

Water Board Hearing, April 23, 2001

Thank you for the opportunity to testify before you today. I am Tina Chan, Vice President of the Queens Civic Congress, which is an umbrella group representing nearly 100 associations throughout the borough of Queens.

It is a known fact that water is essential for life and also necessary as a commodity in the development of businesses. 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. Therefore, it is absolutely imperative that the Water Board keep the rate as low as possible.

We have stated in previous years that the Water and Sewer tax as a use tax should be used for maintaining and operating the treatment facilities and the city water supply. It has been the custom that use-taxes were used to regulate the cost as well as promote conservation. In reality, use taxes are regressive in nature.

This 3.5 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. Why is this so when New York has a relatively cheap access to its water supply?

The water tax is no longer a use tax aimed at usage if the capital costs for building a new water supply and treatment facility plus the transfer of pre 1982 infrastructure bond debt becomes the cost factor to the Water Board. The capital costs used in calculating the water rate by New York City is regressive and is not used by any other portion of the city for funding capital items.

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 in consideration our testimony and 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 adopted last fall and found on our website, www.queensciviccongress.org, specifically calls for this reform.

Thank You.