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*** Press Release ***

Contacts: Lee Landor
O: 718.217.4969
C: 917.439.6026

Patricio Barrientos
212.788.6984
516.488.9821

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Gennaro, Weprin outraged by 18 percent water rate hike proposal

Call on Water Board to end rental payments and direct funds to water, sewer projects

Council Members James F. Gennaro and David I. Weprin, chairmen of the committees on Environmental Protection and Finance, respectively, are incensed by recent talk by the Department of Environmental Protection (DEP) of a potential 18 percent water rate increase in January 2008. The Councilmen demand that this possibility be eliminated.

The Councilmen's outrage is in response to a recent announcement by the New York City Water Board that it is considering a "special rate boost" of 18 percent by January 1, the middle of the 2008 fiscal year (FY), after a mere one-month drop in water and sewer collections in September fueled speculation by DEP of a general downturn in collections.

Council Members Gennaro and Weprin are demanding that the Water Board and DEP abandon their plan of a rate increase.

"There is absolutely no reason for the DEP to propose a water rate hike, especially considering that it implemented an 11.4 percent increase just three months ago," Councilman Gennaro said. "Instead of throwing around plans of rate increases, the Water Board and DEP should focus on eliminating the rental payment and creating an efficient billing system that does not penalize punctual taxpayers for the offenses of delinquents."

Councilman Weprin agreed and said, "A rate increase is not the answer to the problems facing the DEP. The system used to collect money is clearly broken and antiquated. There are many options that the DEP can resort to in order to recoup moneys owed. It is outrageous that an increase is even being considered when the DEP hasn't exhausted other options out there. Recouping moneys owed to them should not be done on the backs of those who pay on time. Tax payers should not be penalized for ineptness and antiquated collection methods by the DEP."

The Council Members are adamant that the Water Board find alternatives.

"Before the Water Board can even consider a water rate hike, it must address and improve its inept and disorganized billing system," Councilman Gennaro said.

In addition to this, the councilmen find it absolutely deplorable that the Water Board plans to increase the rate after pocketing \$60 million last fiscal year — and almost \$76 million by the end of FY 2008 — and is using that money as general revenue under the guise of water and sewer funding.

The \$76 million that the Water Board will receive by the end of FY 2008 will go directly into the City's General Fund, as did last year's \$60 million. But this money should be used as funding for water and sewer projects, the councilmen said. It should not be diverted into the General Fund, an account that is used as revenue and spent on everything but those projects.

If the Water Board put this pocketed money — which amounts to about half of the FY 2008 rate-increase revenue — exclusively toward water- and sewer-related projects, it would not need to repeatedly increase the rate and ask for more money.

Councilmen Gennaro and Weprin are calling on the Water Board to eliminate the rental payment, and to redirect the destination of the \$76 million from the General Fund to water and sewer project funding.

The bottom line message from the councilmen to the NYC Water Board: Stop soaking the taxpayers while padding the City's budget. End the rental fees and excessive taxation now, and revamp your billing system.

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