

INCORPORATED VILLAGE OF SEA CLIFF

Mayor

Edward L. Lieberman, Esq.

Trustees

Kevin McGilloway
Dina Epstein, Esq.
Robin Maynard, Esq.
Deborah McDermott



Village Administrator

Bruce P. Kennedy

Village Clerk / Treasurer

Marianne Lennon

Village Justice

John P. Reali

Counsel

Brian S. Stolar, Esq.

August 14, 2017

The Honorable Andrew M. Cuomo
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

RE: New York American Water / Public Service Commission Case #16-W-0259

Dear Governor Cuomo,

Customers of New York American Water Company (NYAW) on Long Island were shocked last month by their new water bills. Apparently, the Public Service Commission granted not only a rate increase but also permitted NYAW to pass on operational costs and property tax expenses to the rate payers.

The presentation to the public has been that NYAW is experiencing "soaring" property tax bills which is causing their bills to ratepayers to go up. However, the Sea Cliff village property tax burden to NYAW has decreased by 40% between 2015-2017.

As you know, the Office of Real Property Tax Services sets the assessments for utilities and not the County or the Village. Therefore the Village and the County have little, if any, control over the property tax burden of utilities.

Regardless of this, ratepayers (residents) are seeing quarterly water bills that are 60% - 250% higher than the previous quarter. There are surcharges added in (Revenue, Production Cost and Property Tax Reconciliation Surcharge, Temporary State Assessment Surcharge, Gross Receipts Tax, Incremental Property Tax Surcharge, Make Whole Surcharge) which increase an average water bill by 80%-90%. People are receiving water bills that exceed their electricity or gas bills and low-income / fixed income residents are having to choose between keeping their lights on and being able to flush the toilet.

Another issue of significant concern is that these property tax expenses are being passed on to the Village of Sea Cliff owned properties despite the fact that we are a tax exempt entity. This is not only unlawful but causes our residents to be double taxed as this cost will merely be passed on. We believe the decision of the Public Service Commission was egregiously flawed and are seeking your assistance.

There was very little public involvement in the PSC hearings as the public was told by the former President of NYAW, Brian Bruce, that they were seeking an 8.3% increase (see Newsday 05/16/2016). In that same interview, it was stated emphatically that "Residents of the Sea Cliff District, would not see an increase".

We respectfully request that you use the vast power bestowed upon you as Governor of the Empire State to issue an order suspending the order of the PSC and re-opening the hearing for further testimony and evaluation. We further request a forensic audit by the Comptroller's Office be done of this privately held public utility company. Shy of legislative action, the People would be forced commence legal action which would only create an adversarial position for all sides and incur further costs to the ratepayers.

Thank you in advance for your consideration of this request for help on this most important matter. I look forward to your response.

Sincerely,



Edward L. Lieberman
Mayor

Cc: NYS Senator Carl Marcellino
NYS Assemblyman Charles Lavine
NYS Assemblyman Michael Montesano
NYS Assemblyman Edward Ra
NC Legislator Delia Deriggi-Whitton
TOB Supervisor Joseph Saladino
Mayor Bernard Ryba
George Pombar – Glen Head Civics