



JEFFREY DINOWITZ
Assemblyman 81st District
Bronx County

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May 5, 2008

Mr. Kevin Kunkle
New York City Water Board
59-17 Junction Boulevard, 8th Floor
Flushing, NY 11373

Dear Mr. Kunkle:

Please accept these comments on the report entitled: "New York City Water Board: Public Information Regarding Water and Wastewater Rates, April 2008". Based on this report you anticipate a change effective July 1, 2008 for up to 14.5% increase for water and even though the wastewater costs have decline, you want to keep it at 159%. This is to be expected from the DEP -- an agency that prefers to throw water down the drain amounting to one million gallons per day (at the construction site of the Van Cortlandt Park filtration plant), rather than figure out the most basic of business management tasks: revenue collection.

Your proposal is inequitable and unfair as the charges do not reflect the costs incurred. The rate structure does not provide a stable and predictable revenue flow. Most disturbing, this rate structure does not encourage water conservation, thereby negating any incentive to the rate payer.

Last year your report stated the cost of the Croton project as \$1.6 billion, and this year you have it at \$662 million. Frankly, both are wrong. This casts doubt on whether or not your expenses are properly calculated, and whether your rate structure follows a predictable flow.

For all these reasons and more, it is apparent that the Water Board and the management of the Department of Environmental Protection is in serious trouble. The unchecked cost overrun for the Croton project is sky rocketing towards the \$3 billion mark and no one is able to manage it.

Finally, according to a report by the Comptroller William Thompson, the City has asked for an increase in the rental agreement. In what can only be described as a double tax, buildings in low-income neighborhoods use more water and therefore pay for a larger portion of DEP's unchecked spending than those in higher income areas. According to the Comptroller's April 9th letter to the Water Board, it is within your power to require the Water Finance Authority to "delineate the amount of excess rent and identify the savings to ratepayers if this rent were to be rebated and applied to reduce capital borrowing and/or subsequent years' costs." You should

carefully consider the recommendations in the letter including hiring an attorney to explore legal options.

Please respond with your comments. Thank you

Sincerely,



Jeffrey Dinowitz

Member of Assembly, 81 AD