

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

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Case No. 09-W-0824 Proceeding on Motion
of the Commission Concerning the Rates and
Regulations of United Water, New Rochelle,
Incorporated for water service.

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Public Statement Hearing
515 North Avenue
New Rochelle, New York

August 2, 2010
4:00 p.m.

PRESIDING:

ELEANOR STEIN, ESQ.

Administrative Law Judge

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JUDGE STEIN: So let's go on the record. This is case 09-W-0824, Proceeding on Motion of the Commission concerning the rates and regulations of United Water, New Rochelle, Incorporated. I'd like to welcome people to this public statement hearing, the first that's been convened in this matter. We are here to hear and record testimony and concerns and questions of customers of United Water, New Rochelle and anyone else, any member of the public concerning the matters at issue in this case. With me is Commissioner James LaRocca of the Public Service Commission, the body which will ultimately be deciding this case.

The way we are going to proceed is that everyone who was interested in speaking has filled out a card, and I will call you by number. And I'd like to ask you when you begin to speak to please state your name and spell it so that the court reporter can get it all down accurately. And please give us your address as well.

MR. TELESCO: Okay.

JUDGE STEIN: Okay. So our first

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speaker is Mr. Dan Telesco.

MR. TELESCO: Yes. My name is Dan Telesco, T-e-l-e-s-c-o, Junior. I live at 52 Rockdale Avenue, New Rochelle, New York 10801. I've been a resident here for 58 years. My grandmother started a business, a restaurant business in New Rochelle, the Mama Pizzeria. And we have grown and we own a few single family and two family homes.

I used to work on, I'm disabled right now because of an accident, on the aqueduct system that brings the water down from the White Plains, one of the White Plains reservoirs and into the city at Van Cortlandt Park where the level of our operation was at, one particular level was 700 feet underground. It was a pumping station, approximately 250 feet high, 250 feet wide and four football fields long. It was kind of like a manifold of 30 foot concrete tubings that had gate valves built into them for different electrical and steam, drinking water, all kinds of utilities that would be made from the gravity flow from the Gilboa and the other dams that are up in

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Schoharie County.

The pipe work that they have now that comes down, they want to take one of the piping systems offline to I guess send what they call a pig. A pig is a rubber -- it's like equivalent to a 55 gallon barrel but it would be fit for the size of the piping that is needed for the size piping that would be the size of the tube that comes down from the aqueduct system. They send that through and that, it unblocks any of the blockage that may be built up over the years, the thickness of residues and any loose debris that may flow into the system.

I know that United Water is an England based company. And right now it's taking the water that comes across the Hudson River and at the pumping station in Eastchester supplies the lower half of Westchester County with its water. Now, I all know, we all know that we need water. But to put this burden on the customers that it has now for the first two years at the rate that they want to increase it by, I think, I think it's kind of wrong because

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2 the existing aqueduct system has over 125 years
3 of stability now as far as sending water from
4 the aqueducts up in Schoharie County down the
5 system that we have at present.

6

7 I was working on that particular job,
8 me and my partner. We were maintenancing (sic)
9 the tunnel, and a chunk of ice fell down and
10 hit us on our head. It was a five hundred
11 pound chunk of ice. It killed my partner and
12 crushed me. And it took us then ten years to
13 go through the court system to get a verdict of
14 it was the state that was negligent in their
15 inspection. But the job is so vast and so big
16 that, you know, to put the burden on the people
17 in the lower half of Westchester County for the
18 entire sum of the 40 to 50 year project that
19 they paid for the pumping station to build up
20 enough pressure to service all the customers,
21 should be something like on a mortgage type
22 plan rather than hit in the first five years or
23 so or however they have it figured out.

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One of the restaurants that I have,
I'm just a landlord, and some of their monthly
bills range from 22 to \$2,500 a month depending

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2 on the season and the weather on the use of
3 water. And for these businesses like mine and
4 other type businesses of a restaurant, I don't
5 understand how fixed income people, people who
6 are just making it now or businesses with these
7 kind of increases, with this recession that's
8 going on at this present time and the property
9 tax rate is going up, pretty soon we are going
10 to have a municipal problem with the sewers
11 that are going to also increase our tax burden.

12 So, you know, I know we all need
13 water, but to give the burden to the people in
14 the beginning of this system that's going to
15 last 50 years, the pumping station is made out
16 of 90 percent stainless steel so it doesn't
17 corrode. It's made also like that for the
18 chlorine and the other elements that they put
19 into the water to purify it before it comes to
20 the customer. You know, I understand the
21 maintenance cost and keeping the water clean so
22 that, you know, it's a good living situation
23 for us here in Westchester. But I do believe
24 that it should be spread over a long period of
25 time, an increase that you could live with

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2 rather than just be burdened on the first few
3 years of the people who are at use of their
4 water system now. The businesses and fixed
5 income rate people, I do think it's going to be
6 a little shortsighted of the water company to
7 burden the first five years or so with the
8 expense that they are looking to for the rate
9 increase.

10 That's about, that's about all I have
11 to say. I appreciate being able to speak here
12 tonight and I thank everyone.

13 JUDGE STEIN: Thank you for coming,
14 and I'm glad that you were spared to give this
15 presentation today. That's quite a story.

16 MR. TELESCO: I have a couple of
17 bumps and bruises, I have a plate in my head.

18 JUDGE STEIN: But you're here.

19 MR. TELESCO: And my leg was
20 dislocated and I got 95 percent arthritis. But
21 I would do it again because every time they
22 blasted rock out of the chambers, you walked
23 into an area where no human being has ever been
24 before. And you would see when they spread the
25 rock to clean it before the miners went back in

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2 and sand hogs went back in to blow another
3 section, you would see garnets and different
4 emeralds in the rock itself. So it was the
5 kind of experience that you never forgot. Like
6 I said, if I was capable I would continue to do
7 it.

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JUDGE STEIN: Well, thank you for
9 appearing. Thank you for a very poetic
10 description.

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MR. TELESCO: Thank you.

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JUDGE STEIN: Now, I have some other
13 cards, I'm not sure if the people that signed
14 up are here. Barry Nochas?

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Noam Bramson? I guess the mayor of
16 New Rochelle possibly. Okay, not here.

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Gloria Ehrlich?

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MS. EHRLICH: Yes.

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JUDGE STEIN: Oh, hi. We met
20 earlier.

21

MS. EHRLICH: Hello. For the record,
22 my name is Gloria and the last name is under
23 Ehrlich, E-h-r-l-i-c-h. And I don't have a lot
24 to say. I'm a housewife, common housewife.
25 And I have a big appreciation where water is

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concerned, whether it's in the ocean, whether

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it's in streams, whether it's in my kitchen

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sink, my bathroom. Wherever it is, I have a

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big appreciation. I have things I water. I

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have turtles, I have animals that I must clean

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after daily. They're my pleasure and my

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enjoyment, I realize that.

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I have read vast articles, I have

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come to other meetings dealing with the Long

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Island Sound, I have read many numerous article

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on increases. And I know under the Obama

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Administration we have gotten funds because I

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know we were getting postcards in the mail that

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they were expecting to send bills to our home,

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New Rochelle taxpayers that were going to be

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having to fork up the additional \$24 million

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that were not available for the project that

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was going on at the Long Island Sound. And

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thankfully those funds were appropriated,

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because the taxpayers in New Rochelle and in

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Westchester County are so overburdened, it's a

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very sad fate.

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I mean like this gentleman before me

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was saying, for people who are single, who are

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2 raising children, that are homeowners, for
3 fixed income people, they open their bills and
4 they don't even know where the next dollar is
5 coming from. And the reality is that there are
6 people that today are turning to other
7 resources that is affecting society in a very
8 negative way. And there may be no correlation,
9 but in my eyes there is definite correlation
10 because when people cannot afford their
11 expenses, they are turning to ways that are
12 either criminal or corrupt. And it keeps
13 people like me, a hard working individual who's
14 an honest person, from getting a job because
15 they want to scrutinize me as opposed to these
16 other people who are going to go to jail for
17 their form of corruption or are committing
18 crimes or thinking of other types of activities
19 to make ends meet because they can't. And I've
20 done writing on this on the Internet. I'm an
21 aspiring writer, I'm back in school. And I
22 have made every attempt to speak about this and
23 to be very clear that there are a lot of people
24 that are in over their heads and really, really
25 don't know what to do.

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So that's where I'm going to leave this at this present time, and I really appreciate the attention and I hope that people take that into consideration. Thank you.

JUDGE STEIN: Thank you very much for coming.

Is Noam Bramson here?

MAYOR BRAMSON: Yes.

JUDGE STEIN: Oh, great, I have your card.

MAYOR BRAMSON: Thank you.

JUDGE STEIN: Thank you very much for coming and giving us your time.

MAYOR BRAMSON: Well, thank you for being here. And we're pleased to host you for this purpose and I thank you for the opportunity to address you today on a matter of critical importance to thousands of New Yorkers, as you know already. My name is Noam Bramson. I am the mayor of New Rochelle. We are the largest municipality served by United Water.

You have already received from our municipal consortium a detailed analysis of the

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joint proposal. The facts and figures contained within make it abundantly clear that the JP would provide windfall profits for a multinational corporation at the expense of working families here in New York. The JP would also significantly raise the cost of fire protection at a time when taxpayers can least afford such burdens. In the strongest possible terms we urge you to reject the JP.

Specifically, we ask that you, number one, exercise your lawful authority to establish a rate structure that meets the tests of common sense, considers the full picture of the United Water corporate relationship with Suez, and recognizes the unique economic challenges of our time.

Number two, roll back the proposed 50 percent increase in public fire protection fees, an increase over a base amount that is already far larger than that charged in other service areas and entirely out of scale with the cost of the service received in return.

And, number three, beyond the mere rollback, relieve property taxpayers entirely

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of the burden of public fire protection fees and instead embrace a far more rational and equitable policy of distributing such costs fairly throughout the system. We need you to take these actions because the cost of accepting the JP is simply too much to bear. Too much for families who are struggling to make ends meet. Too much for governments that are slashing programs and services. Make no mistake, the JP will make an already difficult situation much, much worse and will utterly fail the public interest.

Rather than restate the statistics that buttress our case, and that you will surely review carefully prior to making a decision, let me instead conclude with a broader point. Those of us in public life recognize and respect that the PSC cannot reach arbitrary decisions based on the sympathies of its members. You are required to act within the law and to set the law above your personal preferences. But, at the same time, the PSC need not, must not blindly accept precedents or formulas that fail to respect the full

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2 circumstances of this case or the general
3 circumstances of our times. We are counting on
4 you not to be rubber stamps for a JP that was
5 obviously devised by applying the usual
6 standards in the usual ways without creative
7 thought and without regard for its impacts on
8 real lives. You have the legal authority,
9 fully backed by hard, quantitative analysis, to
10 make a judgment that serves the public good.
11 Use it.

12 Thank you very much.

13 (Applause)

14 JUDGE STEIN: Thank you, and also
15 thank you for extending the hospitality of New
16 Rochelle --

17 MAYOR BRAMSON: My pleasure.

18 JUDGE STEIN: -- for us to --

19 COMMISSIONER LARocca: Mr. Mayor,
20 would you endure a question? Can you, perhaps
21 it's in the record but I haven't seen it yet,
22 can you tell me the specific budget
23 consequences for the city?

24 MAYOR BRAMSON: We spend almost a
25 million dollars every year currently for fire

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2 hydrant rentals. That is an astronomical sum
3 for a city of our size. Were the JP to be
4 approved, that number would increase to close
5 to a million five. You can imagine, as with
6 municipalities throughout New York, we are
7 already terribly strained with respect to our
8 ability to maintain current core service
9 levels. And we anticipate deep cuts absent the
10 JP. So we again are asking not only that the
11 50 percent increase be rolled back, but the
12 entire policy of concentrating public fire
13 protection costs purely on municipal budgets
14 where it's translated directly into property
15 taxes be discontinued in favor of a broader
16 distribution of those burdens among all rate
17 payers.

18 COMMISSIONER LAROCCA: Thank you.

19 MAYOR BRAMSON: Thank you, sir.

20 JUDGE STEIN: Is Barry Nechis here?

21 Oh, thank you for coming.

22 MR. NECHIS: My name is Barry Nechis.

23 I'm a captain in the New Rochelle Fire
24 Department. I'm currently assigned to run the
25 office of emergency management for the city.

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So I have a broad basis in a number of areas regarding this. And, in addition, what a lot of speakers are going to talk about, the cost that's being proposed, the increased cost being proposed. There are a number of massive hidden costs that will be borne if this occurs, and it's important to understand them.

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JUDGE STEIN: Mr. Nechis.

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MR. NECHIS: Yes.

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JUDGE STEIN: I just want to point

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out to you right behind you is the court

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reporter.

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MR. NECHIS: Yes.

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JUDGE STEIN: She's writing down

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everything you say.

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MR. NECHIS: That's fine.

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JUDGE STEIN: Which is wonderful

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because we want to make sure every word gets in

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our record.

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MR. NECHIS: Yup.

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JUDGE STEIN: I just wanted to ask

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you to speak slowly, keep her in mind, because

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if she doesn't get it, we won't have it.

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MR. NECHIS: I will give you a

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written copy of what I have prepared as well.

JUDGE STEIN: That be would
fantastic, we would really appreciate that, but
please proceed. I'm sorry to interrupt.

MR. NECHIS: No, that's quite all
right.

Part of the issue that we are dealing
with is the current rate at close to a million
dollars we are currently paying comes from the
fire department budget. We have been advised
in last year's budget, and we're preparing this
year's budget, that an additional -- that there
is no additional funding. So effectively if we
get a rate increase in the hydrant maintenance,
what will occur is we'll have to cut back on
firefighters to be able to pay for the
hydrants.

Now, in doing that, in our current
plan, based on the estimates that we have, we
would have to cut approximately ten positions,
which would close a fire station. It would
eliminate a number of services that we
currently deliver, the most important of which
is the emergency medical services or EMS,

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2 because there's no way, if we drop to that
3 level of staffing, that we can maintain fire
4 protection and EMS. And fire protection is
5 what we are stated in the city charter to
6 provide as our first and foremost function. So
7 there's a problem right there. We are going to
8 eliminate a service, and it's a critical
9 service with the number of nursing homes and
10 seniors we have in this community that we are
11 doing approximately 4,000 EMS calls a year.
12 That will get eliminated. That's going to hurt
13 people.

14 The second thing that's going to
15 happen is the closing of a firehouse will
16 change our ISO rating. Every community in the
17 United States is rated on its fire protection
18 capabilities. And the ISO rating for New
19 Rochelle currently is a two out of a scale of
20 one to ten. One is the best, ten is no fire
21 protection. We are a two. If this rate
22 increase goes in effect, we will have to close
23 a firehouse. Because of that we will drop to
24 an ISO four. That will increase premiums in
25 New Rochelle eight to twelve million dollars a

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2 year; we know it's at least eight. The
3 additional ones that we don't know is we don't
4 know how much money is paid in renters
5 insurance and we don't know how much money is
6 paid to insure all of the stock that exists in
7 all of the businesses. That number we couldn't
8 figure out, so we have no way we can base the
9 other on property costs. So there's about an
10 eight to twelve million dollar hit that all of
11 our property owners will take in addition to
12 all of this if we have this hydrant fee
13 increase. And so there's an additional
14 concern.

15 The EMS part is a concern because
16 people are going to absolutely -- the next time
17 the commission meets we will be back and we
18 will be discussing actual hard figures if we go
19 through these cuts of what it would actually
20 mean, and we'll actually know what the
21 mortality and morbidity has been over that time
22 frame. And we are very concerned about that.

23 Additionally, we are concerned about
24 in general the entire hydrant system because it
25 has not been maintained. I will give you

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2 documentation going back to '97 when we have
3 asked for specific things on a regular basis.
4 We have asked for pressure testing, as listed
5 in every standard. The American Water Works
6 Standard, the National Fire Protection
7 Association Standard, ISO standard, every
8 standard says they're supposed to be flushed
9 twice a year and it's supposed to have pressure
10 testing done periodically. We have never
11 received any of that data. We have asked time
12 and time again we have asked for specifically a
13 list of the actual hydrants and their
14 locations. We can't get that. We were given a
15 map. Well, the map is not even right. And we
16 were told well, yes, we've never really been
17 able to map them all out.

18 So at the fire department's expense
19 over the last two years we did that, okay. And
20 what we found is the numbers don't even match.
21 We don't know what's right because the numbers
22 we're billed for, we're billed with two bills,
23 one for half the year, one for the other half
24 of the year. And it says X number of hydrants.
25 It doesn't give a list of which ones we're

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paying for, which ones we are not paying for;
the numbers are just what they are.

There's a lack of maintenance. Back in '97 when we knew ISO was coming to evaluate our system, so we pulled out and we knew they were going to test 23 hydrants in New Rochelle. We knew what the list was. We advised United Water Works that this is the 23 they are going to test and to make sure they're in good shape. And nothing happened. Two months later I personally went out and started testing them and I -- as part of the fire department. We tested five hydrants. They failed completely. The last one failed with my engine hooked up to the thing and we had to get United Water to come and disconnect us because it was broken attached to the fire truck. At that point we were told stop doing this, stop testing them. So we did. Two additional ones failed during the ISO test. Now, when two hydrants fail they look at that out of 23, take the percentage, and they claim that 141 of our fourteen, fifteen hundred hydrants don't work. That we are paying and we have been paying for the last

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2 fifteen years or longer every year for those
3 hydrants that ISO says don't work.

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5 On top of those, starting two years
6 ago we started making lists and figuring out
7 which hydrants had serious issues as we were
8 doing this GIS mapping of where they all are.
9 And there's another 171 hydrants that we found
10 that almost about 90, 94 of them have sunk to a
11 level that we can't operate them, they are
12 physically into the ground. And we have
13 pictures of those. We have additional hydrants
14 that had problems of telephone poles or other
15 obstructions being placed next to them or
16 immediately adjacent to them so they couldn't
17 be operated. We were never advised of any of
18 this that it was a problem that they couldn't
19 deal with. We found another approximately 60
20 that had vegetation issues. That's the
21 property owner's responsibility, but no one
22 ever said a word about it.

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23 Once we found out this was a problem,
24 the city took on going after this. We have yet
25 to get United Water to ever come back and ever
answer us on any of these issues. We have one

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2 hydrant which the homeowner didn't like in
3 front of his property, and I have pictures of
4 it, so he camouflaged it, he painted it green
5 and planted plantings complete around it so you
6 cannot see it. United Water's response was,
7 well, we tried repainting it and he repainted
8 it again, so there's nothing we can do about
9 it. So we found out they were repainting it
10 again about a month ago. We went out, our code
11 enforcement people advised the homeowner of
12 what would happen if he repainted it and that
13 he would end up going to court over the whole
14 thing. But if United Water would even tell us
15 this, we can help with these things. But
16 they're doing their thing. They want this
17 money, that seems to be it, and they're not
18 maintaining anything.

19 We are seeing in the latest round of
20 issues they have reduced their water pressure
21 in the city. We calculated it. We went back
22 to those hydrants that ISO tested in '97, we
23 did this in the last six weeks, and we did 14
24 of the 23 hydrants. What we found in the 14
25 hydrants is two of them will not be allowed to

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2 be tested anymore because their return is so
3 low ISO considers them a hazard to the drinking
4 water supply if we were to use them for fire
5 protection. Now, the percentage of that goes
6 up to approximately 190, it was 198, 199
7 hydrants that they will consider unacceptable
8 in the 2011 review of our city. That will
9 result in an additional four million dollars in
10 premiums when they change our ISO rates from
11 this.

12 JUDGE STEIN: Can I just ask you, do
13 you recall ISO, what that acronym is?

14 MR. NECHIS: It's the Insurance
15 Service Office.

16 JUDGE STEIN: Okay.

17 MR. NECHIS: And they do all of the
18 evaluation of municipal fire protection,
19 including water systems, for the insurance
20 industry. And when they developed their number
21 of one to ten, that's the number that the
22 insurance companies use to set rates.

23 JUDGE STEIN: Thank you.

24 MR. NECHIS: So in addition to this
25 increase for fire hydrants that's going to

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2 reduce our fire department, we are going to
3 also get hit with this secondary one. We are
4 also going to get hit with the fact that
5 developers seriously look at the ISO rate. And
6 we have had hearings with a number of major
7 developers who have told us when our rates
8 improve, they were interested in the city. If
9 the rates don't go down, they can go somewhere
10 else where they're going to pay less to do the
11 same project.

12 So there's so many different aspects
13 of this beyond just the water department, the
14 water company and the money that's being paid.
15 The ISO stuff, though, is going to actually hit
16 everyone in the backside. So we are paying
17 more taxes, we are paying more in water, we are
18 paying more for less service in the fire
19 department, and we are going to pay more for
20 insurance because of all of this. And this is
21 just all unacceptable and we need to find a
22 different way to go about doing this. And we
23 understand there's a cost to providing a
24 service, but the cost right now is just killing
25 us. And we are going to have to make a choice

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2 really then if we go to an increased rate on
3 the hydrants we are going to reduce our fire
4 department, and if we reduce our fire
5 department what good is having these hydrants
6 because hydrants, I've never seen a hydrant put
7 out a fire. Hydrants don't put out fires,
8 trucks don't put out fires. You need
9 firefighters. And if you lay them off, there's
10 no one coming. So I thank you very much.

11 (Applause)

12 JUDGE STEIN: Thank you. The
13 Commissioner has a question.

14 MR. NECHIS: Sure.

15 COMMISSIONER LAROCCA: I'll ask you
16 an unfair question.

17 MR. NECHIS: Okay.

18 COMMISSIONER LAROCCA: What number
19 could you live with?

20 MR. NECHIS: Well, I think the real
21 issue is, and it was mentioned by the mayor and
22 it's been mentioned by others, one of our big
23 concerns is that we have a tremendous number of
24 businesses and others that pay nothing right
25 now in New Rochelle for hydrants, all right?

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2 Those businesses have to currently pay for
3 sewers, they have to pay for the water that
4 they use from United Water, but we have to give
5 them the hydrants and they pay no taxes to the
6 city of New Rochelle. So the homeowner is
7 basically supporting them in this. And that
8 could easily, easily be fixed and resolved so
9 that it's fair, that every single property is
10 effectively paying, and the properties that use
11 the most water, which are generally the biggest
12 properties, will be paying truly their fair
13 share. And that's really the way that we see
14 that regardless of what the specific rate is.

15 We are also very concerned about the
16 absolute lack of maintenance. There has been
17 no maintenance. We have seen in the past maybe
18 month all of a sudden they're being painted.
19 We asked for that five years ago. It's taken
20 that long to even find that level of stuff.
21 And I'm still waiting for a list of which
22 hydrants we are paying for, because we don't
23 know.

24 COMMISSIONER LAROCCA: Thank you.

25 MR. NECHIS: Thank you.

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JUDGE STEIN: Thank you very much.

Ms. Sheila Marcotte, Westchester
County Legislator. Are you here?

MS. MARCOTTE: I am.

JUDGE STEIN: Thank you very much for
joining us.

MS. MARCOTTE: Thank you.

I just wanted to go back to a, you
sort of just posed a question to the last
speaker, forgive me, I don't know his name.
However, you did ask what price you can live
with. It's a fair question. I think the crux
of the argument of the members of the
consortium is a fire hydrant is a fire hydrant
is a fire hydrant. And we should -- I don't
think that anyone has a problem with being
charged, although we would like to see some
system that's equitable in terms of what we are
actually paying for. And maintenance of course
has always been a huge bone of contention with
us. But --

JUDGE STEIN: Can I just --

MS. MARCOTTE: Yeah.

JUDGE STEIN: I hate to interrupt,

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but just a little slower --

MS. MARCOTTE: Sorry.

JUDGE STEIN: -- so we make sure we
get everything.

MS. MARCOTTE: It's a bad habit I
have.

JUDGE STEIN: It's the passion of the
moment.

MS. MARCOTTE: Absolutely.

The question I think is or was posed
by yourself, sir, was what price could you live
with in terms of a fire hydrant. It's a fair
question. I think looking at, you know,
originally what was proposed to the members of
the consortium was \$1,504. That is nowhere
near what could even be considered fair by
anyone's standards. We are currently paying
\$543.39 per hydrant per year. I would think
that truly anyone could even debate whether or
not that is a fair price.

Having done a little bit of research
in terms of prices of fire hydrants throughout
the northeast and certainly other parts of our
country, we are certainly at the top of what

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2 would be considered the highest. If we were to
3 exceed that going anywhere from 1,100 or even
4 to what was proposed, \$1,504, we would
5 certainly be the highest priced in terms of
6 fire hydrants in the entire nation. The
7 research I have done has found that the average
8 cost of a fire hydrant is \$426 per year. That
9 should come with some sort of guaranteed
10 maintenance schedule, which we of course have
11 not seen.

12 So just in all fairness I think, you
13 know, I don't want to be long-winded about this
14 and say what everyone else has said, you do
15 have a task before you. I know you take your
16 work seriously, and of course there's much
17 respect to the job that you have. However, we
18 do ask that you be fair. Certainly \$1,500,
19 \$1,100, it's not something that can be
20 considered sustainable by the municipalities
21 and/or the taxpayers who live here in
22 Westchester County, Eastchester, New Rochelle,
23 Tuckahoe, Bronxville, and so forth. So we do
24 ask that you take a long hard look. There is
25 much to be considered, as you know.

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The consortium has spent a considerable amount of hours going through the financing. I think it would be more than fair to say that United Water has been somewhat negligent in financing, that they have not explored all the options available for them in terms of what would be considered low cost financing. I think the onus is on them to do so.

So I, again, you know your job is of course to ensure what is reasonable and what is low cost utilities. I just remind you of that task, and I just hope that at the end of the day that is what you do for all taxpayers, for all of the people that are here, our hard working residents of Westchester County. Thank you very much.

(Applause)

JUDGE STEIN: Byron Gray. And Mr. Gray, if you don't mind just giving your name and spelling and address.

MR. GRAY: Sure. Good afternoon. Byron Gray, G-r-a-y, 219 Sicklus Avenue, New Rochelle, New York. And I'm here as the

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president of Local 273, the Uniformed Firefighters Association.

I have a prepared statement that I read outside which I'm not going to read tonight to you guys. Barry Nechis did a great job of talking about some of the ramifications of the ISO ratings. You know, as a taxpayer I'm concerned about that. The reduction of services. As a taxpayer I'm worried about that. Things that concern me, things that I consider even more important, though, are the safety of my firefighters. I represent 160 guys. Corporate America has been out to get firefighters, public servants, public safety people, and it's just one more threat to us.

We work hard. We love our jobs. And these increases in taxes for the hydrants is going to go directly into the fire department budget. We deferred our salaries last year to save six jobs. We don't know what the future brings for us. An increase like this is what Barry said it's going to do. It's going to cost some guys their jobs. It's going to close some firehouse, a firehouse or maybe some

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2 companies. It's going to reduce our services.
3 EMS, very important. Barry made a strong point
4 about that and I concur with him. And an even
5 greater problem is the reduction we already
6 have in the hydrant pressure, which nobody has
7 really talked about, that exists now.

8

9 United Water Company has reduced the
10 hydrant pressure in New Rochelle to where you
11 go into a building, you have stand pipes in
12 most high-rise buildings. Your houses not so
13 much. Some houses are sprinklered, sprinklered
14 if you're lucky. Used to be you go into a
15 building like that, you make a line, you charge
16 the line, you fight the fire. Rarely,
17 occasionally you might have to enhance that by
18 hooking up the engine to the standpipe, the
19 hydrant to the engine to enhance the water
20 supply. Sometimes you did it just as a
21 precaution. Now it's going to be an everyday
22 occurrence. And what happens when this happens
23 is there's a delay. Fire-matically (sic) small
24 fires over time become big fires. The longer
25 the delay, the bigger the fire, the worse the
circumstances. You have put the residents of

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2 the buildings in greater harm. You've put my
3 guys, the firefighters, they can't go in there,
4 they can't do their job. We are standing
5 there, we're in the hallway, we're champing at
6 the bit, we want to go down that hall and save
7 somebody, we want to put the fire out. We are
8 not going to be able to do it. We are going to
9 stand there like the public does and oh my God,
10 what a pretty fire. Not a good feeling.

11 So I'm getting a little emotional. I
12 read my statement, it's available if you want
13 it. But I'm trying to save jobs, I'm trying to
14 save my guys. I don't want to see this
15 increase. Thank you.

16 (Applause)

17 JUDGE STEIN: Thank you very much.
18 Mr. Gray, if you wouldn't mind, I think we
19 would like to have a copy of your statement to
20 put in the record.

21 MR. GRAY: Absolutely.

22 JUDGE STEIN: If you can provide us
23 with one. Thank you.

24 Okay, the next speaker is Ms. Mary
25 Marvin, Mayor of Bronxville. Are you here?

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MAYOR MARVIN: Yes.

JUDGE STEIN: Thank you very much for joining us.

MAYOR MARVIN: Thank you. Good afternoon. I would just like to echo my colleagues' feeling that this rate increase reaches the level of exorbitant. And I think it's important to know that embedded in this rate calculation is an overall rate of return for the water company stockholders of over eleven percent. This is clearly exorbitant during these financial times.

I must tell you a particular concern and distress to the village of Bronxville is this skewed apportionment of the increase between actual water use and hydrant maintenance. This distinction is extremely important because hydrant fees are currently paid directly by municipalities, and thus the costs are only passed on through to the portion of the water using public that pays real property taxes. And I have to say for even a small village like mine this number is significant. We have 193 hydrants, we pay the

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2 \$543 per hydrant per annum, already one of the
3 most expensive in the country, and as part of
4 the new proposal the rate cost could skyrocket
5 to as high as \$1,500 a hydrant. This number
6 bears no relationship to the actual cost of the
7 upkeep of a hydrant. I would ask whatever rate
8 is determined should pass through to all water
9 users, because everyone in my village, be it a
10 hospital, a college, avails themselves of fire
11 hydrant use for fire protection. To place this
12 burden solely on property taxpayers is just
13 clearly inequitable.

14 And I have to say, adding to the
15 frustration of this whole increase is the fact
16 that over time United Water has not proven to
17 be a good partner to the village of Bronxville.
18 We simply do not receive hydrant maintenance in
19 any form. We never get flushing reports
20 despite repeated requests. And during a recent
21 brown water alert where my residents were told
22 they couldn't use the water, we heard about the
23 water use ban from the news media, not United
24 Water. So I ask you to please not sanction
25 what are going to be exorbitant corporate

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2 profits on the backs of some very hard working
3 taxpayers. Thank you.

4 (Applause)

5 JUDGE STEIN: Thank you very much.

6 The next speaker is John Fitzpatrick.

7 Is he here? And if you don't mind giving your
8 name and address for the record, please.

9 MAYOR FITZPATRICK: Yes. John
10 Fitzpatrick, 54 Underhill Street, Tuckahoe, New
11 York. I'm here as the mayor of Tuckahoe
12 representing the residents of Tuckahoe also.

13 JUDGE STEIN: Thank you very much for
14 joining us.

15 MAYOR FITZPATRICK: Thank you for
16 having us. Thank you for putting the time in
17 this evening to get another listen to the
18 community that's going to have to pay this
19 bill. We feel it's exorbitant. We are paying
20 \$85,000 now in our village, and our village
21 budget is quite small. It will be, whatever
22 this increase is, if it's triple, if it's one
23 and a half times that, that's going to be a
24 backbreaker to the village of Tuckahoe and its
25 residents.

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2 We've also had instances with United
3 Water where when one of the hydrants failed on
4 the street their response was to turn around
5 and not take responsibility but to sue the
6 village of Tuckahoe, sue the county of
7 Westchester, take us to court for four or five
8 years over the repair of that street. That's
9 how they reacted to the residents, to the
10 communities that they do business in. And that
11 just got resolved now, but also cost the
12 community another twenty something thousand
13 dollars in the final settlement of everything,
14 where it didn't finish going to court to
15 settle. To keep the streets safe for the
16 residents we had to come in and make that
17 settlement on behalf of our community.

18 So they go around now, they paint a
19 few fire hydrants, and they're saying that
20 they're maintaining, they're keeping it up. We
21 don't see that in our community either. And we
22 think that this rate increase is too exorbitant
23 and it's going to basically break a lot of our
24 communities. So we look forward to you really
25 taking a harder look at it and hope that you do

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that. Thank you.

(Applause)

JUDGE STEIN: Thank you very much for your statement.

Amy Paulin for the New York State Assembly. Ms. Paulin, are you here?

MS. PAULIN: Thank you very much for giving me the opportunity to make a statement.

I want to add my voice to those who oppose the outrageously high increases that United Water is proposing for the residents in my assembly district, including Pelham, Pelham Manor, Bronxville, Tuckahoe and New Rochelle over the next five years. The whole concept behind using a local water company is efficiency. Efficiency of service, of delivery, and of maintenance. Asking for an increase that could total 71 percent over the next five years indicates to me that United Water has not done their job. And if you listened to the people who have testified, clearly in terms of maintenance, in terms of delivery, in terms of service, I think it's evident that you have not lived up to what you

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2 need to do to provide proper service to our
3 communities. We cannot allow this increase,
4 which is exorbitant and which will damage all
5 of our municipalities in terms of their ability
6 to provide service to the rest of the
7 residents. It's on the backs of the property
8 taxpayers, who cannot afford, who are putting
9 their foot down. We need your help, we need
10 your cooperation. This cannot occur in our
11 area.

12 Thank you very much.

13 JUDGE STEIN: Thank you very much.

14 (Applause)

15 JUDGE STEIN: Our next speaker is
16 Tony Colavita, Supervisor of the town of
17 Eastchester.

18 MR. COLAVITA: Good afternoon. Let
19 the record reflect that I submitted a statement
20 to your reporter, and I'll supplement that with
21 a couple of additional thoughts.

22 In the town of Eastchester we have
23 over 400 hydrants. As was indicated earlier,
24 they're more than \$500 apiece. To more than
25 double that amount is going to result in a

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2 minimum of a two percent tax increase right off
3 the bat to the residents of the town of
4 Eastchester. And in this day and age when town
5 government is literally throwing everything out
6 with the plane that isn't nailed down to make
7 it flier farther and to make it fly cheaper,
8 that's not acceptable.

9

10 The question was also asked earlier
11 about what would be acceptable in the form of a
12 charge for a service. And I would submit to
13 you that United Water of Rhode Island, United
14 Water of New Jersey are all charging in the
15 \$200 category for fire hydrant maintenance.
16 Yet here in the town of Eastchester we are more
17 than two and a half times that amount, and it's
18 going to be doubled if United Water has its
19 way. That's completed unconscionable,
20 especially when Westchester Joint Water Works,
21 which is the next water district north of us,
22 is only \$226 per hydrant. Per hydrant. That's
23 right next door to us, the next water district
24 right up the line.

24

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Let me also submit the answer to the
question that was asked earlier about what

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2 would be another way to handle this. I would
3 also submit that the fire district certify to
4 the town of Eastchester and to United Water and
5 to the PSC each time a fire hydrant is
6 maintained or examined as to sediment, as to
7 pressure content, et cetera.

8

9 Now, this blanket business of just
10 writing a check for all the hydrants we have in
11 the town, not knowing whether or not they have
12 been, you know, clearly examined and certified
13 as true and operational, isn't acceptable. If
14 they paid on a per hydrant basis, certified by
15 our fire department, then maybe we'd be more
16 inclined to pay a little bit more. But quite
17 frankly I see a reduction in this service
18 coming to the taxpayers of the town of
19 Eastchester.

19

20 They do not maintain fire hydrants in
21 the town of Eastchester. I have personally
22 witnessed a house burn to the ground on Glen
23 Road because the fire hydrant right in front of
24 the building was not operational. I have
25 personally witnessed a 600 foot or 400 foot,
excuse me, 400 foot run of fire hose on Leery

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Street to extinguish a fire around the corner

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and up the block on Tuckahoe Avenue because the

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fire hydrant right across the street from the

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house in flames wasn't operational. That's

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completely unacceptable.

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The firefighters that spoke earlier

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are absolutely right on point. You're putting

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people's lives in danger, they're putting

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themselves in danger. And there's no reason

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why for that rate and that expense they

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shouldn't be examined annually, if nothing else

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at least twice in the course of a couple year

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period. But to charge that kind of money is

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just ludicrous quite frankly and offensive.

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Let me put in some other perspectives

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here. Now, the average person that puts money

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into a bank for a passbook account is looking

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at .25 percent return on their money. A one

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year CD, if you can find one, at one and a half

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percent is a great return. But for United

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Water to say that they deserve an eleven

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percent return is absolutely uncalled for,

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especially in these economic times when people

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are dying. People call my office all day long

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2 looking for work. Do you have a job, I lost my
3 job, my daughter lost her job, my son is out of
4 work, my son can't find work. Everybody is
5 hurting out there. And to come out and say we
6 want an eleven percent return on our money,
7 that's just not acceptable. You know what,
8 something a little more than a passbook
9 account, of course. But not eleven percent.
10 You got to be kidding me.

11 In addition to that, looking over a
12 long term period, nobody has fought more with
13 United Water than the town of Eastchester. You
14 may of course know the legend of the battle of
15 the United Water plant on California Road in
16 Eastchester. Now, the gentleman that designed
17 the work did a beautiful job, it's a beautiful
18 looking building, and quite frankly it was a
19 pleasure working with them after it all got
20 approved. But during the process of approval
21 all we kept hearing about was the expense that
22 was associated with it. And all these expenses
23 had to be paid for by rate payers. So in 2005
24 there was a whole schedule of increases, and
25 tagged on each one of those years was the cost

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2 of this stip, the project. But now it seems
3 like now five years later they're still looking
4 to recover the expenses on that exact same
5 project over the next five year period. Are we
6 going to be here five years from now that they
7 have to recover again over the next five year
8 period? It goes on and on and on.

9

But you have the ability to stop it.
10 You know, to have -- if you look at the cost
11 living increase, for example, it's less than
12 two percent this year. Over the last ten years
13 it's been 28 percent in the aggregate. That's
14 the lost of living index in the metropolitan
15 area, which includes the city of New Rochelle
16 and the town of Eastchester. United Water's
17 proposed increases over the time period from
18 2004 to 2014 is 171 percent. That's six times
19 what the cost of living index increase has
20 shown to us, okay. You know, you want to
21 double it, okay. You want to triple it, God
22 forbid. But six times more than the cost of
23 living is not acceptable, not acceptable at
24 all.

25

So I'm here to just let you know and

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2 really to implore the importance of a reduction
3 of these proposed increases. The people in my
4 community that I preside over cannot afford
5 ridiculous water increases. It just can't
6 happen. We are the highest taxed county in
7 Westchester. As council -- County Legislator
8 Sheila Marcotte indicated, if these rates go
9 through, we'll have the most expensive water in
10 the nation. Probably in the free world for
11 that matter. And it's your opportunity to
12 stand up for the very people you represent to
13 make sure that doesn't happen. And we ask you
14 to do that on behalf of all of us in
15 Eastchester and all the other nine
16 municipalities that United Water presides over
17 in the county of Westchester. Thank you.

18 (Applause)

19 JUDGE STEIN: Mr. Chuck Strome, city
20 manager of the city of New Rochelle.

21 MR. STROME: Thank you. I wasn't
22 intending to speak, in fact I don't
23 particularly enjoy it, but I wanted to bring my
24 perspective to this after I heard from our fire
25 union folks.

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2 I'm the person that has to sit down
3 and put our budget together. And quite
4 frankly, I have not been able to understand.
5 This is the second time I'm going through this.
6 And I don't think the real arguments on how the
7 hydrants are charged is with United Water. I
8 think, not to be critical, but as long as they
9 get their money, they probably don't care. It
10 is irrational to me that a city like New
11 Rochelle, which has three colleges, two of whom
12 do not pay property taxes, a hospital and a
13 number of other tax exempt properties, yet the
14 firefighters will tell you the amount of
15 service required at some of those institutions
16 is certainly far above the single family or two
17 family property owner in this city, get a free
18 ride on these hydrant rentals. I do --
19 Mr. Colavita did follow up with the fact that
20 our neighbors right over here in Larchmont and
21 Mamaroneck are paying \$225 or something a
22 hydrant.

23 I really don't want to get into all
24 the maintenance issues, but I can tell you that
25 I have lived in my house for the better part of

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2 16 years. I happen to have a fire hydrant in
3 my front yard. And unless somebody comes in
4 the dead of the night, I haven't seen anybody
5 do anything to that hydrant in the time that I
6 have been there. So my point is that not only
7 will our rate payers, your rate payers who you
8 represent, be hit with exorbitant rate
9 increases, but the property taxpayers who are
10 particularly burdened in Westchester County and
11 local governments, who are very -- having a
12 very difficult time balancing their budgets
13 will be hit tremendously. We will be paying,
14 if this thing goes through, close to a million
15 and a half dollars a year in fire hydrants.

16 And quite frankly, I have been
17 working with the fire union and the other
18 unions to try to maintain our basic levels of
19 services. We are a local government. We pick
20 up the garbage, we patrol the streets, and we
21 provide fire protection. And I don't want to
22 see us have 1,400 fire hydrants and have the
23 city of New Rochelle pay \$1,500 per hydrant and
24 not have anybody that knows how to hook the
25 thing up to put a fire out. And that will be

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the result.

We are not trying to say things are worse than they are going to be. We have enough trouble keeping and maintaining our staff. We haven't hired any firefighters in over two years. So we are already reduced by over ten percent. This would just put an additional burden that quite frankly we can't afford.

So I ask you to do two things. At the very first I think the PSC staff have been the ones who have been very resistant to changing the ways the costs are allocated. I don't quite see the logic in it. But I would suggest that they be spread among the total rate base and that all the people that benefit from the use of the hydrants and fire protection pay for it equally. And secondly, those rates should not be increased. They should be reduced and cut in half at the least.

Thank you very much.

(Applause).

JUDGE STEIN: Thank you. Mr. Strome, I'd also like to thank you for your hospitality

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2 in providing this facility for our use tonight.
3 And clearly the people of these towns have been
4 putting it together, so thank you.

5

6 Our next speaker is Jim Maisano,
7 county legislator. Mr. Maisano. And if you
8 could just give your name and spelling and
9 address for the record, for the reporter, that
10 would be great.

11

12 MR. MAISANO: Absolutely. That's
13 fine. My name is Jim Maisano. I'm a county
14 legislator for New Rochelle and Pelham. I live
15 at 93 Wilson Drive, New Rochelle, New York.

16

17 You earlier heard from Sheila
18 Marcotte, my colleague in representing the city
19 of New Rochelle.

20

21 JUDGE STEIN: I hate to interrupt you
22 but I want to make sure you speak slowly enough
23 that we can get every word that you're saying,
24 if you don't mind.

25

MR. MAISANO: Sure. Thank you for
telling me that before I went too fast for my
entire speech.

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JUDGE STEIN: I can tell you're a New
Yorker.

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MR. MAISANO: Yes, I am a proud New Yorker.

My colleague, Sheila Marcotte, testified earlier. We represent, Sheila and I, about 95 percent of the city of New Rochelle in the Westchester County Legislature. And Sheila had some very thoughtful things to say.

I'm here to testify on behalf of my constituents, I'm here to testify on behalf of myself, and also I'm here to testify on behalf of the firefighters you have seen lined up in the back of room who are going to bear the brunt of this increase. And I want to say ditto to all these elected officials that spoke already. They were all thoughtful and I agree with every word said by every elected official, both Democrat and Republican, both sides of the aisle, different levels of government.

The message today I believe has been extremely clear to you that we are opposed to this rate increase. And I want to reiterate the quote that Sheila Marcotte has in her, I think in her written materials, that PSC, the department of public service, has a broad

PROCEEDINGS

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2 mandate to ensure that all New Yorkers have
3 access to reliable and low cost utility
4 services. That's your mandate. So in the
5 course of enforcing your mandate we submit, I
6 think all the elected officials submitted here
7 today that this obscene increase -- let's put
8 some numbers on the table. The joint proposal
9 called for a rate increase of 127 percent over
10 ten years and 71 percent over five years. That
11 is an obscene increase in the cost. For your
12 mandate to ensure low cost utility service,
13 that increase is a failure under the standards
14 that you must enforce under state law.

15 Now, I must say this to you. I know
16 you know this already, but I wouldn't be fair
17 to myself if I didn't say it once again. We
18 elected officials, whether myself, a county
19 legislator, whether the town council and city
20 council, village council, city managers, all of
21 us are facing a rebellion from our taxpayers.
22 Wherever you go, I can't walk into Stop and
23 Shop without being stopped by people in every
24 row outraged by not only the increase in
25 property taxes but more troubling, and this is

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2 the thing that I want really you should
3 understand, is I went door to door last night,
4 I would say I went to thirty houses, and this
5 was said in about ten or fifteen of the houses.
6 Jim, I think we have to leave New Rochelle, we
7 can't afford to stay here anymore. These taxes
8 are killing us. I'm now starting to look,
9 either move upstate or move down south. But
10 it's so sad that I have to leave the community
11 I love.

12 Now, I don't want to hear this.
13 Everybody in this room hears this. Our
14 taxpayers are getting crushed and our local
15 governments are getting crushed because they're
16 the last rung. When the federal government and
17 the state government mandate things, they don't
18 give these local governments the money to
19 enforce it. And these burdens that are being
20 hit on the local government and my county
21 government, they get pushed upon people like
22 these firefighters in the back of the room.
23 You heard eloquently today the head of our
24 union and another firefighter talk about how
25 damaging this is to our firefighters.

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So my message to you is this. People are hurting. You know this. No one has to tell both of you this, you know this very well. People are hurting. Our local governments are hurting. This economy is still bad. Our fire departments are struggling. We almost lost six firefighters last year. So we need your help. The people of New Rochelle, the people of Pelham who I represent, all the people in the consortium need your help to stop these obscene increases under the joint proposal. You're really the ones that can protect these people that are struggling and hurting so badly. We need you.

So I ask that you make the following decision in the course of your deliberations. Someone has to sacrifice here in these difficult times. And it shouldn't be the taxpayers of New Rochelle and Pelham who I represent. It shouldn't be the local fire department. It shouldn't be our local governments. We shouldn't have to sacrifice any further for United Water's corporate problems. The sacrifice should be made by

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2 United Water. Not the taxpayers, not the
3 firefighters, and not the local governments. I
4 ask you in your due deliberations, and I know
5 you'll do a fine job, please keep that message
6 in mind. Make United Water suffer. Don't make
7 the taxpayers of New Rochelle and the rest of
8 the consortium suffer. This blatant, obscene
9 increase should not be passed on to the
10 taxpayers. I know I said that several times,
11 but I believe it's a critically important thing
12 that you must put in the front of your thought
13 process in every stage of your evaluation.

14 Thank you very much.

15 (Applause).

16 JUDGE STEIN: Thank you.

17 The last speaker I have so far is
18 Mark McLean. Thank you for coming. Would you
19 give your name and address to the court
20 reporter, please.

21 MR. McLEAN: Certainly. My name is
22 Mark McLean. I live at 33 Pierce Street, New
23 Rochelle.

24 Good afternoon. My name is Mark
25 McLean. I am a life-long New Rochelle

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2 resident. I'm a firefighter for 25 years, and
3 I'm a homeowner in New Rochelle for 16 years.

4 Now, when I heard of the increase in
5 effect I came out because I wanted to voice my
6 concerns. I didn't prepare a speech. I just
7 wanted to say this increase is going to
8 adversely affect me on two levels. My
9 homeowner tax is just tremendous, okay. It's
10 beyond bad. If it was a heavyweight fighter,
11 it would be a TKO, you know. Stop throwing
12 punches because it's just terrible.

13 As a firefighter in the city, I just
14 deferred my raise in order to maintain the
15 manning level of our fire department. So this
16 increase is going to adversely affect, you
17 know, the job as well. And I'm just here to
18 cry out to say please, stop it. Give us a
19 break. We need it. I just this week had to
20 send a thousand dollars check to my escrow
21 because of taxes. And my mortgage went up \$60
22 a month. Like I said, I deferred my raise, so
23 I didn't get any raises this year.

24 So it's just inherently unfair. And
25 I appeal to you in the interest of fairness to

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2 the taxpayers, to the firefighters, who we put
3 ourselves, we put our lives on the line on a
4 moment's notice, please give us a break. Thank
5 you.

6 (Applause)

7 JUDGE STEIN: Thank you.

8 COMMISSIONER LAROCCA: Is there a
9 representative from the city still here? Could
10 I ask you to just come back up for a moment?

11 I apologize, these are matters that
12 may be in the record that haven't reached me as
13 commissioner yet. In the total number of
14 hydrants in the city that figure into all of
15 this math, including ultimately your property
16 tax implications, what number is associated
17 with tax exempt institutions, do you know?

18 MR. STROME: I don't think you can
19 specify it by hydrant and I don't have the
20 exact numbers, but we can provide them to you.
21 Maybe the firefighters know. But the service
22 calls that are made to those institutions are
23 proportionally higher than they are to the
24 average resident, particularly when the schools
25 are in session. So I don't know if you can say

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2 how many are -- I'd have to do a survey of how
3 many are right near the colleges and how many
4 aren't.

5 The point remains that there are some
6 people that have fire hydrants right in their
7 front yard and there are others that don't, but
8 everybody benefits from the use of the hydrant
9 if it's in the neighborhood. They're
10 supposedly spaced out so that they provide fire
11 protection. And it's just irrational to me
12 that the property taxpayers have to pay the
13 whole freight on this and the other folks that
14 don't, they do pay county sewer taxes and they
15 do pay sanitation taxes, refuse district taxes,
16 so the precedent is already there. And there
17 are some states in the country as I understand
18 it that do charge fire hydrant rental fees
19 across the broad rate payer base. So we'd have
20 to actually do a survey of hydrants that don't
21 belong to us to tell you which ones service
22 not-for-profit institutions.

23 COMMISSIONER LAROCCA: What I'd like
24 you to, invite you to do, without incurring any
25 expense or too much of a headache, is let us

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have your further thoughts about that inequity which you're describing.

MR. STROME: Okay.

COMMISSIONER LAROCCA: And be as particular as you can about the implications of it, what it means to a municipality. And it sounds like at the end of the day the argument that is being raised really is an equitable argument that the burden is not fairly distributed over the number of facilities, all of which one way or another benefit the general.

MR. STROME: I wouldn't want to downplay the cost of the hydrant either, because I think we pay more than most anybody, but we have two arguments. One is the equitable argument, and the second of course is the increase, which --

COMMISSIONER LAROCCA: Right, and I understand that about just the raw numbers, but it's the equitable argument I'd like to see more flesh on the bones.

MR. STROME: I do know that we had -- our representative was with the staff and

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2 United Water throughout this whole process, and
3 the papers that he put in I think will make
4 that argument. And I will make sure that we
5 get them up to you.

6 COMMISSIONER LAROCCA: Maybe it's
7 just in the record that I haven't yet seen.

8 MR. STROME: It probably is.

9 COMMISSIONER LAROCCA: I would invite
10 you, if there's any more thinking on this that
11 you'd like us to have, to go ahead and let us
12 have it.

13 MR. STROME: Thank you.

14 COMMISSIONER LAROCCA: Thank you very
15 much.

16 JUDGE STEIN: John Pierpoint.
17 Pierpont, sorry. If you don't mind spelling
18 your name and giving your address to the
19 reporter, thank you.

20 MR. PIERPONT: My name is John
21 Pierpont. I'm the village manager of the
22 village of Pelham Manor, 4 Penfield,
23 P-e-n-f-i-e-l-d, Place, Pelham Manor, New York.

24 Thank you for the opportunity. I
25 wasn't going to speak either. And

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2 Commissioner, I was interested to see you
3 engage on the policy issue of the equitable
4 distribution of the cost. And, well, we
5 submitted documents and it's in the record,
6 I'll make sure that you have it from the
7 consortium. And a fair reading and analysis of
8 the rate increase would show that the Suez
9 environment is really telling. It certainly
10 has a lot of work to move down.

11 But what I wanted to do is just ask
12 you, when you're mulling over the policy
13 implications of the fire hydrant rental fee
14 through the property tax, I would ask you to
15 consider why shouldn't the Peoples Republic of
16 Myanmar or why shouldn't the Consulate of the
17 Republic of Nigeria or any of these other
18 entities, why shouldn't they pay for fire
19 protection also. And the equitable way to do
20 this would be through our water bill. And I
21 would just ask you to consider that as part of
22 that policy implication. And I'm not sure that
23 the percent of tax exempt properties as a part
24 of the whole of your property tax roll is as
25 important an issue as it is that in local

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2 government every, every stone is getting turned
3 over to find opportunities to save money and to
4 operate more efficiently and more effectively.
5 And so this is just another area where we see
6 an inequity where we believe that our tax
7 property owners are subsidizing water users
8 that ought to be paying for it. So I just
9 would ask you to consider that. And I
10 appreciate your willingness to engage in this
11 policy issue. Thank you.

12 JUDGE STEIN: Mr. Ward Henderson. If
13 you could give your name and your address for
14 the record, please.

15 MR. HENDERSON: My name is Ward
16 Henderson. I live at 410 Oxford Road.

17 Abraham Lincoln said when
18 corporations are enthroned, corruption exists
19 in high places. Today we have seen a lot of
20 government officials try to observe that rule
21 because they don't want a corporation running
22 this taxpayers' drive.

23 When my father was a fireman, for 36
24 years, New Rochelle firemen had to live in New
25 Rochelle. Today, because of the taxes, a lot

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2 of our firemen are from out of town, out of
3 city because they cannot afford it. But those
4 who can may not be able to live in New Rochelle
5 if United Water gets their hike in their water
6 rates. Now, if it's going take the men longer
7 to get here to their stations, that's going to
8 put a delay on when they're going to get to the
9 fire. If you have any concern about the public
10 safety, I would advise you to negate on any
11 rate increase by United Water.

12 (Applause)

13 JUDGE STEIN: Thank you very much.

14 Frank DiMarco.

15 MR. DiMARCO: My name is Frank
16 DiMarco. I'm the superintendent of public
17 works in the village of Tuckahoe. All I have
18 to say is that we are against the hike. And
19 that's really it. Okay.

20 (Applause)

21 JUDGE STEIN: Short and sweet. Thank
22 you very much.

23 Now, I don't have any other cards for
24 any additional speakers, but if there's anyone
25 else who'd like to make a statement for the

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2 record, this is your opportunity. There also,
3 this hearing will break shortly if there aren't
4 any other speakers, but a second hearing will
5 begin at six o'clock in order to accommodate
6 people whose jobs prevented them from being
7 here at the earlier session. So if you haven't
8 spoken now and you want to think about it some
9 more and come back at six, that's fine. But if
10 anyone has any additional statements, I'd like
11 to encourage you to bring them up now.

12 (No response)

13 COMMISSIONER LAROCCA: Thank you all
14 very much. Much appreciated. I think we have
15 one more speaker.

16 JUDGE STEIN: Okay.

17 MR. LEERY: One more.

18 JUDGE STEIN: I don't have a card for
19 you, so please give your name and address for
20 the court reporter, if you don't mind.

21 MR. LEERY: My name is William Leery,
22 64 Winter Hill Road, Tuckahoe.

23 I wasn't planning to speak because
24 I'm afraid I might lose my composure. I bought
25 my house 47 years ago. My property taxes at

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2 that time were \$550 a year. In 2009 I paid
3 over \$17,000 in property taxes. I'm a senior
4 citizen, as should be obvious, one on a fixed
5 income. Social security hasn't had any
6 increase in the past year and they don't plan
7 one for this year either. I have a small
8 pension that is fixed, it is not -- does not
9 increase. And it is getting considerably more
10 difficult to remain in my house and to keep the
11 property in a respectable condition.

12 This increase in water rates is
13 unconscionable and, as all of the speakers have
14 said, even obscene. Those are my objections
15 and my feelings, and I just wanted to express
16 them. Thank you.

17 JUDGE STEIN: Thank you.

18 (Applause)

19 MS. REYES-GUERRA: Sandra
20 Reyes-Guerra. R-e-y-e-s hyphen G-u-e-r-r-a.

21 Hello. My name is Sandra
22 Reyes-Guerra. I am not, obviously I'm not a
23 firefighter nor a county legislator, I'm just a
24 homeowner. And I'm a person who over a year
25 and a half ago lost my job. So I am one of

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2 those people who am not seeing anywhere in the
3 near coming future any type of a job coming
4 down the line it doesn't seem to be to me. And
5 I really cannot afford anything like this
6 coming in a way that I can afford to pay. And
7 I recall a statement that someone else said
8 before, that in an area where everyone, every
9 municipality, every corporation, everyone is
10 trying to come up with inventive ways to reduce
11 and become more cost efficient and cost
12 effective, this is not what I'm seeing here.
13 It's not at all. You should be looking for
14 ways to cut costs, not increase them.

15 Thank you.

16 (Applause)

17 JUDGE STEIN: Thank you, thank you
18 for speaking.

19 Okay, seeing no other speakers, I'm
20 going to adjourn this hearing. The next
21 hearing will commence at six p.m. Thank you
22 all for coming.

23 (Time noted: 5:30 p.m.)

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C E R T I F I C A T E

STATE OF NEW YORK)
) SS:
COUNTY OF ORANGE)

I, KARI L. REED, a Registered
Professional Reporter (Stenotype) and Notary
Public with and for the State of New York, do
hereby certify:

I reported the proceedings in the
within-entitled matter and that the within
transcript is a true record of such
proceedings.

I further certify that I am not
related, by blood or marriage, to any of the
parties in this matter and that I am in no way
interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto
set my hand this ____ day of August, 2010.

KARI L. REED, RPR

