

1 **RESPONSE TO MR. SKIENDZIELEWSKI’S INTERROGATORIES**
2 **AND REQUESTS FOR PRODUCTION OF DOCUMENTS**

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4 **MS-I-1.** Are costs for lateral replacements taken from the operating or capital budgets?

5 **RESPONSE:**

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7 The customer is responsible for the drainage from the property until it connects to the PWD
8 sewer. This means that customers must repair faulty plumbing, such as a lateral, the piping
9 from the curb trap to the sewer as well as the plumbing inside the home. Please see response
10 attachment MS-I-1 for a fact sheet on Customer Responsibility.

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12 The Homeowners Emergency Loan Program (“HELP”) offers a zero-interest loan for Water
13 Department customers who received a Notice of Defect and need repair work, or for customers
14 who are replacing a water service line made of lead.

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16 The HELP is part of the Department’s operating budget.

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27 **RESPONSE PROVIDED BY:** Donna Schwartz, Philadelphia Water Department
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1 **MS-I-2.** DOES IT MAKE SENSE TO CHARGE THE COSTS TO THE RATE BASE
2 (WHICH MUST HAVE A COVERAGE RATIO) OR WOULD IT MAKE MORE
3 SENSE, IN TERMS OF KEEPING RATES LOWER FOR EVERYONE, TO
4 CHARGE THE RATE STABILIZATION FUND TO PAY FOR THESE
5 REPAIRS AND LOANS?
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7 **RESPONSE:**
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9 The Homeowners Emergency Loan Program (“HELP”) is a revolving program. As such,
10 those who avail themselves of the program pay the money back over a period of time.

11 The subject property is liened as collateral.
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13 Monies in the Rate Stabilization Fund may not be used for these purposes. There is no
14 application of monies in the Rate Stabilization Fund that is legally permitted other than (1)
15 the transfer of such monies to the Revenue Fund or (2) under very limited circumstances,
16 the temporary loan of such monies to the Construction Fund to pay capital expenditures.
17 Section 4.05(c) of the Restated General Water and Wastewater Revenue Bond Ordinance
18 of 1989, as amended (the “Bond Ordinance”) allows for the temporary loan of monies in
19 the Rate Stabilization Fund to the Revenue Fund or to the Construction Fund (for capital
20 expenditures) in the event of certain revenue or capital funding deficiencies (please see
21 response attachment PA I 21, specifically section 4.05(c)). Any temporary loan, however,
22 ultimately must be repaid to the Rate Stabilization Fund. Section 4.13 of the Bond
23 Ordinance permits the transfer of monies in the Rate Stabilization Fund to the Revenue
24 Fund, which transfer (if any) must occur as of June 30 of each Fiscal Year (please see
25 response attachment PA I 21, specifically section 4.13). Section 4.16(vi) of the Bond
26 Ordinance provides that investment earnings on monies in the Rate Stabilization Fund
27 must be credited to the Revenue Fund (please see response attachment PA I 21,
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1 specifically section 4.16(vi)). These are the only legally permitted uses for monies in the
2 Rate Stabilization Fund.

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8 **RESPONSE PROVIDED BY:** Donna Schwartz and Melissa LaBuda, Philadelphia Water
9 Department, Valerie Allen, Ballard Spahr

1 **MS-I-3.** HOW OFTEN, IF EVER, THE DEPARTMENT TRIES TO RECOVER FROM
2 CONTRACTORS WHO DAMAGE LATERALS AND/OR INLET PIPES WHEN
3 THEY DO ROAD REPAIRS OR OTHER WORK?
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5 **RESPONSE:**

6 Maintenance of laterals is the property owner's responsibility. Please see response attachment
7 MS-I-1.
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9 As a rule, PWD has no jurisdiction over road repairs. As to damage by others to inlet pipes,
10 when PWD is made aware of damage to PWD infrastructure, we pursue reimbursement for
11 such damage.
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28 **RESPONSE PROVIDED BY:** Donna Schwartz, Philadelphia Water Department

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MS-I-4. WHEN, DURING THE COURSE OF LATERAL REPAIR, PWD IDENTIFIES ERRORS/MISTAKES IN THE CONTRACTOR'S INSTALLATION, WHAT ACTION, IF ANY, DOES PWD TAKE AGAINST THE CONTRACTOR FOR RECOVERY OF EXPENSES AND DAMAGES?

RESPONSE:

If the Homeowners Emergency Loan Program plumber (“HELP”) is observed improperly installing a lateral, that plumber is directed to correct the error/mistake.

RESPONSE PROVIDED BY: Donna Schwartz, Philadelphia Water Department