

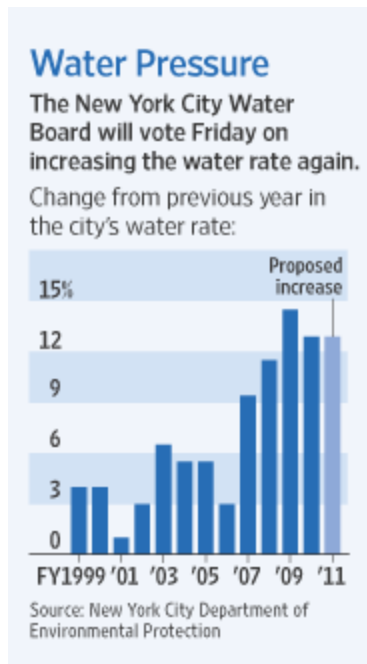
## Higher Water Rates Are on Tap for New York City Residents—Again

By MICHAEL HOWARD SAUL

Drinking a glass of tap water, washing the dishes and taking a shower in New York City is about to cost 12.9% more.

The Water Board is expected Friday to raise rates, marking the fourth consecutive year of double-digit increases. The average single-family homeowner's annual water bill would increase from \$723 to \$816 beginning July 1. Most New Yorkers, though, don't personally receive a water bill because it goes to the building owner, who typically passes along increases via rent or maintenance fees.

"It is unfair to keep increasing rates because they need more money—there's got to be another answer," said Johanna Kletter, a Bronx housing advocate.



City officials blamed the string of increases on paying off clean-water projects mandated by the state and federal governments, such as a water-filtration and sewage-treatment plants.

"We're going to do everything we can to continue to tighten our belt and do our job as efficiently as possible," said Cas Holloway, the new commissioner of the Department of Environmental Protection, "but we also need to have an end to unfunded legal mandates."

In the past decade, \$13 billion, or 68%, of the \$19 billion in capital spending by the department has gone to projects imposed by federal and state regulators. In the last four years, the cost of paying off those projects has jumped 27% to \$837 million. Every day, DEP spends \$9 million on construction.

Mr. Holloway said one of the largest projects—a \$1.6 billion ultraviolet-disinfection facility for drinking water—has been thrust upon the city with little regard to "whether the investment is actually needed right now for the water system."

A federal official in the Environmental Protection Agency's New York office said the mandates are in place to protect the environment and public health. The agency expects municipalities to plan accordingly.

While the city charges less for water than other major municipalities nationwide, the last time there was no increase was 1995, records show. To dull the bite this year, the city will offer a 1% discount to customers who pay their bills through direct deposit.

Marc LaVorgna, a spokesman for Mayor Michael Bloomberg, said the mayor is sympathetic to ratepayers, but "we have had to compensate for decades of under-investment in the system, and the costs are overwhelmingly due to federally mandated investments that have to be paid for." Mr. Bloomberg appoints the Water Board.

But Council Speaker Christine Quinn called on the Water Board and DEP to review whether such a large rate increase is necessary. "A 12.9% increase in water and sewer rates could put families and business owners in a position where they are forced to sacrifice other necessities," the Manhattan Democrat said.

Linda Baran, president of the Staten Island Chamber of Commerce, said the increases are taking a toll. "The only way for businesses to survive these constant increases is to pass the costs down to the consumer," she said in testimony at a rate hearing. "It is a vicious cycle."

Ms. Kletter, financial director of the nonprofit University Neighborhood Housing Program, said in an interview, "Every year, it seems to be a giant increase. There is a spending problem."

Despite an 8% spending cut Mr. Holloway is implementing, Ms. Kletter said at a hearing that the department "should have had a goal to cover the rate increase."

Write to Michael Howard Saul at [michael.saul@wsj.com](mailto:michael.saul@wsj.com)