

The Public Ought to Know: City Hall Keeps Gouging Us on Water Use

April 9, 2010. Remember the date. At a meeting of the City Hall-dominated NYC Water Board, the Department of Environmental Protection which staffs the water board (legal fictions abound here), presented a “proposal” to gouge New Yorkers another **12.9%**. This duplicates the 12.9% hike we endured last year following a 14.5% gouge the year before. This affects **everyone** – homeowners and tenants, and businesses (whether they own or rent their space) and property owners. Just because the City proposes this gauge, just because the proposed rate adoption (May 21) occurs before the City Council adopts the budget in June, just because it has been *fait accompli*, year after year, New Yorkers need not drop to their knees in complacency. There are hearings the first two weeks of May ([details](#) below). Testify. Nudge your electeds to testify. Ask your community boards and community and business groups to advocate. To help the cause, I share some key arguments against ANY rate hike.

Review the City Rate [presentation](#). You'll notice that they blame a drop in anticipated revenue for \$110 million of a \$322 million shortfall it projects; the anticipated revenue loss follows a drop in water use. We use less and they want us to pay more. Well, I was counsel to the chairman of the Council's Committee on Environmental Protection when City Hall first pitched water metering; guess what, the city promoted metering to conserve water; to get New Yorkers to use less. So now they seek to gouge us in part for heading that admonition?

And then they continue with the anachronistic “rental payment” – this time proposing that the water board pay \$220 million of the revenue it collects as “rent” to the city. The agreements setting up the water board and its finance arm, the Municipal Water Finance Authority – this one staffed by the City's Office of Management and Budget, included the rental payment to cover bonds for water and sewer projects issued before prior to the board and authority's existence. While the water board faces this obligation to pay the rent, the City remains free to say no, do not pay this rent. And frankly why does this backdoor payment to the City budget continue? It must go. Nothing prohibits tearing up the agreement.

The City's Independent budget office issued a [report](#) (May 2008) that disclosed the water board paying expenses of the City Budget for other agencies, including Sanitation and the Fire Department, and other questionable costs. If updated today, those numbers likely exceed \$100 million.

Add the rental payment and the additional accounting ploys and there you have it. No rate increase at all.

But there is more and this commentator thanks DEP for greater disclosure in its rate gouge presentation. It highlights the costs of the Croton filtration plant at Van Cortlandt Park and the Ultra-Violet Disinfection Plant for the Catskill-Delaware system. Federal mandates dictated these and various wastewater projects; the feds ought to pay and this was raised when resources were more plenty. We need more voices on this; only after the last go-round did the water board leadership aka the City Commissioner of Environmental Protection finally admit to this need.

The failures to protect the public from rate-gouging results in part from the system. Pending [legislation](#) in Albany originally sponsored by now-City Councilman Mark Weprin passed the Assembly every session. Jim Brennan now has the bill (Needless to say I [maintain](#) a [special interest](#) in this bill.). It would delay the setting of rates until after the City budget gets adopted; that remains the best way to insure no gouging of the public because the public could clearly hold the mayor and city council accountable for any hikes that occur.

Community Boards in Queens and The Bronx and the Queens Borough Board last year adopted a [plan](#) that includes much of the above and more to address this conundrum. Efforts will continue no doubt to enlist the support of the other boroughs.

Interestingly, the NYC Water Board website includes a [chart](#) detailing the hikes since water metering began. Following this commentary, find an updated chart (page three) previously produced in testimonies I drafted and/ or delivered for more than a decade.

Please contact your electeds and urge your friends and colleagues to contact them to testify against this latest gouge. Testify yourself; urge your community and business groups to do likewise. Enough is enough!

— *Corey Bearak*

http://www.nyc.gov/html/dep/html/news/water_rate_public_hearings_2010.shtml

Water Board Public Hearings (from the DEP website – link above)

The New York City Water Board has scheduled six public hearings for the upcoming FY2011 water rate proposal: one evening hearing in each of the five boroughs and an additional afternoon hearing to take place in Manhattan. The proposed FY2011 water rate will be presented to the Water Board on April 9, 2010 by the Department of Environmental Protection, which is responsible for proposing a water rate that meets the financial demands required to cover the cost of providing water and wastewater services to New York City residents. Following the six public hearings, the Water Board will formally adopt the FY2011 water rate on May 21 and the new rate will become effective on July 1, 2010.

Staten Island - Tuesday, May 4, 2010 - Doors open at 7:00 pm, public hearing at 8:00 pm.
Wagner High School, 1200 Manor Road, Staten Island, NY 10314

Bronx - Thursday, May 6, 2010 - Doors open at 6:00 pm, public hearing at 7:00 pm.
Public School 14, 3041 Bruckner Blvd. ,Bronx, NY 10461

Manhattan, Friday, May 7, 2010 - Doors open at 1:30 pm, public hearing at 2:00 pm.
City Planning Commission, 22 Reade Street, New York, NY 10007

Queens, Tuesday, May 11, 2010 - Doors open at 6:00 pm, public hearing at 7:00 pm.
Edison High School, 165-65 84th Avenue, Jamaica, NY 11432

Manhattan - Tuesday, May 12, 2010 - Doors open at 6:00 pm, public hearing at 7:00 pm.
Public School 124, 40 Division Street, New York, NY 10002

Brooklyn, Tuesday, May 13th, 2010, Doors open at 6:00 pm, public hearing at 7:00 pm.
Public School 102, 211 72nd Street, Brooklyn, NY 11209

Water and Sewer Rate Increases

| Date/ FY | Meter change % | Sewer Charge % | Total Rate Increase | | Date/ FY | Meter change % | Sewer Charge % | Total Rate Increase |
|------------|----------------|----------------|---------------------|--|----------|----------------|----------------|---------------------|
| 1980 | | 25% | | | 1995 | 0% | 159% | 0% |
| 1981 | | 33% | | | 1996 | 5% | 159% | 5% |
| 1982 | | 33% | | | 1997 | 6.5% | 159% | 7% |
| 1983 | | 50% | | | 1998 | 6.5% | 159% | 7% |
| 1984 | | 50% | | | 1999 | 4% | 159% | 4% |
| 1985 | | 60% | | | 2000 | 4% | 159% | 4% |
| 1986 | | 60% | | | 2001 | 1% | 159% | 1% |
| 1987* | 9.9% | 60% | 9.9 | | 2002 | 4% | 159% | 4% |
| 1988 | 12% | 70% | 19% | | 2003 | 6.5% | 159% | 6.5% |
| 1989 | 0% | 75% | 14% | | 2004 | 5.5% | 159% | 5.5% |
| 1990, 1-6 | 7.8% | 88% | 24.3 | | 2005 | 5.5% | 159% | 5.5% |
| 1990, 7-12 | 9.00% | 112% | | | 2006 | 3% | 159% | 3.00% |
| 1991 | 0% | 112% | 22.9 | | 2007 | 9.4% | 159% | 9.4% |
| 1992 | 6.4% | 136% | 18% | | 2008 | 11.5% | 159% | 11.5% |
| 1993 | 0% | 159% | 10% | | 2009 | 14.5% | 159% | 14.5% |
| 1994 | 0% | 159% | 0% | | 2010 | 12.9% | 159% | 12.9% |

*metering began that fiscal year, July 1, 1987

**Proposed Hike FY2011

| Date/ FY | Meter change % | Sewer Charge % | Total Rate Increase |
|----------|----------------|----------------|---------------------|
| 2011 | | 12.9% | 159% |
| | | | 12.9% |