

Testimony of Cynthia Kishinchand to the Philadelphia Water, Sewer, and Stormwater Regarding Proposed Rate Increases in 2018, 2019 and 2020 – April 24, 2018

Although I understand why the Philadelphia Water Department is requesting a recommendation from the Water, Sewer, and Stormwater Rate Board for increased rates over the next three years, ie 2018, 2019 and 2020, in the "Notice of Public Hearings on Proposed Rate Change," I have been unable to locate on the Water Revenue Board and Water Department websites any mention of the 25 % discount given to registered non-profit institutions and organizations

As a rate payer I endorse a discount but with some revisions, particularly after pondering the range of the value of endowments of some non-profit institutions, their fundraising campaigns, and the compensation of their chief executives. For instance, according to the online *Annual Report* of the University of Pennsylvania, the university, as of June 30, 2015, had an endowment of **\$10.1 billion dollars** reflecting an increase of **\$551 million** from the previous year. Recent news reports indicate the university is launching a **4.6 billion dollar fundraising campaign**. According to an article in *The Daily Pennsylvanian* posted on its website October 11, 2015, the writer listed the compensation package of President Amy Gutmann as **\$3,426,106**. (Lest you wondered, the salary of the president of the United States is **\$400,000** and the salary of the Mayor of Philadelphia is **\$218,000**.)

It is my understanding the 25% discount the Water Department grants to non-profit institutions amounts to approximately **10 million dollars per year**. Although I do not know how much of that cost is borne by a regular ratepayer, what I do know, however, is that discount affects my bill. I would like to know when the discount was enacted, how it affects my water bill, and what other municipalities provide such a discount.

Therefore, I beseech the Board and City Council to thoroughly review the criteria for the 25% discount for institutions and the criteria for individuals with limited incomes before enacting any rate increases. When doing so, I trust the Board and City Council will review **the history of this discount, its impact on rate payers who do not qualify for any discount, the amount of dollars of the discount since it was granted, the financial assets of those institutions qualifying for the discount, and a list of municipalities which offer a similar discount**.

One possible approach would to be enact a policy wherein there were clear criteria regarding eligibility. For instance, set a cap of \$10,000,000 on the total assets of an institution. I realize my request for a thorough review and revision of the current 25% discount for institutions and for individuals may slow down the rate increase process, but I am confident the Board and City Council will address every aspect of the all the discount policies of the Water Department.

Respectfully submitted,



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