

## NEW YORK CITY WATER BOARD

November 20, 2008

### RESOLUTION

**WHEREAS**, the Board recognizes that delinquent water/sewer charges in the residential class of accounts in New York City are higher than is normal or common in the utility industry and in the area of real property taxation; and

**WHEREAS**, the Board also recognizes that a high rate of continuing delinquencies is unfair to those property owners who are not delinquent because a high rate of delinquency can lead to higher rates on customers who pay their charges in a timely manner; and

**WHEREAS**, the Board believes it reasonable and in the interest of all users of the water and wastewater system to develop a program that has a reasonable prospect of inducing delinquent property owners to become current with their water bills; and

**WHEREAS**, in FY2008 the Board approved a Payment Incentive Program (“PIP”) the objective of which was to enhance system revenues by encouraging a larger proportion of owners with delinquent water and sewer charges to accept a concession on the amount due in exchange for payment in full of their resulting liability so as to return their account to current status; and

**WHEREAS**, the PIP program was successful in that it resolved approximately 18,000 delinquent accounts and produced approximately \$63 million in additional revenues in FY2008; and

**WHEREAS**, the FY2008 PIP program was reserved exclusively for properties which were wholly residential in character; and

**WHEREAS**, DEP has proposed a new PIP program which would be open to mixed residential and commercial use properties and condominiums that would provide a waiver of open late payment charges in exchange for payment in full or the execution of a Payment Agreement, provided the account has at least one charge open and unpaid for at least one year and total delinquent charges of at least \$1,000; and

**WHEREAS**, the Board has reviewed a written description of the proposed FY2009 Payment Incentive Program which is attached as Exhibit 1 hereof; and

**WHEREAS**, the Board finds that such a program has practical utility and is reasonable and prudent to the extent it can reduce the System's accounts receivable and enhance System revenues; it is therefore

**RESOLVED**, that the Board hereby approves the Payment Incentive Program as described in Exhibit 1 and directs DEP to begin implementation of said Program; and it is

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