results of our enforcement and revenue collections strategies, and with the positive impact they will have on our future collections, costs have grown in other areas. We have seen a more than \$118 million increase in non-discretionary operations and maintenance costs, such as a dramatic growth in the cost of fuel and energy; increases in collective bargaining and health care costs: larger debt service payments on the federally mandated projects that constitute two thirds of D.E.P.'s capital budget, and also on other critical infrastructure projects, such as the Third Water Tunnel and the Delaware Aqueduct.

Under the new rate proposal, the average single family homeowner will pay \$200 a quarter next year as opposed to \$175 a quarter this year. This is approximately \$5 a quarter more than was projected last year. Average annual costs for the rate per dwelling unit in multifamily dwellings will go from \$594 per year to \$680 per year.

Sewell Chan contributed reporting. <u>A version of this article</u> appeared in Saturday editions.

Read the interesting <u>comments</u> posted on the New York Times City Room website following this article.