

Public Service Commission - 16-W-0259 - Malverne  
October 26, 2016

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STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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CASE 16-W-0259 - Proceeding on Motion of the  
Commission as to the Rates,  
Charges, Rules & Regulations of  
New York American Water  
Company, Inc. for Water Services  
-----X

October 26, 2016  
1:00 p.m.

Malverne Village Hall  
99 Church Street  
Malverne, New York 11565

PUBLIC STATEMENT HEARING  
TRANSCRIPTION OF PROCEEDINGS

BEFORE:

GUY MAZZA  
Acting Director  
Department of Public Service - Long Island  
Office

REPORTED BY:

Nicole Ellis

Public Service Commission - 16-W-0259 - Malverne  
October 26, 2016

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SPEAKERS:

Claudia Borecky - North and Central Merrick Civic

Barbara Sims

Dave Denenberg - LI Clean Air Water & Soil

Senator Todd Kaminsky - District 9

Legislator Siela Bynoe - Nassau County Legislature

Linda DiBari

Bill Merklin - D&B Engineers & Architects

Charles Meyers

Stephen Emers - Bellmore Legion Street Community  
Association

Assemblywoman Michaelle Solages - 22nd Assembly District

Mayor Patricia McDonald - Village of Malverne

Tracy Levy - Bancker Construction

Zehava Schechter

Karen Montalbano - Baldwin Civic Association

William Rogers

Dennis Kelleher - H2M Water

Christopher McGrath

George Varghese

Rachel Burd - PULP

Assemblyman Brian Curran

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MR. MAZZA: Good afternoon, ladies and gentlemen. Can everybody hear me okay?

THE AUDIENCE: Yes.

MR. MAZZA: It is now 1:00, and I'd like to open the record on Case 16-W-0259: Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of the North American Water Company, Incorporated for Water Service. I'd like to welcome all of you here today.

You're here today for a public statement hearing, which was noticed on October 6, 2016. This Public Statement Hearing concerns New York American Water's request to the New York State Public Service Commission to change its water rates and practices for its service territory.

My name is Guy Mazza. I'm the Acting Director of the Department of Public Service, Long Island office. I will be responsible for presiding over today's hearing.

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The Department of Public Service is the agency that's charged with regulating public utilities in the State of New York. The presiding officer of the hearing is responsible for ensuring the development of a complete record in this proceeding and may make recommendations to the New York Public Service Commission.

The Public Service Commission is the ultimate decision maker in this case. All the statements given will not only be heard by me, but they will also be transcribed by our Court Reporter and included in the official record of this proceeding. It will then be considered by all of the Commissioners when they make their decision.

I'd like to explain the proposal briefly. New York American Water Service filed new water tariff schedules on April 29, 2016 that will take effect April 2017. The review of the filing is currently underway. The Department of Public Service staff and other parties to

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this proceeding have reviewed and analyzed New York American Water's request and have filed testimony in this proceeding.

Evidentiary hearings were scheduled; however, before the commencement of those hearings, the parties entered into settlement negotiations. Currently, the parties are engaged in those settlement negotiations. If a settlement is ultimately reached by some or all of the parties in this proceeding, they may join in what's called a Joint Proposal to the Commission.

The Commission will consider the Joint Proposal, which compromises the parties' litigated positions -- I'm sorry -- which represents a compromise of their litigated positions. If the parties reach an agreement and file a Joint Proposal with the Commission, the Commission will request public comment on their Joint Proposal before it makes any determination. If no settlement is reached by the parties, the case will

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follow a mitigated track and an evidentiary hearing will be held.

When the case is eventually brought before the Commission for a decision, the Commission may adopt, reject or modify the Company's proposal. In making its decision, the Commission will make its decision based upon the entire record in this proceeding.

Again, the purpose of today's hearing is to provide you with an opportunity to tell the Commission your thoughts on New York American's proposal. This hearing is not an evidentiary hearing or a cross-examination or a question-and-answer session, but rather a forum to hear from you.

As I mentioned earlier, we have a Court Reporter here today so that a verbatim transcript of the hearing will be made for inclusion in the records of these proceedings. Once the transcript is prepared, it will be available for the Commission and the public's view on the

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Department's website.

The process that we'll be following today is as follows: If you'd like to make a statement today, please fill out a registration card. And I do have a number of those cards already. I will call the speakers up one by one using the cards.

And when you come up to speak, please speak slowly and clearly for the Court Reporter so that your statement can be accurately captured for the record. I'd ask that you leave your name and any capacity that you're here of as a representative.

We have plenty of time today, I believe, for all of the comments that will be made, so I don't think it will be necessary at this point to set a time limit. But by the same token, please be considerate of others who wish to speak.

This won't be the only opportunity for you to make comment. If, for any reason, you would prefer not to give your statement this afternoon but would like to

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have your views included in the record,  
there are a variety of other ways to  
comment.

The fact sheet, which is available at  
the registration table, lists the other  
ways to deliver comments. You can do so  
on the Department's website by e-mail or  
regular mail or by phone. We ask that any  
comments be made by November 4th, 2016.  
The comments may be submitted and will be  
considered throughout the pendency of this  
proceeding. If you have any questions,  
please see our customer service  
representatives at the registration table.

Finally, before we begin, I ask that  
everyone be respectful to the speakers and  
not interrupt them. And I would ask that  
you silence your cell phones. I,  
likewise, will not be responding to your  
statements. And you should not interpret  
my silence as either agreement or  
disagreement with your position. This is  
your opportunity to speak without  
interruption.

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Does anybody have any questions about the procedure that we'll be following today?

(No response.)

MR. MAZZA: I will note that we have in the audience a number of representatives of the Company who have expressed their willingness to respond to any questions that you may have, subsequent to today's hearing, if you give them your name and contact information sometime during the pendency or immediately after the hearing.

That being the case, I will start calling the speakers. Again, if anybody wishes to speak and has not yet done so, please fill out a speaker card.

We have present two legislators -- or will have present two legislators who I will call first.

County Legislator Siela Bynoe here?

AUDIENCE MEMBER: She's not here yet.

MR. MAZZA: Is Senator Todd Kaminsky here yet?

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AUDIENCE MEMBER: He's not here yet.

MR. MAZZA: Okay. In that case, let me begin with Claudia Borecky. Please state your name and your affiliation.

MS. BORECKY: Claudia Borecky, President of the North and Central Merrick Civic Association and a director with LI Clean Air, Water & Soil, both of which are parties to these proceedings and also participating in the settlement negotiations with the Department of Public Services and New York American Water.

I thank you for holding this hearing. And since we've had one in Oceanside in June -- July -- early July, no one knew about it, and no one attended. So we, as parties to the action, filed for and were granted the motion to have these hearings today. And I'd like to thank you for granting that request.

Our issues here -- and I'm finding out more and more as we learn more about it -- is we are being -- our rates are being raised. We're dealing with the

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individual projects that are being raised. Some of them we are opposing, such as the \$4.5 million research and development program, the project that you're doing in one school in Valley Stream. We don't feel that everyone should pay for the Company's research and development program since it hasn't been true to us. So that's \$4.5 million.

And we are also concerned about some of the projects. For instance, the one in Wantagh. In 2009, when you asked for a rate increase, you included in the project putting in booster pumps for -- back in 2009, and they were never put in. And now they're in the project again.

So I'm -- from the proposal again. So I'm concerned that the projects that American Water said they're going to do, you make sure they're doing it because the Wantagh water pressure has not been corrected. So, you know, we're spending all this money, and it's not going to where people want it to go. But we see

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them building up, you know, a \$4 million building in Merrick and not doing -- fixing the problems that they were supposed to do in the last proposal. So that concerns us.

What I think most people need to realize -- and it's not the Public Service Commission's fault; it's not even American Water's fault -- but over 30 percent of our bill is going to property taxes -- property taxes on American Water's property that they own.

Whereas, public water, they don't pay taxes on the -- their public water district's property. So if we took out 30 percent of our bill right away, it would very much lower our costs, so -- 'cause American Water passes on between 85 and 90 percent of its taxes directly on to the customers. So that's another concern.

And then another reason why our bills are higher than public is that they get almost an 8 percent profit, which, as a private corporation, they're entitled to.

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But, of course, the public water, any money that you pay goes directly for the maintenance and operation of their water system and usage charge that they get, which is minimal compared to what we're paying.

You know, our water bills -- my last one was \$255 on two people in my family. And it's ridiculous when you hear that our neighbors are paying \$30, \$40, \$50 for the same amount of water. So we are concerned about our how American Water is -- the project that they're doing, whether it's going to really be done. We don't understand that the Merrick Road project has now been scrapped.

So you're asking for this money. You're asking \$4.5 for the geothermal. You're asking millions for these other projects. And you're asking for \$8.5 million all together. So it seems to me that you cut off -- that project's not happening. We're going to fight the geothermal project. It shouldn't be an

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increase at all. And I would hope that the State, County and Town officials, when they come and speak, will help us. The State needs to change the way they're taxing the water companies and help us get public water.

Town of Hempstead needs a public water company. We had a public water authority. We pushed for it in 2009. And the Towns of Oyster Bay and Hempstead did start one, but they dissolved it this year. And we began to realize why. It's because they would have to give up \$12 million in property taxes as our bills because we are paying that 80 percent of Nassau County is not paying.

So we believe it's also basically unconstitutional to tax one portion of the population for their water while the 80 percent do not pay the same tax.

So I think that's basically it. Also a concern is the Fire Departments. They are -- just to show you the discrepancy between public and private water --

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American Water charges one hydrant in Merrick -- North Merrick for \$800 a year. North Merrick has -- two-thirds of it has private water, and one-third of it has public water. So the same hydrants in the same fire districts that are in the public water are only charged \$75.

So they either charge \$800 a few blocks away or \$75 because they have public water. And, of course, the fire districts have to tax us. And they have to stay under the tax cap, which is, this year, less than 1 percent.

American Water doesn't have to stay under any tax caps. So we're not protected under New York State tax caps either. Thank you.

(Applause.)

MR. MAZZA: Thank you very much.

I'd like to call next, Dave Denenberg.

(No response.)

MR. MAZZA: Barbara Sims.

MS. SIMS: My name is Barbara Sims,

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and I would just like to start by saying my water bill right now has reached \$600 for the year. Two people living in my house, I do not have a pool, that's ridiculous.

I have had brown water. I've had to have the Health Department come to my home. Of course, they told me it was safe to drink. I don't know if they would have drank the glass of brown water, but they said that it was safe.

I'm looking at the -- I believe you called it the filing letter that was sent to the Department of Public Services. And in here, it says there are four major components to this rate filing: Continued investment in infrastructure. What does that mean? What buildings? What machine? What -- where are these buildings?

From what I understand, the New York American Water Company represents places in different states they have with many different companies. Are we paying for the buildings and machinery in other

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states and other towns and other counties?  
Who is paying for that?

And one of my major concerns is: Why  
are we chipping in for their real estate  
taxes? Hello. I'm already paying real  
estate taxes. I have to fight my taxes  
every year, just like everybody else. Why  
am I paying their real estate taxes? That  
does not make any sense. That should come  
out of their cost of running their  
company.

I also don't understand -- I read on  
one of their sites that, in July, there  
were people here from New York American  
Water Company to answer questions, that  
they were supposed to -- they came an hour  
ahead of time to answer questions, but  
they're not here at this meeting.

I did not know about the other  
meeting. I have put forth as much effort  
as I could to notify neighbors. My son  
sent out texts to his customers -- he's a  
landscaper -- because they let their  
water -- grass die because they don't want

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to pay the bill.

So I have done everything I can.  
Calling Channel 12 News, friends called  
Newsday to get the information out.  
People don't even know about the meeting.  
They're not getting enough notice, and I  
think that New York American Water should  
be at the meetings and have to answer our  
questions. Thank you for listening.

MR. MAZZA: Thank you very much.

(Applause.)

MR. DENENBERG: My name's Dave  
Denenberg. You just called my name  
before.

MR. MAZZA: Yes, I did,  
Mr. Denenberg. Go ahead.

MR. DENENBERG: May I speak now?

MR. MAZZA: Yes, you may.

MR. DENENBERG: First, I want to  
thank everyone here. They deserve a lot  
of credit during the workday for being  
here, so give yourselves a round of  
applause.

(Applause.)

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MR. DENENBERG: There's several -- several issues with this rate hike that the Public Service Commission has to stand up and really look at.

First of all, it's really almost a 10 percent rate hike, and I think that's completely uncalled for, given the economy, and, more than anything, given the fact that those of us who are New York American Water Company are already paying more than three times -- more than three times the price for water than anyone else does in Nassau County.

So 20 percent of the residents in Nassau County, as well as 20 percent of the Towns of Hempstead and Oyster Bay residents, are paying more than three times for water.

And why? First and foremost, as the previous speaker just mentioned, the Public Service Commission and the State of New York has allowed -- has allowed New York American Water to pass almost 100 percent -- more than 80 percent, and,

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depending where you were, it could be 100 percent -- of their real estate taxes on to their ratepayers.

So think about what that means. More than 30 percent of our bill is property taxes. You can say it's indirectly. I say it's actually a due process issue, because if American Water, who provides a necessity, water, has to pay property taxes and water districts -- public water authorities do not, residents of public water are only paying for the water, the usage, the maintenance and the service. We're paying usage, maintenance, service and then taxes.

Effectively, our tax rate is higher than any percent of the residents in Nassau County. And when we pay those taxes, 100 percent of the people are getting the benefit, and the burden's only 20 percent. If you just said that our tax rate was, for argument's sake, \$15 per \$100 of value, but everyone else in Nassau County was \$14 per \$100 of value, the

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result would be, Hey, that's unconstitutional, that's a substantive due process issue. And yet, we pay it every day indirectly in our water bill.

So either the State has to come to the table and say, Anyone providing a necessity, like water, doesn't pay property taxes or that should not be passed on to us.

The second big item in these -- in our rates is profits. All you have to do is look. New York American Water, which is an out-of-state company, is making record profits on what we're paying in our water bills. And we get no protection, no oversight from the Public Service Commission.

Let's go to Item No. 3. What is this increase really about? First and foremost, it's to pass a \$4.5 million bill to build a building in Merrick, which I call the Taj Mahal of water buildings because it's this huge building that, up until Long Island Clean Air, Water & Soil

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and North and Central Merrick Civic started complaining, that building said the public can't park there. Can you imagine? They want the public to pay for the building, but we couldn't park there. So it's not our building; it's theirs.

And by the way, I should say, thank you for holding a second public meeting on October 26th 'cause the public meeting at the beginning of July, no one knew about it. And Long Island Clean Air, Water and North and Central Merrick Civic became parties to request, by motion, this hearing. And I appreciate that you're having it. So all those out there, there's also one at 7:00 tonight at Wantagh High School.

But the key point here is: We're paying the cost of a building in a very short period of time, which is not going to be the public's building. It's New York American Water's building. It's going to be listed -- and I checked their public records -- it's already listed as

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their asset.

So if, low and behold, we got the same rights as everyone else in Nassau County and there was a public takeover of this private water company monopoly providing a public necessity, water, if there was a takeover, we would have to pay for that building.

So you want us to pay for the building through the rates, but it's their asset. So if there's ever a State action or legislation coming to their senses and saying that the town water authorities or water districts can take over New York American Water, we would have to pay for that asset yet again.

And it's being paid -- most of us own a home, and we pay our mortgages over 30 years. This asset, we're paying in less than five years. I believe in three. They also -- "they," meaning New York American Water -- is applying millions in what I would call research and development.

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Any of my clients that are in high tech, they have to pay for their research and development. And that comes from shareholder distributions or shareholder value, because, ultimately, the shareholders get the benefit of research and development. None of us are really going to get that benefit, maybe indirectly if somehow our rates go down.

Does anyone know how often your rates went down? Ever? Never. So we're not going to get a benefit of research and development. It's going to be passed to the shareholders. They get the benefit of record profits. They're getting the benefit of research and development. So any prototype or any solar delivery investigation, whatever you want to call it, the Company should pay for it.

And finally, finally, let's talk about water quality, because water quality is one of the biggest issues we have. If you looked at my bill -- and I paid over \$1,200 last year -- last two months, I got

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my September bill, which was for July and August, my September bill was \$450. So, obviously, I'm paying for water as if it's gold that's coming out of my faucet. It looks like gold, but it's not gold. That's the quality. It looks like gold, but we're only paying as if it's gold. There are real issues when it comes to water quality with New York American Water.

And one of the biggest concerns I have and, for example, Bellmore School District came up as one of the school districts and several other local school districts, is having lead in the water, which is a grave concern for the health and safety of our children. But our children spend even more time at home.

There's virtually nothing being done. And if there was, of course, the costs would be passed on to us to look or educate people about lead pipes in their home or to at least give us a feeling for how much of the piping that's in our

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street is lead.

The one thing we all get -- and I'm sure I'm going to guess that -- is a solicitation to say that we're not insured or protected for the pipes coming into our home. So I asked East Meadow Water. I asked some of my best friends about that. They don't get the same solicitation. Whenever they have a problem, maybe the public authority or the public water district actually takes care of something in the home or under the home and doesn't get into a squabble, whether it's in the street or connected to the home.

But we're invited to pay insurance to what I believe is a subsidiary of -- a subsidiary of New York American Water, another profit item for them. So you entitle New York American Water to make about 8 percent profit a year. They make profit that you don't even count. They're making profit by selling us insurance.

And, by the way, I looked at one of those insurance plans. Guess what's

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excluded? Lead. Lead. So if, God forbid, you have to replace lead, that's excluded. Of course, it's excluded. It's a moneymaking operation.

One thing in here, as part of the original rate increase proposal, is a nice program. It's a program for low-income customers. I got to compliment you. That's great that we want to do something for low-income customers. How much of that program is administrative? Over -- over 60 percent of that program. I think it was 80, but let's say it was 60, goes to administrative. Sounds like they want to make money on that program, too.

So it's not just that you let 8 percent profit -- and anyone here would run a business if the State would guarantee us 8 percent profit. It's nice that they get a guaranteed profit over a monopoly to provide public service.

But I'm saying that this rate increase has to be turned down. We shouldn't be paying three times more than

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anyone else. We shouldn't be paying for the Taj Mahal in Merrick, which is their asset. We shouldn't be paying for research and development. We certainly shouldn't be paying administrative costs for what's even a good program.

And you should look, New York American Water is saying they haven't had a rate increase in I don't know how many years, but all of us were at hearings back in the '09, '10 and '11 timeframe, where the end result was a settlement that did have a rate increase. And we got hit again.

This not only should be turned down, but you should report back to the State that it's time that the State authorizes the towns to directly take over, have a public takeover of this monopoly, because we, the 20 percent, shouldn't be paying property taxes for everyone and for New York American Water.

And the only study that was done by Southeast Nassau Water Authority after 24

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years of its existence and its excuse to do away with it itself was a study that, guess what? When they looked at what it would cost us, they assumed that we would keep having to pay property taxes. They called it payment in lieu of taxes, a pilot payment. So that wasn't a good study. We're entitled, like everyone else, not to have to pay taxes to get water.

So record profit, taxes passed down, poor quality and profit being made on a number of different items, and, really, no plan whatsoever to deal with what could become an epidemic of a problem. And that's the lead contamination. Thank you.

MR. MAZZA: Thank you very much.

(Applause.)

MR. MAZZA: Senator Kaminsky.

SENATOR KAMINSKY: Thank you.

Good afternoon, Commissioner. Thank you for the opportunity to allow me to address this. I've had the opportunity the last several months to be all over the

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district talking to voters and residents at their doors. So I have a lot of first-person input.

Affordability is the No. 1 issue I hear. And people don't understand when every different entity tells them that they're going to be responsible, why their taxes and cost of living keep going up. Everyone wants their little piece, whether it's a school district, whether it's a different taxing district, whether it's the water, whether it's -- whether it's this or that. And it cannot -- it just simply cannot continue.

I talked to seniors, especially, who tell me they are going to move. They built these communities and, yet, they cannot afford to live there. That is not acceptable.

And so, an increase of this magnitude, I certainly don't see how it's justified or justifiable, especially when brown water is such a -- is such a common occurrence and it's so unfortunate. You

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know, where I am from, you do good and then you ask to move on. You do not say, Oops, we're doing poorly, how about you give us more money and we'll do okay.

So what I would like to see is a redoubling of its efforts from American Water to increase its infrastructure. Show, as they have done at times, that they -- like with the new plant that we had in Malverne recently -- that they're committed to putting the infrastructure in necessary to remove iron from the water, guaranteeing people that they'll have -- you know, not only aesthetic issues, but actually healthy water that they don't have to worry about, and then make a case down the road at a far less rate about what they might need, but not now. And it's not justifiable.

This is -- this is just nothing that our community at this time can take, and I vehemently stand against it. If every water -- if every library, if every school, if every different entity says, We

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need a little bit of ours, that adds up to people not being able to pay their bills. So Water needs to live up to it, then, to make due with what you have. In fact, do better than what you have, and then let's see where we can go in the future when we have upgraded infrastructure that they themselves invest in. But you can't give us brown water and then ask for more money. We won't take it. Thank you.

MR. MAZZA: Thank you, Senator Kaminsky.

(Applause.)

MR. MAZZA: Ms. Legislator Bynoe.

LEGISLATOR BYNOE: Good afternoon. My name is Siela Bynoe. I'm a legislator for Legislative District 2, and I've just shortly walked in.

But in the interest of time and not repeating some of the earlier speakers, I'll first start out by saying that I contacted New York American Water to request a copy of the budget.

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I was interested to learn how they would be using the money that they're asking utility payers to give them. They're asking for an 8.4 percent increase. As stated, many of the residents can't use the water, whether it's for drinking, bathing their children or cooking, even cleaning, washing clothes and the like. It's not something that they can use. They're carrying in bottled water.

There are many people that are on fixed incomes, whether they are a senior or a disabled veteran or a disabled person in general. They're at 160 and now you're asking them to pay more for a service that they can't even utilize. I think that that's not something that should be even a thought at this time.

I think there should be investments -- continued investments into the infrastructure and then, at a later date, maybe express to the community what investments, how they -- what they cost

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and then maybe, at that point, they could legitimize those expenses.

But I think it's a hardship for the community, for the residents, for taxpayers that are strapped already. And I also think it's a disservice for them to even request this increase and not provide any details as to how that money would be utilized.

I think that they should release the budget, and I think, in particular, they should release the plan to continue to invest in this infrastructure community by community. Thank you.

MR. MAZZA: Thank you.

(Applause.)

MR. MAZZA: Next will be Linda DiBari.

MS. DiBARI: Hi. My name is Linda DiBari. I'm a homeowner. I was first concerned over the fact that I had heard on Channel 12 there was going to be a meeting and, yet, there was no time set. So I knew that there would be Malverne and

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Wantagh. That's all I did know. I thought about it. I asked people. No one knew anything about it.

Then I wound up calling New York Water Company. They told me, We don't have an event. So they said, We'll contact our administrators, and they'll call you back. Last Monday, I did get a phone call, and they told me what time the meetings would be.

I just find this so unbelievable in today's world that I would have to call, wait for people to call me back. Why wasn't it announced when Channel 12 announced the two times -- the dates that the meeting -- October 26th was the date, the two places would be Malverne and Wantagh?

So anyone I spoke to knew nothing about it. I did remember a lot of the meetings back in 2010, 2011. And I was surprised. We were told that people didn't want the water to be anything other than a public facility because of the

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rates. And back then, we were told, Okay, New York Water's going to take over, but they promised, quote, We were supposed to remain status quo in our rates.

When I had Aquawater, I didn't have a problem with the quality of my water. Now, I have pink rings in my sink, pink rings in the bathtub. I even have pink on my white tiles on the lower part of the tiles in my shower. We don't drink the water. I carry in bottled water. My children buy bottled water. I don't see anybody drinking the water.

My concern also is, when I heard about the building with the school district, that there was lead in the water. So now I'm concerned about even giving the water to my dog.

Another thing, I have friends in East Meadow. Their service charge in East Meadow quarterly on their bill is \$8, the service charge. My service charge on my bill is \$29.52 bimonthly. My bills run \$65 for two people in a home. And that's

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bimonthly. Friends of mine are paying \$19, same two people in the house for two months in East Meadow -- for three months, yes, I'm sorry. I stand corrected.

My children cannot afford to live in New York. I mean, based on the fact that my income has not increased 8.3 percent, I'm looking at just water. You want to increase 8.3 percent, but yet none of our incomes have been -- I haven't seen a salary increase, my children haven't had a salary increase, I haven't heard of anybody getting a salary increase in the last eight years of 8.3 percent. So I think it's outlandish that they would even propose such an increase.

I was concerned and I'm still upset over the fact that we have many seniors that are in the community and they're on fixed budgets. They cannot -- where are they finding this money for increased taxes? We were given a consideration on our school taxes. There's a cap. I mean, the cap is what, 3 percent? And we're

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talking 8.3 percent in the water increase?  
I just think it's outlandish. And I  
wanted to state my feelings about it for  
today. Thank you.

MR. MAZZA: Thank you very much.  
Bill Merklin.

MR. MERKLIN: Good evening,  
everybody. My name is Bill Merklin. I'm  
an engineer with the consulting firm  
located in Woodbury. The name of the firm  
is D&B Engineers and Architects. We  
specialize in water and waste water  
treatment.

I, personally, represent several  
water suppliers, including both private  
and publicly-owned systems. I wanted to  
speak today in support of the  
infrastructure improvements that are  
proposed by American Water.

Having worked for water suppliers in  
New York State for over 21 years, I've  
seen a wide range of approaches to  
infrastructure improvements. The systems  
that neglect to perform that will improve

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projects on a regular basis often end up spending more money in the long run as a result of being reactive, rather than being proactive.

The best approach is to identify and prioritize infrastructure improvements and then implement them on a continuous basis. I believe American Water is doing just that. Thank you.

MR. MAZZA: Thank you very much.

Our next speaker will be Charles Meyers.

MR. MEYERS: My name's Charles Meyers, and I'm just a regular person. I'm not a public person or anything like that. I -- I'm representing myself.

I just want to say, when I look at my bill here and I see two surcharges, you know -- and we have a gross receipts tax and a state assessment. And yet, everybody in here is saying the water's brown and all this crap, and -- I don't know. You give us all this technical crap.

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I mean, let's talk straightforward, and, you know, what we're going to do to straighten it out. And then when we're in the Town of Hempstead, right, we have straight water districts and all this crap. I mean, let's everybody get on the same page and get in the game, you know. That's all I have to say.

MR. MAZZA: Thank you very much.

Stephen Emers.

MR. EMERS: My name's Stephen Emers.

MR. MAZZA: Good afternoon.

MR. EMERS: I'm down here because, after -- well, two things: My neighbors asked me if I could come down and speak on their behalf because they weren't able to come 'cause I'm now retired and live on a fixed income.

The other reason is, the beginning of the month during a holiday for us, I had several relatives come in from the Phoenix, Arizona area. And, for some reason, there was a male and -- and they started asking me questions about, you

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know, what's going on with your water bills? Why are people upset about it?

And I found out, even though they live in the middle of the desert, they pay one-sixth, on average, of what I pay. And in some cases, being Easterners, they love to have green lawn. And they water their lawns, like, twice a day -- twice or three times a day, which I don't do because I can't afford it.

You know, another thing I noticed is they now have radio frequency readings that the people don't even have to get out of their car to get their -- to get a meter reading, which should reduce their labor costs, but I haven't seen anyone mention that.

As far as water quality goes, unfortunately, I had to remove the flooring of my garage and pull out a lot of pipes. And they were all coated on the inside with rust. And in my kitchen, I had to install a water purifier filter, which I have to replace every three to

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five months because it's just totally saturated. Unfortunately, I didn't save the last cartridge, which, you know, after three to five months, turns brown because of the iron in there. The firemen were mentioned.

And my only question is: You know, why do we have to put up with all of this?

MR. MAZZA: Thank you very much.

(Applause.)

MR. MAZZA: I'd like to call Assemblyperson Michaelle Solages.

ASSEMBLYWOMAN SOLAGES: Good afternoon. First, I'd like to thank you for the opportunity to address a great concern to the people of the 22nd Assembly District.

And it's come to my attention that American Water has proposed a 8.3 percent increase for their services. And I just want to say that, on behalf of the residents, this is -- this is unconscionable.

An increase of this amount is going

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to have unintended consequences. We understand that there needs to be infrastructure repairs made. However, what about streamlining services, looking at other ways to save monies?

Everyone in their own budget -- their household budgets, look for ways to be more efficient, more transparent, use the money in a wiser way. Why can't we do the same here with American Water?

We live on Long Island, already one of the most expensive places to live in the nation. And if a private company wants to increase our fees, why not do it with something like the 2 percent tax cap, which the governor has proposed and implemented here in New York State?

Be a company of good faith, and at least abide by the tax cap, which was implemented. Our schools do it. Our other public entities do it. You know, we serve the public in every form and fashion. American Water should do the same.

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So I implore anyone with the power to stop an 8 percent increase on the residents here on Long Island because we can't take another increase anymore. It's just -- you know, our taxes are going up, our school taxes, our property taxes, our utilities LIPA's pilot. All these -- all these fees are hitting us. And all these taxes are hitting us. And we need relief.

We understand there needs to be infrastructure, but find a way within the budget to do so. Thank you so much.

MR. MAZZA: Thank you very much.

Is the Mayor of the Village of Malverne here? Patricia McDonald.

MAYOR McDONALD: I'd like to read something.

"Water quality is of utmost importance to the residents of the Village of Malverne. And New York American Water must meet its goal to provide safe and reliable water service.

"In Malverne, our biggest concern is the aging distribution system, which has

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left many residents in the Village with unacceptable colored water running from their taps.

"Although I appreciate the recent upgrades within the Village, the over 8 percent proposed increase is an unreasonable burden on our service area. New York American Water must be required to find alternative ways to fund the upgrades. The cost for these upgrades cannot fall entirely on the residents.

"The Department of Public Service must do its job to scrutinize New York American Water's proposal in order to protect and represent the interests of the residents in their service area."

Thank you.

MR. MAZZA: Thank you very much.

(Applause.)

Is Tracy Levy here?

MS. LEVY: Good afternoon, and thank you. My name is Tracy Levy. I am with the Bancker Construction. We are an infrastructure contractor.

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And public comments in cases like these often do not take into consideration the cost analysis of planned water infrastructure activity versus the replacement and emergency repair, the unplanned repair of water mains, which is often a catastrophic pipe failure. And there are really large cost implications, both directly from a monetary point of view and the costs from a societal point of view.

If capital projects are not planned for and budgeted for properly, it can cost even more money and more time and be very dangerous to the public.

We are a civil construction company based in Islandia. We've been involved in water infrastructure installation, replacement and repair for more than 100 years in Nassau, Suffolk and the five boroughs of New York City. We perform water work on a daily basis with more than 32 water districts, authorities here on the island, municipal authorities of the

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City of New York, private clients, too.

So when a water district or water company or water authority plans a main replacement, the project costs, for the most part, are predictable. The capital improvement pipe costs can be planned for. They can be budgeted for, based on an engineer's estimate.

The labor and staff can be anticipated. Any outages can be addressed with pre-notifications to residents. If they need to close a road, they can be mitigated or minimalized. Fire Departments, who depend on adequate water pressure, they can be alerted to any situation. They can be ready for alternate ways of handling an emergency.

In a nutshell, preplanning allows for proper budgeting, and that would correspond to the life of a pipe and make for known, controlled costs going forward. On the contrary, pipe failures, they're unpredictable. And due to the disruption of service, the damage of roadways,

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additional property, utilities, they have costs that far exceed the proactive inspection, rehabilitation or replacement of a pipe in a well-planned, controlled environment.

When you have these unplanned, sometimes catastrophic-in-size water main failures, they represent the worst -- I mean, the worst, of all budgeting scenarios. Most of the failures have to be addressed immediately, unless they have an outside contractor that's under contract with unit pricing in place.

Without that key component, the emergency response alone can boost the cost of the repair two, three, five, sometimes ten times because the repairs are generally off hours.

Overtime comes into play. Any purchases for the repair of the failure must be made without negotiation. The road restoration has to be done on an emergency basis. There are insurance claims associated with unforeseen repair.

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Residents, motorists, businesses face instantaneous issues that range from a short-term inconvenience to a longer-term problem.

Catastrophic failures, costs that are not considered and should be, are traffic impacts, public health impacts, property damage, the reduced firefighting capability, impacts on parallel utilities in the street, like underground services, electric, gas, traffic signals.

The impact on services in general, impacts on public transportation and parking, the value of people's time in traffic detours, the lost production of their work, possible illness or injury relating from the failure, flooding, damage to structures, cars, the value of that firefighting capacity, the cost of police, fire, emergency services, damage to the village, the town, state, federal roads, overpasses, the implications can be tremendous.

So the cost of unplanned activity

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really amounts to this: Direct cost plus societal costs equaling total cost. And the total cost of a planned project versus an unplanned one is many times the cost of the work performance.

On an annual basis, we install 15 miles of water main. Each represents a 100-year infrastructure. So with routine maintenance and replacement, a water installation this year, 2016, should be good to go until 2116. Good planning, aggressive capital budgets should ensure that the water infrastructure on Long Island will serve future generations of our children's children. Thank you.

MR. MAZZA: Thank you very much.

Zehara Schechter.

MS. SCHECHTER: Good afternoon.

MR. MAZZA: Good afternoon.

MS. SCHECHTER: I'm Zehara Schechter.

I live in West Hempstead. I'm also a member of the Board of Directors of the West Hempstead Community Support Association and the West Hempstead Chamber

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of Commerce. But I'm here representing myself and the thousands of others West Hempstead residents who are also customers of New York American Water.

I don't want to take up too much time of the Commission reiterating everything that's been said by other speakers today. However, the need to find another way to come up with the money for the required infrastructure is paramount.

I live at the end of New York American Water's service in West Hempstead. In fact, my next door neighbor is a customer of West Hempstead Water. My next door neighbor's water is clean, clear and he pays less than half of what I do. My water is discolored, unaesthetic, and I have pieces, particles of debris and I don't know what else coming into my water.

I have a whole filter -- whole water filter system on my house because it is impossible to either do the laundry or operate my washing machine or my dishwasher or even shower using the

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substandard water that I receive.

So, for me, this is very personal. And when I hear other people talk about numbers, et cetera, I would invite them to come to my house, as I have Brian Bruce, who's the president of New York American Water, who did come to my house, as well as six other executives. We opened up the main in front of my house. Dirty water abounded.

New York American Water, unlike West Hempstead Water, which my neighbor receives, is driven by its need to satisfy its investors. I've repeatedly asked to be transferred from New York American Water to West Hempstead Water, but it cannot be done because the State has written the boundaries such that my house is the last house -- or the first house if you consider it that way -- in New York American Water's area.

The problem is that I don't have a choice here. If I go to the store and I choose to buy one product over another and

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pay for, that is my choice. But as many of the speakers have said already, water is a necessity. So for me to go without showering or doing laundry or operating my dishwasher is not really an option.

And frankly, we, the residents, I would say, for West Hempstead, need your help, Mr. Mazza, and the other commissioners to protect us because I see that New York American Water really doesn't care. And I'm going to go further on that.

One of the solutions that New York American Water has come up with is flushing the main outside of my house. Unfortunately, during the winter, they don't flush it at all. My water is very, very dirty. And about eight months transpired from last year until this year when they first flushed it again, at which point, so many particles were coming into my house.

When my water is flushed, I get this kind of tag. And the problem is that I'm

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told my neighborhood -- I'm not sure if you're familiar with West Hempstead -- I live on Woodfield Road, all single-family homes, nice enough area. Not quite Manhasset, but, you know, we're very proud of our neighborhood. I'm told that my area is very dangerous. And even though the technicians who are opening the main in the street, they get out of their vehicle to open the main. It's too dangerous to come to my house to leave a tag.

In any case, on October 20th, which was last week, a gentleman came to my home in a New York American Water van, and he handed me this tag. And it says that my water was flushed between 2:15 a.m. and 3:35 a.m., which is well over an hour.

Well, what's interesting is that was about 9:00, and so that would mean that the water was flushed about six hours before. What's interesting is the street was bone dry. That was impossible. The water wasn't flushed.

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I even asked the New York American Water representative, Do you see any water outside there? It's right there on my street, and he admitted the street was dry.

As a result, I have no trust in this company because they are actively lying to me. I actually called Ben Claase, who has sometimes returned my phone calls. Seems like a nice man. Ben Claase told me that he was going to start videotaping the technicians to make sure that they actually are coming out.

So what that means is that, No. 1, the Company is lying to us as residents. They're not really flushing when they say they do, nor do they really care because months go by -- in my case, eight months -- without one flush.

Then I'm told I'm going to be flushed weekly because of the poor quality of the water that I receive, but they don't even do that. And now it's gotten to the point where the Company doesn't even trust its

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own employees who are actively lying.

There is a problem in this company which really doesn't care about us.

Now, if the Commission could make a way such that I could transfer to West Hempstead Water, which is right next door, I would be happy to do so because I believe that the water quality that I receive is substandard. In addition, I'm told that New York American Water uses a powder to -- concerning, I don't know if it's the lime or the rust.

I really don't want powder in my water. I'm not quite sure why they're using it, whether it's more cost effective for them. But it doesn't seem that New York American Water cares about the quality of the water which I drink.

By the way, my water is -- the water that we drink is triple filtered, and we do not drink from the tap, other than triple filtered.

Okay. The last thing I guess I would say is, even when the concern has been

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brought before the Commission, I really don't see the Commission acting on our behalf. I understand, Mr. Mazza, you cannot respond now. But, for example -- and I have no connection to The Herald or Richner Communications -- it's on almost every week's front page -- not just me, but lots of other people in Malverne, West Hempstead; and we hear from other communities who have dirty water, brown water -- if New York American Water representatives would like to come to my house, more reps than have already, and drink the water, that would be fine.

But they don't want to come. They don't want to come drink it. They don't want to do it. When you call the customer service number, I don't know what state they're in, but I think it's somewhere in the Midwest. There is no one here who really cares.

And I'm wondering why Mr. Bruce is not here, Brian Bruce, the president of New York American Water, to speak to us

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and to explain why -- why the problem there is.

I just want to say one other thing. An engineer spoke up. So I have actually two laboratory results on my water from PACE Analytical. I'm not familiar with that company.

First of all, the address on the report is wrong, so I'm not sure -- twice New York American Water came to take a sample from my water. And the address is wrong, so I don't know, really, if this is from my house or not.

The other thing is: The second time that New York American Water came, they actually opened the main, and the water was filthy and Michael Milphie (phonetic), who I believe is in charge of the water quality department, took a sample of that water that came out of the main.

To this day, I have still not received a copy of that report, and I've asked for it repeatedly. I want to see the report of the water that is coming

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from the street directly into my house.

Numerous people have talked about New York American Water's saying that they're only responsible for the water or the pipes that comes to the street. Well, that was a pipe in the street, and that's the water that's coming in my house. Why can't I get a copy of that report? Thank you very much.

MR. MAZZA: Thank you very much.

(Applause.)

MR. MAZZA: Karen Montalbano.

MS. MONTALBANO: Montalbano.

MR. MAZZA: Montalbano.

MS. MONTALBANO: I'm Karen Montalbano. I'm president of the Baldwin Civic Association and Baldwin Residents. I'm here because this is -- it's crazy. We are basically a middle-class community. We are not poor. We're not rich. We don't get very high raises in -- our people who are working. If we get one, two percent a year, we're lucky, okay?

We have a tax cap that we have to

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live with for our food system. I'd rather be investing my money in my children. Our tax cap last year, because of the way it was tied to the rate of inflation, was a negative tax cap. Our school budget had to go into the negative.

It's very interesting. They're allowed an 8 percent profit, and what they're asking for is an 8.3 percent increase in my water bill, okay? It's almost the same thing. They have their capital projects paid over a short period, as people said, three to five years, instead of 20 to 30.

That means more money I have to pay upfront. Their 30 percent bill that goes to the taxes, that means that I'm paying their taxes, which, in essence, I'm being double taxed. I'm paying my taxes, and then I'm paying extra taxes for somebody else who is supposed to be my public utility.

The Fire Department. Once again, all you've heard about, how the fire -- the

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differences in the prices of the fire hydrants. Who is that going to be passed on to? Me. Now, the 2 percent tax cap is supposed to be protecting me from unexpected and to help me live within, you now, a nice range of -- and protect me from all these unexpected increases. It's not happening that way.

We've had several water main breaks in our area. I can think of three in the past year or so. I'm glad to see stuff go into the infrastructure. We definitely should be taking care of our infrastructure, not just in the water mains, but a lot of other things, unfortunately, the research and development.

It was a geothermal project. I thought geothermal was known already. Why are we doing research and development with the geothermal project in one particular place and then passing it on to me?

I'm paying extra for a basic necessity. I'm paying more than people in

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communities who make more than we do in our community. It's not right. It's not fair. Thank you.

MR. MAZZA: Thank you very much.

(Applause.)

MR. MAZZA: Next will be William Rogers.

MR. ROGERS: Good afternoon. William Rogers. I'm here for myself. I just want to comment about the lack of -- basically feel like there's not much care as far as the individuals, the people. It's more about profits for the corporation.

For example, I had an example myself. About a little over a week ago, I called the New York Water with a question regarding the computation of the rates on my bill. Young man was very polite. He said, It's a very complicated issue, I'll have to talk to my supervisor; I'll get back to you in a couple minutes, which he did.

And he said, My supervisor said it was very complicated. She'll call you

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back. I guess it was really complicated 'cause I haven't heard from her yet in over a week.

So it gives you the impression that there's not much concern for the individuals, the public; that it's all about how much profit is being made by the corporation.

Also, I have a question about any of this proposed increase is going to be addressing a possibility of a (inaudible) plume that might be coming down that's going to the Wantagh area, or will that be an additional increase in the future or something like in that regard? That's all.

MR. MAZZA: Thank you very much.

(Applause.)

MR. MAZZA: Dennis Kelleher.

MR. KELLEHER: Good afternoon. My name is Dennis Kelleher. I'm the president of H2M Water. We are the consulting engineers for about 30 public water suppliers in Nassau and Suffolk

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County. I'm also a former Vice President of the American Water Works Association. It's known as AWWA. It's a national trade organization of the water supplies across the United States, and we have about 50,000 members. I'm also a past chairman of the New York section of AWWA, and I'm currently on the board of directors.

Today, I want to speak on behalf of all water suppliers, including New York America Water, all water suppliers on Long Island, all water suppliers in New York State and all water suppliers across the country.

There's a major challenge emerging across the country. Our water infrastructure is aging, and we're not working quickly enough to replace or rehabilitate our water systems.

Why? Maybe it's because our assets are buried, out of sight, out of mind. Maybe it's because we all take water for granted.

The water industry has recently

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realized we need to push to catch up on our water infrastructure replacement. The American Society of Civil Engineers every year puts out a report card on the infrastructure nationally. Last year, the water industry received a grade of D plus. I think everybody will agree that a grade of D plus is not acceptable. Ask the people of Flint what they think about their water system today.

The American Water Works Association recently produced a report evaluating this issue. It's entitled, "Buried No Longer." The report estimates that the water industry needs to invest \$1 trillion in our water system over the next 25 years.

The bottom line is: Water rates for all water suppliers across the United States will continue to increase. I have reviewed the list of projects that New York American Water has completed that are part of this proposed rate increase.

The projects are necessary to improve the water quality and to replace aging

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water mains. Since water rates is the only way to pay for these improvements, I strongly recommend that this request be approved. Thank you.

MR. MAZZA: Thank you very much.

Christopher McGrath.

MR. McGRATH: Thank you.

I just want to follow up on what the last speaker said. Maybe it's because the money that's being paid to this company is not being used properly on the infrastructure and is being used for administrative costs, salaries and bonuses. I think he left that out.

But like one of the prior speakers, I've also been campaigning for the New York State Senate seat, and I've spoken to many people in this town, including on a very, very hot day in August when I knocked on a door a few blocks away from here, and a woman answered the door with what appeared to be a glass of iced tea for me because I was sweating.

And that, I said to myself, Wow, I

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could really used that glass of iced tea.  
And she said, Before I give this to you, I  
want you to know this is my tap water.  
It's not iced tea. And she explained to  
me, not only the cost and the problems  
that go along with it, not only paying the  
bills and not getting the services, but  
having to load her house with water  
bottles that are purchased from the local  
supermarket or gas station.

She also talked about when her  
grandchildren come over, and they have to  
take a bath. And, unfortunately, she  
tells her daughter, You better not bathe  
here because you're going to be bathing in  
brown water.

Now, I want to read you a quote. "We  
are working nonstop to rectify the  
problem." That quote, if it sounds  
familiar to you, was made by William  
Varley, who was then president of New York  
American Water, in February of 2011, at a  
hearing similar to this in relation to  
complaints of brown water in the Village

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of Malverne, where we currently are.

Another official from American Water, in February of 2015, indicated the water was safe to drink. That official was invited similar to what one of the people here did, to drink a glass of it. To date, I'm not aware that that official ever took a sip. This is absolutely disgraceful.

They're operating at an 8 percent profit. They're asking for an eight and a half percent increase. They're not telling us where that eight and a half percent increase is going. Some of these pipes in Malverne are over 90 years old. The complaints -- probably close to over 30 years of complaints of brown water here, and nothing is being done about it. It should not take ten years. It should not take a plan.

By the way, if you go back -- once you go back to 2011, where they said, We're going to be replacing the real main problems here by the Quarter 3 -- that

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seems to be a common thing, the Quarter 3,  
'cause that -- in the pamphlet that you're  
giving out here -- talks about the  
replacement in Quarter 3 again in 2016.

The water here is terrible, and it's  
terrible in other communities. And  
children shouldn't be subjected to that.  
And the fact that they're telling us, We  
treat it with all sorts of chemicals to  
make it safe, it's offensive to the people  
and the families in this district.

This is outrageous. Government needs  
to start working for the people, the  
families and the seniors in this district.  
And today is a pretty good day to start.  
Thank you very much.

MR. MAZZA: Thank you.

(Applause.)

George Varaghese.

MR. VARAGHESE: Thank you, and good  
afternoon. My name is George Varaghese.  
I live in North America for last 35 years.  
As some of the other speakers have already  
mentioned, we already are paying the

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highest -- or one of the highest property taxes in the country.

And water being such an essential thing for our very survival, that should not be treated as a commodity for a profit. And I have a number of friends and ladies living in East Meadow and Hempstead. And all I compare my rate of water what I'm paying. And I'm paying almost three or sometimes even four times of the amount that they're paying.

So I was wondering, within a couple of miles -- three miles apart, why I'm paying so much. So I came to know that the New York American Water Company, which is a private organization company; and the other places, it is a public service company.

So on the job of paying the extremely high rate of taxes and, again, forced to pay so much more for the essential commodity of it as well. And people who are living there, the children, the elderly and all the other people, there's

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no other choice, but to pay and pay and pay.

And the way the rate is going up, one day they may be charging more than the gas that we're paying now. Gas is only, like, \$2.15 per gallon. Very soon, we'll be paying more than that.

So I would say that the water supply should be handed over to the public sector, just like in other places, like Hempstead or East Meadow and that kind of -- those areas. This rate increase should not be allowed.

And, again, couple of the speakers have already mentioned that we're only paying taxes -- property taxes by the New York Water Company that we are again paying. So we're already paying taxes for our property. The school taxes we're paying. And on top of that, we're paying the property taxes, which is given by the New York Water Company.

So my request to the Public Service Commission is we want water as an

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essential commodity just for the people who are living out here, the infants, the children, the elderly and all other people out here. Thank you very much.

MR. MAZZA: Thank you very much.

(Applause.)

MR. MAZZA: Rachel Burd.

MS. BURD: Good afternoon, Judge Mazza. My name is Rachel Burd. I'm the communications and outreach coordinator for the Public Utility Law Project. I'm speaking here on behalf of our director or of operations who was, unfortunately, indisposed today, Rosa Marie Castillo-Kesper.

We are a 35-year-old, not-for-profit law firm with a mission to advocate, educate and litigate on behalf of low- and fixed-income utility consumers in the State of New York.

I'm here today to address specific issues that are of great concern to the ratepayers servicing New York American Water. This includes the residents of

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Nassau County and portions of Putnam, Sullivan, Ulster, Washington and Westchester Counties and their access to affordable, clean and safe water.

The primary issue I begin addressing today is the social need and desire for affordability for approximately 28.5 percent of the population in Nassau County, which consists of individuals aged 65 or older on fixed income and families living in poverty with annual earnings at or below \$28,555.

Affordability is an issue as well for those households of median annual incomes of \$53,000-plus, normally classified as middle class. In a climate where the monthly housing costs equate to \$2,100 more than half the net annual income -- excuse me, let me restate that.

In a climate where the monthly housing costs equate to \$2,100, more than half the net annual income disappears. Coupled with the cost of gas, electricity and fundamental living expenses, the

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middle-class status of those households does not add up to ease in paying one's bills, as it used to be true when many of these families or their parents moved to Long Island.

For all of these groups, the escalating cost of water essential to every aspect of their lives underlies the need for an affordable water program. And when added to the eternally-escalating costs of electricity from LIPA and gas from National Grid, Long Island, and the similarly increasing costs of living on Long Island, one wonders when these households will vote with their feet and move somewhere cheaper, hollowing out the economy of Long Island.

In this rate case, PULP advocates the establishment of a low-income rate calculated to ease the financial stresses faced by individuals living in poverty by seniors and the disabled on fixed income, by returning veterans trying to get their feet under themselves after serving our

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country and by those households where more than 40 percent of their annual income is consumed by basic housing costs.

To their credit, in this rate case, American Water has proposed a low-income rate reduction program. But, unfortunately, the cost of setting up an administrator of the program would equal three times the amount of any affordability benefits for Long Island's greatest generation and most vulnerable households.

While PULP believes that a robust low-income program for water is essential on Long Island, a gold-plated administrative process will counteract the assistance. We will work with stakeholders, the PSC and the Company to find an affordable means to increase water affordability.

Now, to our second issue for today. Around the United States from Flint, Michigan to Utica Falls, New York to Nassau County schools in East Rockaway,

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Malverne, North Malverne, Oceanside, Wantagh and all three Valley Stream school districts, water testing uncovered that the schools districts are in need of lead remediation.

The use of lead solder in plumbing was banned in New York State in 1986. Neither New York City's reservoirs or distribution system have revealed elevated lead levels. However, elevated levels of lead have been detected in tap water samples in some homes built prior to 1961, which may have had -- sorry -- which may have had service lines, internal fixtures and plumbing that contain lead or internal plumbing installed before 1987 that was joined by lead solder.

What does this mean for Nassau County and all the other older suburban and rural communities throughout our state? Close to 23 percent of Nassau County's population is under the age of 18, and close to 15 percent are age 65 or older.

Infants, young children and pregnant

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2 mothers are at the greatest risk to lead  
3 exposure. And it's been identified as  
4 having direct effects on the brain,  
5 including lowering the intelligence  
6 quotient in children. Pregnant mothers  
7 depart stored lead from their bones, which  
8 may affect brain development. For adults  
9 below retirement age and seniors, lead  
10 content can damage the brain and kidneys  
11 and can interfere with the production of  
12 red blood cells that carry oxygen to all  
13 parts of your body. Adults with kidney  
14 problems and high blood pressure can be  
15 affected by low levels of lead more than  
16 healthy adults.

17 And, honestly, while the EPA and New  
18 York's DEC can tell you what lead levels  
19 in water need immediate action, there is  
20 no safe level for lead in water. There  
21 are merely less dangerous levels.

22 As you may know, there are many small  
23 private water companies in the state.  
24 Those very same companies, along with huge  
25 companies, such as American Water, will

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need in the near future to undertake a lead service pipe replacement project that may translate into higher rates for the consumer.

While PULP believes that, to the extent practical and affordable, lead service pipes should be removed with solarity and due concern for the burden of such a program on low- and fixed-income households. PULP also believes that a better way forward would be to address this issue on a statewide basis.

As such, while we will continue to research and analyze the statewide problem of lead service replacement along with the affordability issues, PULP is considering asking the Public Service Commission to initiate a statewide proceeding with regard to lead pipes and lead content so that, in 2017, the States experts, water companies, communities and stakeholders and advocacy groups will be able to focus on this vital priority and emerge with a robust and affordable program to protect

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our children, seniors, vulnerable households and New Yorkers in general.

Concurrently, since this issue of lead affects all language groups, PULP requests that the 20.9 percent of the Nassau population and similarly significant populations in American Water's other municipalities that are not English language proficient be advised in their vernacular of the water conditions and the potential impact to their health and that of their children.

We look to you for support on this important endeavor of bringing language boundaries to inform -- of bridging -- sorry; excuse me -- of bridging language boundaries to inform and help all of American Water's customers, rather than just the fluent few.

Thank you for your courtesy and for the opportunity to submit these comments today.

MR. MAZZA: Thank you.

(Applause.)

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MR. MAZZA: Assemblyman Brian Curran.

ASSEMBLYMAN CURRAN: Good afternoon.

As the New York State Assemblyman for the 21st Assembly District, I respectfully ask that the Public Service Commission deny the application of the New York American Water seeking a rate increase of 8.4 percent.

Residents across the 21st Assembly District, particularly in Malverne and Lynbrook, have spoken out against the requested rate increase by American Water as not only excessive, but also unwarranted.

I, along with every resident of Malverne and Lynbrook, have unsuccessfully sought for the past six years improved water quality from American Water. With the passage of each year and rate increase, American Water's promise of improved water quality for the residents of Malverne and Lynbrook have gone unfulfilled.

As the cost of living on Long Island

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continues to increase, the proposed rate hike by American Water would substantially add to the fiscal daily pressures of the middle class families across the 21st Assembly District struggling to meet their daily bills.

To compound the issue is the fact that the quality of the product upon which the American Water seeks this rate increase is suspect, if not poor, in the communities of Malverne and Lynbrook.

Based upon all of that, in considering this application, we implore you to consider the fiscal ramifications on the everyday taxpayer that this rate hike will cause, as well as American Water's failure -- years of failure to address the poor quality of the water in this area.

On behalf of my constituents, I ask that you deny the instant application in its entirety with the instruction to American Water that it not return to the Public Service Commission for a rate

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increase until such time that the majority of residents of both Malverne and Lynbrook believe that their water is of good quality. Thank you very much.

MR. MAZZA: Thank you, Senator Curran.

Sandilia Day.

AUDIENCE MEMBER: She left.

MR. MAZZA: Alice Soler. Alice Soler.

(No response.)

MR. MAZZA: Is there anybody who hasn't spoken, because I may be mispronouncing your name, and this is the last card?

(No response.)

MR. MAZZA: Is there anybody else who wishes to speak before we conclude this hearing?

(No response.)

MR. MAZZA: That being the case, I would like to thank all of you for participating. Your comments will become part of the record of this proceeding.

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And that concludes this proceeding. Have  
a good day.

(Time noted: 2:25 p.m.)

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C E R T I F I C A T E

STATE OF NEW YORK )

: ss.:

COUNTY OF QUEENS )

I, NICOLE ELLIS, a Notary Public for and within  
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 to any of  
the parties to this action by blood or by marriage  
and that I am in no way interested in the outcome of  
this matter.

IN WITNESS WHEREOF, I have hereunto set my hand  
this 2nd day of November, 2016.