



**FOR RELEASE on February 3, 2012:**

**New Water, Stormwater & Sewer Rates to Ensure Top-Quality  
Drinking Water, Protect Local Rivers, Alleviate Flooding and  
Protect Natural Resources**

(Philadelphia, February 3, 2012) Deputy Water Commissioner of Finance Joseph Clare announced today that the Philadelphia Water Department is seeking rate changes beginning October 1, 2012 to maintain the City's top-quality water, alleviate flooding, meet regulatory requirements, and improve the quality of local rivers and streams.

Even with the additional rates, PWD's water and sewer charges will continue to be among the lowest in the region. Philadelphia is the 5th largest city in the U.S. but ranks 14th in monthly water/sewer cost among the top 25 American cities and 10th in total water/sewer/stormwater monthly fees. Rate increases in 2011 and 2012 among the top 25 cities surveyed ranged from 3% to up to 25%. Rate increases in the water/sewer utility business over the last 10 years have consistently been double the rate of inflation largely due to environmental regulatory requirements and capital needs related to aging infrastructure.

The monthly average bill for a residential customer with a 5/8" meter and using 600 cubic feet will show an increase of \$4.10 a month, or 6.5 percent. For those who qualify for the 25 percent senior citizen discount, rates will increase an average \$2.73 a month for a senior citizen using 500 cubic feet of water a month. Income eligibility for the senior citizen discount is being raised to \$30,800. Other assistance programs including discounts for qualifying individuals and educational/charitable institutions will continue.

The changes to rates and total monthly bills over the four-year period are below. The current FY12 total monthly average bill is \$57.43.

**Residential Customer Average Monthly Billings**

<b>Fiscal Year</b>	<b>Percentage Increase of Monthly Bill</b>	<b>Additional Monthly Water &amp; Sewer Charge</b>	<b>Total Monthly Bill</b>
2013	6.1	\$3.52	\$60.95
2014	6.2	\$3.76	\$64.71
2015	6.7	\$4.36	\$69.07
2016	6.9	\$4.75	\$73.82

“The proposed new rates, phased in over a four-year period, will fund capital improvements to protect residents from stormwater flooding and to prevent water main leaks and breaks which can damage property, in addition to satisfying regulatory requirements and funding customer assistance programs,” stated Deputy Finance Commissioner Joseph Clare.

“Additionally, we have initiated numerous programs to reduce operating costs and to improve service, while ensuring that we continue to provide top quality drinking water and environmental restoration programs that meet regulatory requirements in cost effective ways,” noted Clare.

Among the Water Department’s cost-cutting measures are debt refinancing, upgrades of the Water Department’s bond credit ratings, automatic meter readers, and improved operating efficiencies at each of PWD’s seven major plants and facilities. “We are also expanding our wholesale services to generate additional revenues from marketing our high-quality drinking water to Philadelphia’s neighbors,” added Clare.

“Water rates fund the day-to-day operation of our 6,000 mile water and sewer pipe network, pumping stations, water and wastewater treatment facilities. They support a host of programs that ensure that our product ranks among the top in the nation. They also ensure that the system will work for decades to come. The proposed new rates will allow PWD to meet all of our operating expenses and fund extensive capital improvements to protect the infrastructure and in turn, protect residents from flooding during increasingly intense rainstorms,” he continued.

Among the new programs is Green City, Clean Waters—the nationally recognized and most cost effective federally-required program in the country designed to restore rivers and streams.

Since the last rate decision in November 2008, additional costs associated with meeting mandated federal and state environmental regulations are requiring more operating and capital dollars. At the same time, the continuing demographic changes in the City are causing the Department's high fixed costs to be spread over fewer customers. The Department's total annual operating budget has grown from \$588.9 million in Fiscal Year 2009 to an estimated \$706.2 million proposed for FY2013 waterfund budget.

The Philadelphia Water Department formally notified City Council on February 3 and will file its request for new rates with the Department of Records in early March. Implementation of the first phase of these proposed rates is scheduled for October 1, following the public hearing process.

Following the report developed by an independent hearing officer, the Water Commissioner will make the final determination. A number of formal and informal public hearings will be scheduled throughout the city to provide our customers with an opportunity to comment and ask questions. A schedule of the hearings will be published in the City's major newspapers and shared via social media and PWD's website. The schedule will also be available to customers by calling 215-685-6300 in the next few weeks (schedules are not yet available). Information concerning the proposed rates and process is also on the department's website at [www.phillywatersheds.org](http://www.phillywatersheds.org)

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Contact: Joanne Dahme

215-685-6110

[joanne.dahme@phila.gov](mailto:joanne.dahme@phila.gov)