

NEW YORK CITY WATER BOARD

January 25, 2008

RESOLUTION

WHEREAS, the New York City Water Board (the “Board”) approved a resolution dated September 28, 2007, which authorized DEP to implement a Payment Incentive Program (“PIP”) for delinquent residential premises which are subject to a collection enforcement action; and

WHEREAS, the PIP as approved on September 28, 2007 required, among other things, the payment in full of the revised amount due and was, at the time, contemplated primarily in the context of residential premises subject to service termination; and

WHEREAS, a Memorandum of Understanding (the “MOU”) between DEP and the Council of the City of New York (the “Council”) was entered into in December 2007 in anticipation of Tax Lien Legislation allowing the sale of stand-alone water and sewer liens, which was subsequently passed by the Council; and

WHEREAS, the MOU extended both the scope and terms of the original PIP, explicitly providing that the PIP will be available to residential premises subject to lien sales as well as service terminations and permitting accounts participating in the PIP to either pay the total amount due in full or to enter into an installment payment agreement with DEP for the amount due, with standard installment payment agreement terms to include a minimum 10% down payment and a repayment period not to exceed five years at the standard rate of interest charged on delinquent water and sewer accounts; and

WHEREAS, the Board is in agreement with the Council and DEP that the aforementioned modifications to the PIP in conjunction with the new legislation authorizing the

sale of stand-alone water and sewer liens constitutes a reasonable and prudent business practice designed to address the large current percentage of delinquent water and sewer accounts; it is therefore;

RESOLVED, that the terms of the Board's September 28, 2007 PIP resolution are hereby modified to include residential premises subject to lien sales as well as service terminations and to allow either payment in full or a standard installment payment agreement; and it is;

RESOLVED further, that the Executive Director may prescribe appropriate PIP implementation guidelines so as to ensure prudent program administration consistent with the intent of the Board.