



Legislation Text

File #: Res 0832-2003, **Version:** *

Res. No. 832

Resolution calling upon the New York City Water Board not to set rates for water and wastewater services for each fiscal year until at least thirty days after the adoption of the City's budget for each fiscal year and to take all steps necessary to implement this change.

By Council Members Gennaro, Weprin, Comrie, Fidler, Gerson, Jackson, Jennings, Koppell, Liu, Lopez, McMahon, Monserrate, Nelson, Stewart, Yassky and Gentile

Whereas, The New York City Water Board ("Water Board") is authorized, pursuant to section 1045-g(4) of the New York State Public Authorities Law (the "Law"), to establish, in accordance with section 1045-j of the Law, fees, rates, rents or other charges for the use of, or services furnished, by the City's water and wastewater systems; and

Whereas, The New York City Department of Environmental Protection (DEP) is charged with operating and maintaining the City's water and wastewater systems; and

Whereas, The full cost of operating and maintaining the City's water and wastewater systems is paid for by revenue raised from water and wastewater rates set by the Water Board; and

Whereas, According to the Water Board's booklet entitled, "Public Information Regarding Water and Wastewater Rates" for April 2003 ("2003 Rate Booklet"), "[t]he Board must adopt rates which will satisfy the revenue requirements of the [water and wastewater] system"; and

Whereas, According to the 2003 Rate Booklet, "[t]he City Office of Management and Budget projects DEP's operating and maintenance expenses and certifies the [fiscal year] amount to the Water Board based on the Mayor's Executive Budget"; and

Whereas, According to the 2003 Rate Booklet, "the Board adopts an annual budget based on the [water and wastewater] system expenses that have been certified to it [by the New York City Municipal Water Finance Authority ("Water Finance Authority"), the City Office of Management and Budget and the water and wastewater system's consulting engineer], and adopts a rate which will produce sufficient revenue to meet those expenses; and

Whereas, The City's Executive Budget for each fiscal year, which begins on July 1, is not adopted by the City Council until June; and

Whereas, The Water Board holds hearings, pursuant to section 1045-j(3) of the Law, each April and adopts water and wastewater rates each May for the following fiscal year; and

Whereas, This practice results in water and wastewater rates being set prior to the Council's budget hearing on funding for the DEP and the Mayor's Executive Budget and the Council's analysis and adoption of the City's budget; and

Whereas, The Water Board's adoption of water and wastewater rates subsequent to the adoption of the City's budget would allow for more effective oversight of rate-setting and the DEP's budget and would result in the setting of rates that more accurately reflect the DEP's fiscal needs to operate and maintain the City's water and wastewater systems; and

Whereas, On August 23, 1994, the Water Board adopted a resolution that directed the Executive Director of the Water Board to "take such measures as may be necessary, including amending the Financing Agreement [dated as of July 1, 1985, as amended, among the City, the Water Board and the Water Finance Authority] and amending the Board's rate setting schedule after fiscal year 1998 in order that rates will not be established until final adoption of the City's budget has occurred"; and

Whereas, The Water Board never implemented the August 23, 1994 resolution; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York City Water Board not to set rates for water and wastewater services for each fiscal year until at least thirty days after the adoption of the City's budget for each fiscal year and to take all steps necessary to implement this change.

DD
4/15/03 12:00 p.m.

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