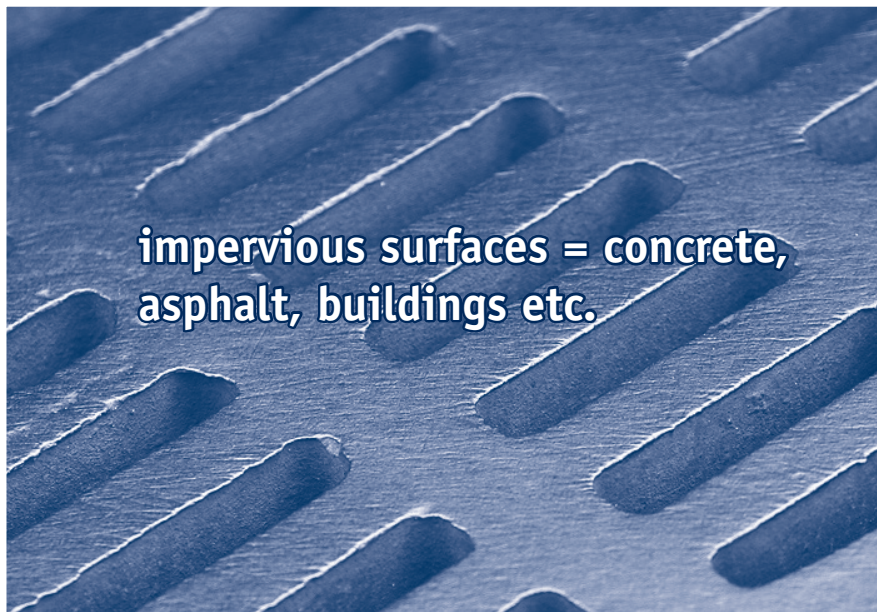


Beginning on July 1, 2010, the Water Department will change the way stormwater collection and treatment charges are calculated. Monthly sewer bills have always included stormwater charges, but the charges were based on the size of water meters located on a property instead of the size of the property. This new method is based on the fair cost of service to our system.

Residential properties will be charged a uniform monthly amount that is based on the average residential lot size and average residential impervious (or inability to absorb water) characteristics. All non-residential customers will be charged based on the actual size of their property and the amount of impervious area determined for their property. In addition, this new method will be phased in over the next four years for all non-residential customers.



1. What is stormwater runoff and how does it affect us?

Stormwater runoff is rain or melting snow that is not absorbed into the ground naturally, but flows over streets, sidewalks, parking lots, and other surfaces, picking up pollutants, sediments and debris. Stormwater runoff will either flow directly into the nearest water body or is conveyed through sewer pipes to the City's wastewater treatment facilities. Not only does this negatively affect the

quality of our surface waters, but the high volumes result in flooding, streambank erosion and combined sewer overflows. The U.S. Environmental Protection Agency has identified stormwater runoff as the number one source of pollution to our nation's rivers and streams.

2. How is stormwater runoff managed?

To manage stormwater, the Philadelphia Water Department maintains stormwater pipes and inlets to capture rainwater to decrease flooding and combined sewer overflows, and to reduce pollution. Stormwater management is the Water Department's fastest growing operating cost, with an annual budget of approximately \$110 million.

3. Why is PWD changing the method of Stormwater Management Service (SWMS) charge assessment?

Historically, PWD assessed SWMS charges based on the size of the water meter(s) located in a property. However, such an approach creates inequity as the size of the water meter does not have as direct a relationship as a property's characteristics. Properties with larger lot size and larger impervious areas generate more stormwater than properties with smaller lot size and smaller impervious areas.

While such a methodology is approved by the American Water Works Association, an expert advisory panel recommended that PWD consider changing the stormwater charge to an area-based charge. The new Stormwater Management Service (SWMS) charge was developed to address these recommendations. The SWMS charge is more fully detailed in section 304 of the Water Department Regulations.

The parcel area based charge provides a fairer way for assessing the SWMS charge, using square footage of Gross Area and Impervious Area to determine the monthly fee. Properties with larger lot size and larger impervious areas generate more stormwater than properties with smaller lot size and smaller impervious areas. Therefore, the parcel area based SWMS charge approach establishes a more balanced relationship between the stormwater burden imposed by a property and the charge assessed for that property.

Again, residential properties will be charged a uniform monthly amount that is based on the average residential lot size and average residential impervious (or inability to absorb water) characteristics. All non-residential customers will be charged based on the actual size of their property and the amount of impervious area determined for their property. In addition, this new method will be phased in over the next four years for all non-residential customers.

4. Is the parcel based SWMS charge a new user charge that is assessed to increase utility revenues?

No, the SWMS charge is NOT a new user charge, and it does not increase utility revenues. The City's sewer customers have always paid the SWMS charge as part of their monthly sewer charges. Only the method for calculating the charge has been changed. Additionally, the SWMS charge assessment will be presented as a separate line item in your Water/Sewer/Stormwater monthly bill.

5. How is the SWMS charge billed for my property?

For residential properties, a monthly charge of \$13.48 (consisting of a SWMS charge of \$10.99 and a billing and collection charge of \$2.49).

For non-residential properties, a monthly SWMS charge will be phased in over a four year period beginning on 7-1-10. For the period 7-1-10 to 6-30-11, your monthly SWMS charge will be based on 25% of your new SWMS charge for gross and impervious area and 75% of your previous meter based charge.

If your property has water and/or sewer accounts, then the SWMS charge will be shown as a separate line item in your Water/Sewer/Stormwater monthly bill. However, if your property does not have a water and/or sewer account, then you will receive a utility bill with just the SWMS charge.

The SWMS charge is based on two factors: the average Gross Area square footage and the average Impervious Area square footage for all residential properties. The average Gross Area for a residential property is 2,090 square feet. The average Impervious Area for a residential property is 1,060 square feet. Based on these average Gross Area and Impervious Area values, a uniform monthly charge has been developed for all residential properties.

For more information on the calculation of the uniform residential SWMS charge, please visit: http://www.phila.gov/water/Stormwater/pdfs/Res_FAQ.pdf.

For more information on the calculation of the non-residential SWMS charge, please visit: http://www.phila.gov/water/Stormwater/pdfs/Non-Res_FAQ.pdf.

PLEASE NOTE: Your Total Account Balance may be greater than the figure in the "Please Pay this Amount" box. Your Total Account Balance is listed in the Billing Detail section of your bill.

Current Charges
 Usage Charge \$19.08
 Service Charge \$23.34
 Stormwater Charge (See Back for Details) \$18.98

Please Pay this Amount **\$61.40**

Water Revenue Bureau
 Philadelphia Revenue Department
 1401 JFK Boulevard Phila., PA 19102-1063

Account Information
 Customer Name: JOHN Q. PUBLIC
 Service Address: 1234 MAIN ST
 Account Number: 000-00000-00000-000
 Billing Date: 02/06/10
 Includes Payments through: 02/06/10

Previous Balance	Payments/Adjustments	Charges	Account Balance	Payment Due
\$0.00	\$0.00	\$61.40	\$61.40	\$61.40

Service Information
 Previous Account Balance: \$236.46
 Payments/Adjustments: \$236.46

Current Charges
 Usage Charge: \$19.08
 Service Charge: \$23.34
 Stormwater Charge (See Back for Details): \$18.98

Total Account Balance \$61.40

Message
 PAY BY PHONE (877) 309-3709 OR WEB WWW.PHILA.GOV
 THE TIME TO START PLANNING FOR AN EMERGENCY IS NOT IN THE MIDDLE OF ONE. IN AN EMERGENCY, YOU ARE EITHER READY, OR YOU'RE NOT. KNOW WHAT TO HAVE IN YOUR HEAD, WHAT TO HAVE IN YOUR HOME, AND WHAT TO HAVE IN YOUR HAND. BE READY. MAKE A PLAN. GET WHAT YOU NEED. VISIT WWW.READYPHILADELPHIA.ORG OR CALL (877) READY-11

Mail this portion with payment
 Account Number: 000-00000-00000-000

Total Due by 03/01/10	Penalty	Total Due after 03/08/10
\$61.40	\$0.00	\$61.40

Water Revenue Bureau
 Philadelphia Revenue Department

33372030810000012440058010011000003139100000309400980000100000000004

83-T-118 (06/09) Make checks payable to: Water Revenue Bureau WBSW00(06/09)

Here is a sample copy of the bill with the new line item entitled 'Stormwater Charge'.