

Overview of Proposed Water Rate Increase

Why the increase in rates? The money raised from rate increases helps us continue to provide our core services to the people of Philadelphia. We don't profit from rate increases.

WHAT WILL THE RATE INCREASE PAY FOR?

We do everything possible to keep our rates flat, but some costs are rising.

- Increased expenses in the components that allow us to guarantee safe and reliable water:
 - Pipes** to deliver drinking water and manage wastewater and stormwater
 - Plants** to make top quality drinking water & protect public health
 - People** to keep our facilities and services running 24/7
- We are **managing the costs of federal laws** that require protection of water sources against **stormwater** pollution from sewage overflows and runoff to achieve fishable, swimmable, clean & beautiful rivers and streams.



HOW MUCH WOULD A TYPICAL MONTHLY WATER BILL INCREASE?

We're proposing a 10.6% rate increase, spread over three years, beginning in September 2018.



These typical bills represent people who have a 5/8" water meter and use 500 cubic feet of water (3,740 gallons) per month. Differences in water usage will result in higher or lower charges.

WHEN: A TIMELINE FOR WHAT TO EXPECT



We Are Here

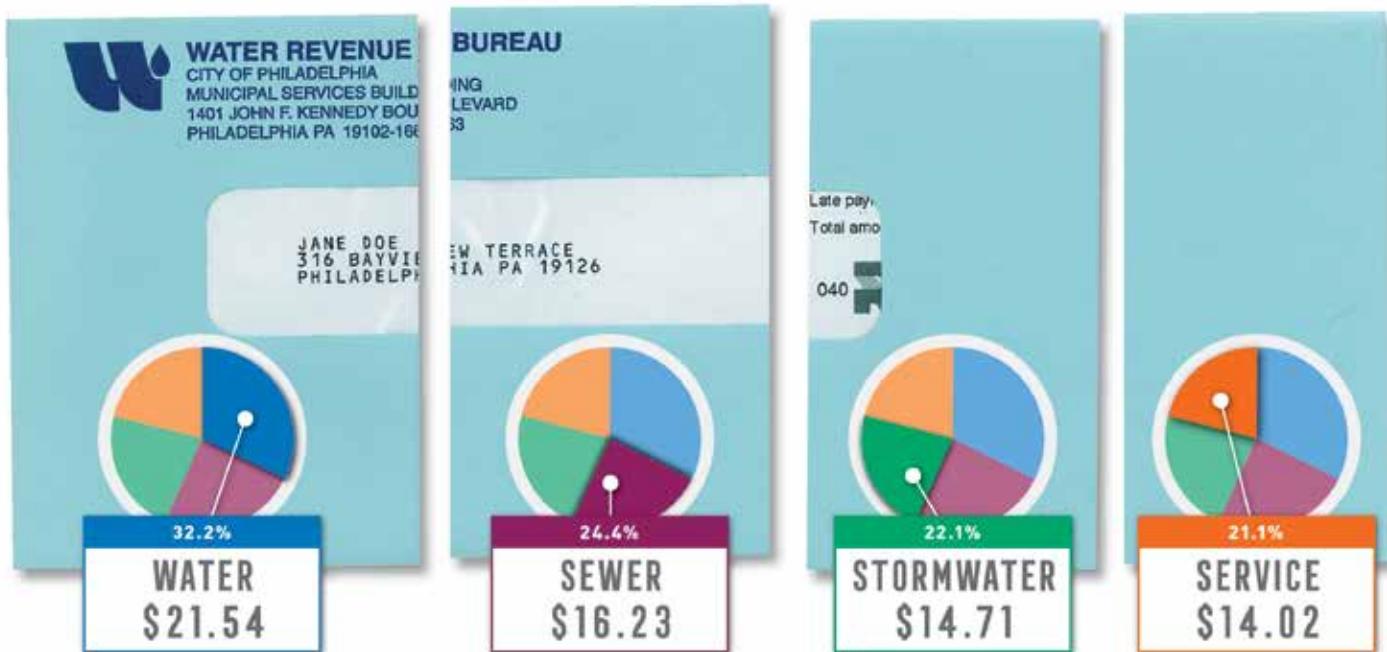
What is the Water Rate Board?

The Rate Board is independent of PWD and ultimately responsible for setting and regulating rates and charges for water and sewer services. PWD will propose a rate increase to the board.

www.phila.gov/water/rateboard

What does a typical monthly bill pay for?

The current typical monthly bill of **\$66.50** covers four charges:



Water: The average Philadelphia household uses about 500 cubic feet (nearly 3,740 gallons) of top-quality water monthly.

Sewer: We treat what you flush down the drain and toilet to keep the water supply safe.

Stormwater: Managing runoff (rain and melting snow) that flows from properties into sewers and waterways, as required by law.

Service: Billing and collection services, metering, pollution prevention services.

KNOW YOUR BILL BETTER

Water Access Code

A unique, nine-digit number on your bill, which can easily identify you – whether you are applying for assistance or calling about your meter.

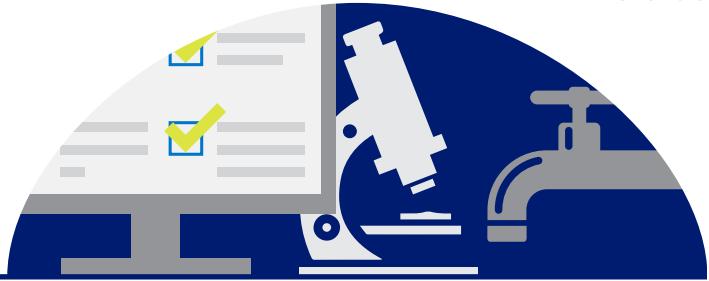


Don't ignore the usage chart!

Any estimated usage could lead to unexpectedly high bills in the future!



Protecting Your Health and Safety



Safe, high-quality water from source to tap.

Every hour of every day, we work to provide you with safe, reliable service and water you can trust.

PIPES, PLANTS, and PEOPLE

make top quality drinking water possible. Our investment strategy anticipates ongoing and future infrastructure needs to maintain and improve system reliability and meet all health and safety regulations.



Specialized labs are constantly testing your water at every step to ensure quality.

INVESTING IN PARTNERSHIPS & TECH

Delaware Valley Early Warning System (EWS)

We joined federal, state and private partners to create the Delaware Valley Early Warning System, an emergency communication tool that protects our drinking water using a rapid notification process that allows for a quick response to events that could impact water quality.

This high-tech system is one of the many tools we use to ensure Philadelphia's residents, businesses, hospitals and more have uninterrupted access to high-quality water.

SCIENTISTS WORKING FOR YOU

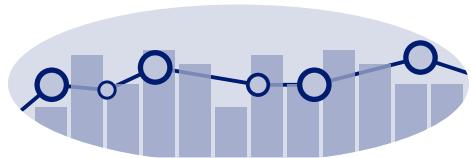
Specialized, state-of-the-art labs constantly test thousands of water samples collected from our rivers, mains, treatment plants and more. Customers can even call us and request testing at their tap.

MONITORING WATER FROM SOURCE TO YOUR TAP

We work with partners to maintain an extensive network of gauges and monitoring tools to study water quality. Data is rigorously reviewed and used by our scientists, engineers and planners.

TOP-RATED ENVIRONMENTAL PROTECTION

The National Association of Clean Water Agencies ranks our Water Pollution Control Plants "Platinum," a distinction earned by achieving **perfect federal compliance five or more years in a row**.



BY THE NUMBERS



2,000+

Employees devoted to keeping your water safe

85

Water Monitoring Locations throughout Philadelphia

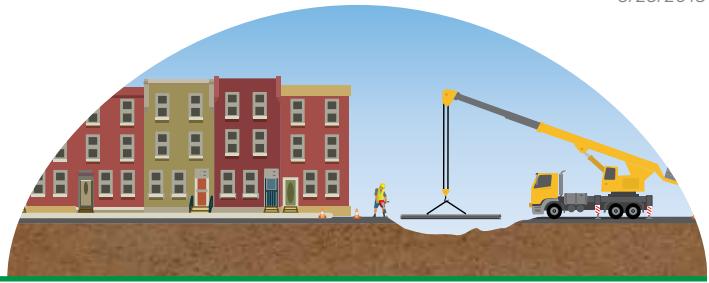
2,500+

Monthly tests done by our labs to ensure water is safe & top quality

40

Real-time water quality monitoring instruments in our Surveillance and Response System

Keeping Your City's Water Running



Maintaining critical infrastructure through repairs, replacements, and major new projects.

Every business, organization and home in Philadelphia depends on around the clock access to water and sewers. Your bill makes that possible, and funds critical infrastructure every day.

NEW WATER TANKS

A \$100 million investment in new water tanks is ongoing at our East Park Reservoir. By the end of this year, two of three, 30-million gallon tanks will be finished, enhancing water quality and reliable service.



East Park Reservoir

EAST FALLS MAIN REPLACEMENT

Bills funded a massive project installing 4,400 feet—more than four Comcast Center buildings—of new water mains. This protects the East Falls neighborhood and makes water delivery more reliable city-wide.

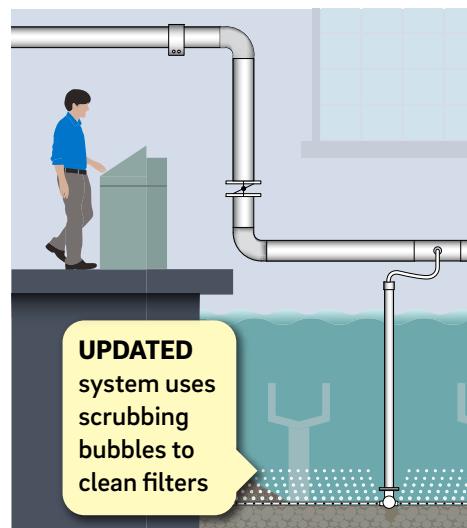


Water Main Replacement in East Falls

UPGRADING WATER FILTER TECHNOLOGY

We tested and adopted **air scour filter cleaning technology** at the Queen Lane drinking water plant, to achieve the following benefits:

- Saves energy and water
- Improves lifespan of filters
- Reduces maintenance costs



BY THE NUMBERS

+ \$188M

Budgeted through 2021 to replace pipes and mains bringing you water

816

Miles of water mains and pipes inspected in 2017

715

Water main breaks repaired in our most recent fiscal year.

380

City blocks targeted for water main replacement in the upcoming year



Improving Customer Service

Embracing technology to make all customer interactions the best they can be.

Our customers are our top priority. Our pledge is to operate efficiently, effectively and with care. We're improving through smart spending, technology, assistance programs and listening to customer feedback.

STREAMLINED + EXPANDED ASSISTANCE

Customers struggling to pay can now use one application to find the best program for them. The new Tiered Assistance Program (TAP) also helps more people afford water.



Tiered Assistance Program (TAP)Outreach

BY THE NUMBERS

60,000

Households now eligible for more affordable water bills through our new assistance programs

3,884

Responses to 2016 and 2017 Customer Satisfaction surveys, done so we can improve service

150,000+

Customer service calls handled by our 24/7 hotline in the last fiscal year

486,000

Approximate number of meters that will provide customers with real-time water use data as AMI upgrade project kicks off in 2019



TECHNOLOGY INVESTMENTS

Simplified Call Center Experience

To streamline your experience when reaching us, we merged the Water and Water Revenue call centers in 2017. You can now ask billing and service questions and make service requests by calling one number.



Advanced Metering Infrastructure Initiative (AMI)



New technology citywide will provide you with real-time water use data and help detect leaks. This major initiative to update meters kicks off in 2018 and will also help us identify homes with lead service lines.

Planning for a Healthy, Sustainable Future



We are leading the way in improving waterways, protecting the environment, and planning for climate change.

Long-term strategy and partnerships guide our organization. We work with City, regional and federal partners to invest in reliable access to safe water, healthy local waterways, and vibrant neighborhoods.



Children's Hospital of Philadelphia worked with PWD, pioneering green stormwater management.

PROGRESSIVE ENERGY POLICY



To reduce energy costs and support citywide greenhouse gas reduction targets, we collect biogas from wastewater and use it to power our plants. The City would have to take 6,400 passenger vehicles off the road for one year to match the fossil fuel emissions we offset by collecting and using biogas created by sewage.

PLANNING FOR CLIMATE IMPACTS

Climate change impacts pose a significant challenge. Our new Climate Change Adaptation Program studies climate change impacts on drinking water, wastewater and stormwater systems and seeks cost-effective adaptation strategies.

LOOKING AHEAD

Green City, Clean Waters

With more than 1,000 Greened Acres now in place, this nationally recognized program is a proven success. We are on track to reduce pollution from stormwater and sewer overflows—the biggest local threat to water quality—by 85 percent and are working with City and private partners to make neighborhoods greener.

Giving Back for Cleaner Water

We gave nearly \$70 million back to our customers through grants to fund green improvements at 160 sites in neighborhoods around the city. Businesses, schools, faith-based groups and other commercial property owners worked with us through the Stormwater Management Incentives Program and Greened Acre Retrofit Program to develop green projects. These initiatives make our water cleaner and help Philadelphia meet federal Clean Water Act mandates in a cost-effective way.

BY THE NUMBERS

+\$1.11B

Total investment in infrastructure through 2021 to protect your water and health

+\$228M

In Water Pollution Control Plant improvements through 2021

+\$173M

To replace and repair aging sewers through 2021

1.7 BILLION

Estimated gallons of stormwater and sewer overflow removed from our waterways annually by green infrastructure and related improvements made since 2011