

Water, Sewer and Stormwater Rate Board: Public Hearing

CITY OF PHILADELPHIA  
WATER, SEWER and STORMWATER RATE BOARD  
PUBLIC HEARING  
Monday, April 23, 2018  
MINUTES OF FORMAL MEETING

- - -

LOCATION: Taller Puertorriqueno, Inc.  
2600 North 5th Street,  
Philadelphia, Pennsylvania 19133

TIME: 6:30 to 7:30 p.m.

- - -

REPORTED BY: SHARISE THOMPSON

- - -

HELD BEFORE:  
NANCY BROCKWAY, HEARING OFFICER  
SONNY POPOWSKY, CHAIRMAN  
TONY EWING, BOARD MEMBER

ALSO PRESENT:

DEBRA McCARTY, COMMISSIONER  
JOANNE DAHME, MANAGER OF PUBLIC AFFAIRS

- - -

PRECISION REPORTING, INC.  
(215) 731-9847

1 - - -

2 PROCEEDINGS

3 - - -

4 MS. BROCKWAY: We're going to get  
5 started. My name is Nancy Brockway. I'm  
6 the hearing officer hired by the  
7 Philadelphia Water, Sewer and Stormwater  
8 Rate Board to conduct hearings and to make  
9 a recommendation to the Board.

10 The Board decides what the rates  
11 should be for the water department. With  
12 me here is the chairman of the Board,  
13 Sonny Popowsky and Board member Tony  
14 Ewing. We have a few people who have  
15 asked to speak. What I'm going to do is,  
16 I'm going to go through the list, not in  
17 any particular order, it just came up  
18 here, and, then, when we are finished with  
19 the people who have positively said they  
20 do want to speak, I will ask if there is  
21 anybody else who decided in the meanwhile  
22 that they would like to. And we  
23 understand Councilwoman Quinones Sanchez  
24 may come, and, if so, I'm going to give  
PRECISION REPORTING, INC.

(215) 731-9847

1 her the courtesy of letting her speak at  
2 that time.

3 We start these off by letting the  
4 department give you a short presentation  
5 about why they say that they need a rate  
6 increase, and then we have here a  
7 representative of the public advocate who  
8 is hired by the Board to represent the  
9 interests of small consumers, residential,  
10 small commercial, to tell us what his  
11 office is looking at particularly in  
12 evaluating whether or not they think there  
13 ought to be a rate increase. So, without  
14 further ado -- oh, one more thing. We are  
15 taking this down by a court reporter.

16 One of my jobs is to collect for the  
17 Board members all of the public comments.  
18 You can make public comments in writing.  
19 The easiest way for us is email, but, of  
20 course, not everybody has email, so  
21 regular mail is fine. Unfortunately, we  
22 don't have a telephone connection for  
23 this, but one thing to remember is sending  
24 something to the department itself will

PRECISION REPORTING, INC.

(215) 731-9847

1 not necessarily get to the Board, because  
2 the Board is separate from the department.

3 All right, I want to introduce Debra  
4 McCarty, the Commissioner of the water  
5 department.

6 MS. McCARTY: Thank you, Nancy, and  
7 it's good to see folks here tonight.  
8 Thank you for coming out and spending some  
9 time out of your busy schedule and meeting  
10 with us. We're very interested in public  
11 service, our customer service. So, in the  
12 back of the room, at any time during the  
13 hearing if there is an issue you want to  
14 have investigated, we have folks from  
15 billing. We can also look up problems in  
16 the street. And we're looking for  
17 confirmation, because we were having some  
18 problems with the connection for the  
19 street part of it, but we can look up  
20 information, and, if not, we can take it  
21 down and get back to you. So, as I said,  
22 any time during the evening, please avail  
23 yourself of the folks back there to assist  
24 with whatever your problems might be, if  
PRECISION REPORTING, INC.

(215) 731-9847

1 you have specific concerns. Other than  
2 that, I am pleased to see you again and I  
3 will turn it over to Joanne Dahme, who is  
4 our manager of public affairs.

5 MS. DAHME: Good evening everybody.  
6 Thank you for being here tonight. I'm  
7 going to give you a general overview of  
8 the water department's services and  
9 operations and the proposed rate increase.

10 So, many of you probably know the  
11 water department is one of the City's  
12 operating departments. We're also a  
13 public utility that provides integrated  
14 services of wastewater and stormwater  
15 management. We do not make a profit.  
16 From the increase that we are seeking, all  
17 the money that will be recovered from our  
18 customers from monthly bills go into the  
19 cost of us operating and maintaining our  
20 vast infrastructure system in providing  
21 top quality water and other services.

22 So, the public's health is always our  
23 top priority, and we have a lot of pride  
24 in our infrastructure to provide good

PRECISION REPORTING, INC.

(215) 731-9847

1 quality water. The reason we are able to  
2 do that is that we do have a robust  
3 system. We have three water treatment  
4 plants and over 3,000 miles of water  
5 mains. The systems are well maintained.  
6 We have always done better than what our  
7 State and federal requirements are under  
8 the State that requires for us to provide  
9 that top quality water, so we're really  
10 proud about that. It's our plants and our  
11 people that make that possible.

12 Our rivers, our drinking water  
13 sources. So, it's really important for us  
14 to make sure that we do our best in  
15 cleaning up the water that comes from  
16 homes and businesses, the sewage or what's  
17 called wastewater, and we return that to  
18 the river in a state that's cleaner than  
19 we withdrew that to treat for drinking  
20 water purposes. So, we have plants that  
21 have always met those top quality goals.  
22 They are award-winning plants, and, again,  
23 we have a lot of people behind those who  
24 have a lot of pride and dedication in  
PRECISION REPORTING, INC.

(215) 731-9847

1 assuring that our waterways are protected  
2 and to continue to provide us with top  
3 quality water.

4 Our stormwater infrastructure. So,  
5 the stormwater concurrent with our system  
6 is one of our greatest challenges. We  
7 spend about approximately 25 percent of  
8 our capital budget in meeting our  
9 regulatory requirements to manage  
10 stormwater. Stormwater right now is  
11 considered now the number one pollutant in  
12 the sense that when the rainwater hits the  
13 ground, it picks up whatever pollutants  
14 are on the surface, it takes that into the  
15 nearest waterway, or it may fill up on our  
16 infrastructure system, our sewer system,  
17 resulting in combined sewer overflows, a  
18 mixture of stormwater and sewage getting  
19 into our waterways.

20 You may have heard of our Green City  
21 Water Program. That is one of our  
22 programs that is really designed to tackle  
23 this problem by capturing rainwater on the  
24 surface through green stormwater

PRECISION REPORTING, INC.

(215) 731-9847

1 practices, like rain gardens and rain  
2 roofs. We are doing this over a 25 year  
3 program. You are to implant it, so it can  
4 be costly, but we're always looking for an  
5 opportunity to bring that cost down.  
6 Again, we are proud of this program. It  
7 provides additional community benefits  
8 like beautification, air quality and that  
9 type of thing.

10 So, what do you see when you get a  
11 monthly bill? You will see a charge for  
12 the water services. That's the treatment  
13 and delivery to your property. You are  
14 charged for the wastewater services,  
15 cleaning up that wastewater that comes  
16 from business and homes so we can get that  
17 back to the river in a state that's really  
18 clean, and the stormwater management  
19 component, where we have to meet those  
20 regulatory obligations, making sure that  
21 we are protecting our waterways, which is  
22 our drinking water source, and, lastly, is  
23 that service charge, which is the billing  
24 collection component, the visual base

PRECISION REPORTING, INC.

(215) 731-9847

1 component of what you see when you get  
2 that bill.

3 So, the heart of the matter. Why do  
4 we need a rate increase? So, the water  
5 department is requesting a rate increase  
6 for over the next three years that would  
7 generate approximately 116 million in new  
8 revenues. The main reasons for that is --  
9 one of the reasons is our plants. We are  
10 an old city. And as other older cities  
11 around the nation, we have an aging  
12 infrastructure. We point to this past  
13 winter, where we had a really difficult  
14 time with extreme weather events. We had  
15 over 650 water main breaks between  
16 December and February.

17 The components of our system that  
18 break were the aging components or the  
19 components that are most vulnerable. So,  
20 as a result of that, we're looking to  
21 increase our water main replacement from  
22 the current rate of 28 miles a year to  
23 taking that up to 42 miles a year at the  
24 end of a six year period. We're also

PRECISION REPORTING, INC.

(215) 731-9847

1 looking to step up our sewer replacement  
2 rate. In addition to that, we're looking  
3 at other plants. We're looking to expand  
4 our wastewater treatment plants so they  
5 can manage our stormwater that combines  
6 stormwater and wastewater. And, also, we  
7 need to upgrade our water treatment plants  
8 over the years to make sure that we  
9 continue to meet those regulations that  
10 require supervised top quality water.  
11 Like any business, we have people and the  
12 people are the most important resource  
13 that we have. They operate and maintain  
14 our plants, our infrastructure, they check  
15 and monitor the water quality on a daily  
16 basis, they do those emergency repairs,  
17 they are out there all the time, they're  
18 answering the phones. So, we have some  
19 people who work 24/7 around the clock, and  
20 whenever you have people, you have  
21 increases in benefits, pensions and  
22 salaries, so that is concurrent of that.

23 Another thing is reduced consumption.

24 So, people around the United States are  
PRECISION REPORTING, INC.

(215) 731-9847

1 using less water and that's not just in  
2 Philadelphia, we see that as a national  
3 trend, and that's as a result of, you  
4 know, when you buy an appliance, there's  
5 water conservation devices on those  
6 appliances, people put water conservation  
7 devices in their own homes, they're  
8 looking to reduce their water consumption.  
9 When that happens, we still have the same  
10 size system that we have to pay for, and  
11 that results in an increase of what we  
12 call the unit cost. And during this  
13 coming rate period, because of the  
14 reduction we have seen and the trend over  
15 the past ten years, we anticipate about 11  
16 million dollars in lost revenue as a  
17 result of that continuing decline in water  
18 consumption.

19 And the last component is what I  
20 hadn't talked about, is environmental  
21 regulations, and that's all about making  
22 sure that we manage stormwater in a way  
23 that protects our rivers and streams,  
24 stopping that sewage from going into our

PRECISION REPORTING, INC.

(215) 731-9847

1 waterways, which is also our drinking  
2 water supply. So, that's the 25 percent  
3 component of our capital budget.

4 So, the Rate Board, Nancy introduced  
5 the Rate Board. The Rate Board was  
6 created in 2012 as a result of the City  
7 ballot. The City Council then passed an  
8 ordinance. This is the second rate  
9 process that the Rate Board is overseeing.  
10 The Rate Board essentially evaluates the  
11 water department's proposal. They look at  
12 all of the information that we provide,  
13 our financial plan. They also listen to  
14 the public advocate, which is the  
15 Community Legal Services. They listen to  
16 the public who come out to give their  
17 opinions about our services, about the  
18 cost, about the impact to them.

19 So, it's very important that people do  
20 participate in this process as you are  
21 doing tonight. So, we always appreciate  
22 you being here. It does make a  
23 difference. It makes a difference when we  
24 hear from our customers. We hear from our

PRECISION REPORTING, INC.

(215) 731-9847

1 customers in a variety of ways, on a daily  
2 basis when you call us, when you have an  
3 issue, we do a survey, but, also, during  
4 these rate cases. From the last rate  
5 case, we've heard a number of things that  
6 sort of rose to the top, customer service  
7 issues that our customers were concerned  
8 about. We've heard about the  
9 affordability issue, that you can't afford  
10 your bills. Some people who are  
11 struggling it's really difficult. And,  
12 so, as a result of that, in partnership  
13 with the Community Legal Services and with  
14 Councilwoman Quinones Sanchez, we did  
15 institute an affordable rates program that  
16 I want to talk about in the next slide.

17 We have recently merged our call  
18 centers, which answers calls regarding  
19 billing and collections. It was a  
20 separate entity. We have merged that  
21 group with our water service and emergency  
22 hotline. We're in the process of  
23 cross-training our representatives so that  
24 when somebody calls, we're the first call

PRECISION REPORTING, INC.

(215) 731-9847

1 resolution, you're not being transferred.  
2 We also want to make sure we have staff on  
3 hand that can do that quickly. And, so,  
4 we're hoping to see that sort of  
5 cross-training completed in July. We're  
6 always looking to improve our language  
7 access service. We've always provided  
8 that through the phones. We're also  
9 ensuring that our customer service  
10 representatives are on the street, the  
11 people who visit your home, who are  
12 repairing our mains, who are overseeing  
13 construction projects, also have access to  
14 where a customer can come up to them and  
15 request an interpreter if you have a  
16 question about what we are doing on the  
17 street. We're always looking to provide  
18 our publications, what we put online, what  
19 we have by public means in Spanish and  
20 other languages as requested.

21 Lead service line assistance. So,  
22 during our last rate case, lead from home  
23 plumbing and health and an impact to  
24 drinking water was in the news. We had a

PRECISION REPORTING, INC.

(215) 731-9847

1 lot of customer concerns about their own  
2 lead service lines. They instituted in  
3 Fiscal Year '17 programs that we added to  
4 our health program, or the homeowners  
5 emergency loan program. If a customer  
6 wants to replace a lead surface, even  
7 though that surface is not defective or  
8 leaking, they can do that with a zero  
9 percent loan. We also have a program with  
10 our construction team. Some of them are  
11 replacing water mains in the street, and  
12 we identify water surfaces made of lead  
13 and we replace that at no cost to our  
14 customers.

15 We have also been working with the  
16 Community Legal Services on making it  
17 easier for tenants and occupants to become  
18 water customers, so that's the application  
19 process. And we want to take that one  
20 step further so that those tenants and  
21 occupants who become customers can qualify  
22 for a TAP Program to do that or maybe  
23 streamlined by it.

24 So, the Tier Assistance Program.

PRECISION REPORTING, INC.

(215) 731-9847

1 That's our customer assistance program.  
2 This is a program that is really targeted  
3 for those people who are struggling the  
4 most. Customers are between zero and 150  
5 percent of the federal poverty line, but  
6 our Customer Assistance Program is also  
7 geared for senior citizens who are looking  
8 for discounts. For people who have  
9 hardships, it's an -- I wouldn't say it's  
10 a completely easy application process, but  
11 we have streamlined it so that it's a one  
12 stop shop, so it's one application for any  
13 of the programs that customers are seeking  
14 assistance for. You can call our hotline  
15 and have an application mailed to you, you  
16 can download that from our website, you  
17 can also fill out that application online.  
18 You do not need to be delinquent.

19 So, any customer who is struggling to  
20 pay their bill, we encourage them to apply  
21 for this assistance. Don't wait until  
22 you're delinquent. We want you to apply  
23 for that now. We want to ensure that  
24 customers have access to affordable water.

PRECISION REPORTING, INC.

(215) 731-9847

1 And when a rate increase takes place, our  
2 customer, who is on our TAP Program, will  
3 not see -- will not be impacted by the  
4 rate increase. This bill is based on  
5 their income and not their usage, so they  
6 get the same monthly bill, a predictable  
7 bill at an affordable cost.

8 So, how much would a typical bill  
9 increase if the proposed rate increase  
10 went into effect? So, we're proposing  
11 over the next three years, our Fiscal Year  
12 '19 to our Fiscal Year '21, a ten percent  
13 increase over those three years. If that  
14 happens at the rate that we are  
15 requesting, our customers will see a 1.1  
16 percent increase in their monthly bill  
17 this coming September. They will see a  
18 5.0 percent increase in September of 2020,  
19 and then a 4.5 increase in the following  
20 September of 2021.

21 Over that period of time, the increase  
22 on that monthly bill will be approximately  
23 \$7.20. So, one of our goals is to make  
24 sure that we get customers to visit our  
PRECISION REPORTING, INC.

(215) 731-9847

1 operations. We've had two open houses at  
2 our wastewater treatment plant. Sorry, I  
3 need to remove this slide, because this  
4 happened this past Saturday, so you missed  
5 that opportunity, but if people are  
6 interested, we do offer free tours. Come  
7 down to our Water Works or call for a tour  
8 and we'll provide group tours at our  
9 facilities. It's a good way to see what  
10 happens behind the scenes.

11 We've talked about the public role.  
12 It's really important that people come to  
13 these meetings and respond. When you  
14 testify today, that becomes a part of the  
15 public record. You can email the Rate  
16 Board, you can send a letter to the Rate  
17 Board. The information is on the Rate  
18 Board's website, it's also up there, the  
19 mailing address for that. So, we do  
20 always encourage people to take an  
21 opportunity. We need to hear what your  
22 thoughts are.

23 Lastly, what we did were surveys. Our  
24 goal has always been to get customer

PRECISION REPORTING, INC.

(215) 731-9847

1 feedback about what they think about water  
2 quality, what they think about our  
3 services, how we are impacting and doing  
4 construction. And, today, we're going to  
5 have surveys regarding our rate process  
6 and what you think about the rates. So,  
7 that feedback is really important. We use  
8 that to see how we can improve our  
9 services. So, I want to thank you all for  
10 being here tonight. I'm going to hand  
11 this off to Robert Ballenger from  
12 Community Legal Services.

13 MS. BROCKWAY: Thank you.

14 MR. BALLENGER: Good evening everyone.  
15 My name is Robert Ballenger, and thank you  
16 all for being here and bringing your voice  
17 to this very important issue. I'm just  
18 going to hand out some fliers. They're in  
19 Spanish and English, they're double-sided,  
20 so, please feel free to pass them around.  
21 Any of the members of the public in the  
22 back?

23 THE PUBLIC: (No verbal response.)

24 MR. BALLENGER: I know a lot of faces.  
PRECISION REPORTING, INC.

(215) 731-9847

1 I see a lot of familiar faces. So, as  
2 Joanne mentioned, CLS has been appointed  
3 to serve as a public advocate in this  
4 case. So, we represent the interest of  
5 approximately a half of a million  
6 residential and small commercial  
7 customers. We've prepared a flier, which  
8 I've passed out, that encourages you not  
9 to only voice your concerns, but list a  
10 few of the issues that we have. And,  
11 excuse me, I actually have a translator  
12 with me, if you don't mind. So, she's  
13 going to actually translate for me after  
14 I'm done. So, we'll do the whole thing  
15 real quickly and move out of the way.

16 In this case, the water department is  
17 asking for 116 million dollars more in  
18 rates. If this request is approved, your  
19 rates will go up each year for three  
20 years. You may be asked to pay between  
21 \$87 and \$95 more per year for water, which  
22 represents an 11 percent increase. We're  
23 working with a team of experts to examine  
24 financial figures provided by the water

PRECISION REPORTING, INC.

(215) 731-9847

1 department. We have concerns about the  
2 way those figures were put together, about  
3 how the water department estimates how  
4 much more it needs for you to pay in  
5 higher rates.

6 So, the last time the department  
7 raised rates, they received 89 and a half  
8 million dollars more and said they needed  
9 that money, but also said they would spend  
10 down some of the 200 million dollars that  
11 it had in the bank, but the water  
12 department hasn't spent that money down  
13 and is now back again asking for more  
14 money from you, the customers. So, we  
15 want to hear from you. Do you think it's  
16 fair to raise your rates if the water  
17 department isn't spending the money you  
18 have already paid?

19 We're also examining several large  
20 policy issues in this case, and each of  
21 these would directly contribute to higher  
22 rates and charges. The changes are,  
23 first, the department wants you to pay for  
24 approximately 8 million dollars or more

PRECISION REPORTING, INC.

(215) 731-9847

1 for water used by the fire department.  
2 That cost is then paid through tax dollars  
3 for decades. So, why should you have to  
4 pay a water bill to help cover the  
5 expenses of fighting fires all over the  
6 city, hotels or office buildings or even  
7 in other public facilities? That's not  
8 water that comes through your meter.

9 The second issue is the water  
10 department wants you to pay an initial 12  
11 million dollars to directly finance  
12 construction projects. Those are supposed  
13 to benefit customers for decades, but the  
14 water department wants to require you to  
15 pay for them now instead of spreading the  
16 cost over time and spending the cash that  
17 it has already in the bank.

18 Finally, the water department wants  
19 you to pay an additional ten million  
20 dollars for stormwater grants to  
21 commercial customers and developers who  
22 construct a certain kind of green  
23 infrastructure that absorbs stormwater and  
24 keeps it out of the City sewers. That's a

PRECISION REPORTING, INC.

(215) 731-9847

1 lot of money. The water department wants  
2 you to pay for it instead of spending the  
3 200 million dollars that it has in the  
4 bank.

5 So, you may or may not have heard  
6 about the Tier Assistance Program, the  
7 Water Affordability Program. You probably  
8 have heard about it tonight from Joanne,  
9 but if you haven't heard about it  
10 previously, you know, this is an  
11 opportunity to learn more about that  
12 program and to apply. If you have  
13 problems applying, I'd like to hear from  
14 you, and the Rate Board, and the  
15 department needs to hear from you. So, we  
16 think this is an opportunity to share any  
17 kinds of experiences you may have had  
18 which you think the water department and  
19 the Board should hear. If you feel the  
20 customer service has been inadequate and  
21 need some improvement, we believe you  
22 should say so.

23 If you believe the water department  
24 hasn't been responsive or available when

PRECISION REPORTING, INC.

(215) 731-9847

1 you've had issues, we believe you should  
2 say so. If you believe the water  
3 department does a great job at certain  
4 things and not so great of a job in other  
5 things, again, we believe you should say  
6 so. So, please do come forward. As I  
7 said, Denise is going to translate for me.  
8 We would like to encourage everyone to  
9 come forward and share your experiences.

10 The department -- the Water Rate Board  
11 should not approve an increase in rates  
12 and charges unless the result is just and  
13 reasonable to you. That's the federal  
14 Constitution base standard, and the Board  
15 has to balance the department's interest  
16 and your interests as customers. So, we  
17 need to hear from you. We need to hear  
18 what your interests are in whether an 11  
19 percent increase in your water bill is a  
20 real burden. We think it would be for a  
21 lot of people in Philadelphia.

22 So, if you have any concerns or other  
23 issues about the proposal, of course,  
24 we're here as a public advocate to assist  
PRECISION REPORTING, INC.

(215) 731-9847

1 you. Otherwise, we just really encourage  
2 everyone who wants to speak to get up here  
3 and speak. Thank you. I will hand this  
4 to Denise, who will say the same thing in  
5 Spanish.

6 - - -

7 (The Interpreter began to interpret  
8 in Spanish.)

9 - - -

10 MS. BROCKWAY: Thank you. At this  
11 point we are ready to hear from you, the  
12 public. We only have a few names here.  
13 I'll just go down the list and then we'll  
14 see if anybody else wants to say something  
15 after that. The first name I have is  
16 Clarence Hester. There is a microphone  
17 there. I'm not sure whether it's on. You  
18 might want to tap it to see.

19 - - -

20 PUBLIC COMMENTS/QUESTIONS

21 - - -

22 MR. HESTER: My name is Clarence  
23 Hester. I am a community leader and  
24 community resident in this community.

PRECISION REPORTING, INC.

(215) 731-9847

1 And, first, let me just thank you for  
2 taking the time out to come share with us.  
3 I don't know how pertinent it is for this  
4 forum, because it's not really a rate  
5 increase that I want to speak to you  
6 about, but it is an ongoing issue that is  
7 in our community that many residents have  
8 been affected by, including myself.

9 We want to know if there are vehicles  
10 that are in place, that are being put in  
11 place to help residents resolve issues  
12 that after their meters have been changed  
13 they find an increase in their bill.  
14 Sometimes they become delinquent. These  
15 are exorbitant amounts, thousands of  
16 dollars that are now delinquent and  
17 sometimes liens are placed across our  
18 homes until we are able to make  
19 arrangements to try to rectify the issue,  
20 and there is really no recourse that we  
21 can take if we cannot prove that after  
22 years, and you might not have any canceled  
23 checks or other things that prove that you  
24 paid the bill, you are confined to

PRECISION REPORTING, INC.

(215) 731-9847

1 whatever facts that they have and you're  
2 subject to pay that bill no matter how  
3 long it takes. So, I'm just asking as a  
4 matter of record, and it is a concern in  
5 this community, if there are any vehicles  
6 put in place.

7 MS. BROCKWAY: Thank you very much.  
8 Mr. Skiendzielewski.

9 MR. SKIENDZIELEWSKI: My name is Mike  
10 Skiendzielewski. I live in the Fox Chase  
11 section of the City. I'm retired. I  
12 retired as a police captain 20 years ago.  
13 I'll try to keep it brief, which is hard  
14 to do when you are 65.

15 Service accountability, those issues  
16 which are a day-to-day occurrence, an  
17 hourly occurrence for law enforcement,  
18 that's what we live by, and we still live  
19 by, and everyone should live by in public  
20 service. What occurred here in my  
21 particular experience over the past few  
22 years has not been the case, not just the  
23 water department, but there are  
24 supervisors and across City government,

PRECISION REPORTING, INC.

(215) 731-9847

1 but let's go right to the things that the  
2 Water Rate Board is concerned with.

3       What has happened in my particular  
4 instance, for help loans, there are two  
5 help loans side by side in a rural  
6 community up in the northeast alongside  
7 Pennypack Park. The one person who had a  
8 help loan in 2010 for a failed lateral,  
9 vitrified clay, was given a 55 percent  
10 discount on paper for the loan. When my  
11 laterals failed, when they failed a few  
12 years later, I wasn't given the same  
13 consideration.

14       So, the question here for the Board is  
15 about expenses and policies. And what  
16 particularly is the water department's  
17 policy with regard to laterals, failed  
18 laterals? When do certain customers pay  
19 and when do other customers get a break?  
20 Because my particular situation is not  
21 unique. There had been other situations  
22 throughout the City where there had been  
23 failed laterals and other people are at  
24 fault and some people pay and some people

PRECISION REPORTING, INC.

(215) 731-9847

1 don't. And clearly that's not an  
2 accountable method of operation. You have  
3 a one billion dollar department, one  
4 billion dollars.

5 Even from their own Shoemaker report  
6 from a couple of years ago, it states that  
7 there is no operation follow up, right?  
8 For operation procedures. There is no  
9 like scrutiny or quality assurance. It  
10 says it right there in their document.  
11 This is just unacceptable in any  
12 department in any public organization. So  
13 there are a lot of advocating issues. The  
14 thing here is if you are comfortable with  
15 your decisions and the conduct, the  
16 decision making in private, you had better  
17 be comfortable with them being made  
18 public. That's what it means to be a  
19 public employee. If you can't provide  
20 services for the people, get out of the  
21 job.

22 Secondly, I passed around, which is  
23 probably not for the Rate Board, has to do  
24 with safety, safety. I don't think you  
PRECISION REPORTING, INC.

(215) 731-9847

1 can really get a sense of it. Well, you  
2 can, if you have a City residence. You  
3 know every four years on the -- the pier  
4 back in 2000, when the pier collapsed,  
5 there were problems on the inside, the  
6 hall there before it collapsed. The  
7 Salvation Army collapsed, when that  
8 happened a few years ago, people were --  
9 it's not like the City agents forgot that.

10 In my particular handout, I gave it to  
11 some people here, there was a violation of  
12 professional industry standards of the  
13 operation of a backhoe in front of my  
14 residence, and I have digital photos of  
15 it. I have been trying for two full years  
16 to bring that to the attention of various  
17 City officials. I have had not one  
18 response from the water department, their  
19 supervisor, which is Otis, Mr. Carroll,  
20 okay? And as you've noticed there on the  
21 document, I'm trying to share a safety  
22 concern that puts employees at risk and  
23 passersby at risk. I'm trying to share a  
24 safety concern with a government party who  
PRECISION REPORTING, INC.

(215) 731-9847

1 is a PE, a professional engineer, and with  
2 Michael Carroll, her supervisor, the  
3 deputy manager director, who is a  
4 professional engineer. And who is their  
5 first tenant of their profession? The  
6 public. Safeguard the public. Even now,  
7 even this past week, I get this notice  
8 from somebody in risk management. Risk  
9 management won't do anything about it.  
10 So, certainly financial things are of a  
11 concern.

12 I've made the point about policies for  
13 failed laterals. Clearly in my instance  
14 one person got a break, the other person  
15 did not. I had all the engineer reports.  
16 I have a professional engineer's report  
17 saying that it wasn't installed properly,  
18 it wasn't supported properly. As a matter  
19 of fact, Los Angeles to this day uses  
20 vitrified clay, because it's a return on  
21 an investment. It's a much higher price,  
22 but it lasts long if it's properly  
23 installed.

24 MS. BROCKWAY: I'm sorry. I missed  
PRECISION REPORTING, INC.  
(215) 731-9847

1 something that you said, something about  
2 California --

3 MR. SKIENDZIELEWSKI: Los Angeles,  
4 they still use vitrified clay  
5 installation.

6 MS. BROCKWAY: Say that again, slowly.

7 MR. SKIENDZIELEWSKI: Los Angeles,  
8 California.

9 MS. BROCKWAY: Yes.

10 MR. SKIENDZIELEWSKI: Still use  
11 vitrified clay installation, vitrified  
12 clay.

13 MS. BROCKWAY: Vitrified clay, thank  
14 you.

15 MR. SKIENDZIELEWSKI: Some people  
16 mistakenly refer to it as terracotta.  
17 It's not terracotta anymore. That's old  
18 school.

19 MS. BROCKWAY: So, if you could wrap  
20 up, that would be good, because --

21 MR. SKIENDZIELEWSKI: Save people as  
22 employees, save people as citizens, that's  
23 what we need. We need leaders that  
24 respond to legitimate claims. Thank you.

PRECISION REPORTING, INC.

(215) 731-9847

1 MS. BROCKWAY: Thank you. All right,  
2 we have one more name. I'm going to get  
3 it wrong, so please bear with me. It's  
4 Elisa Semon, Seymour, Simcoe, I'm not  
5 sure, I can't read it. Does anybody  
6 recognize that name?

7 MS. McCARTY: Elisa Simon.

8 MS. BROCKWAY: Okay, Elisa Simon. Is  
9 she here?

10 MS. SIMON: (No verbal response.)

11 MS. BROCKWAY: Well, it looks as if  
12 some people know her. If you do, and you  
13 want to encourage her to send us, if she  
14 can, an email or a letter and let us know.  
15 There are also three more public hearings.  
16 So, if she wants to go to one of them --  
17 four more, that would be another  
18 opportunity.

19 Now, those are all of the people that  
20 signed that they did want to speak, but is  
21 there anybody who wants to say something  
22 at this point about the rate increase?

23 Ma'am, if you can go to the -- actually,  
24 let's give you a microphone.

PRECISION REPORTING, INC.

(215) 731-9847

1 MS. GONZALES: That's okay. Hi,  
2 there. My name is Marie.

3 MS. BROCKWAY: And how do you spell  
4 your last name?

5 MS. GONZALES: Gonzales.

6 MS. BROCKWAY: Gonzales, thank you.

7 MS. GONZALES: And I'm not sure if  
8 this was covered, but I have one question  
9 about -- I see that one of the reasons to  
10 change the rates is because people are  
11 using less due to appliances becoming more  
12 water efficient. And I think, you know,  
13 we should consider that is out. Right now  
14 that's something we should promote and  
15 that contradicts our idea of conserving  
16 water. And I can understand that treating  
17 every unit becomes more expensive, but  
18 given that we're sourcing from our own  
19 rivers, we should also take that into  
20 consideration and also that sourcing less,  
21 also, hopefully, extends the life of the  
22 system. And the other piece to that is a  
23 lot of our, you know, consumers are low  
24 income and we promote them to buy water

PRECISION REPORTING, INC.

(215) 731-9847

1 appliances which are water efficient so  
2 they can reduce their expenses.

3 And I understand that the TAP Program  
4 takes into consideration 150 FPL, but  
5 thinking of those people on the cusp who  
6 may not have a special hardship, which I  
7 think that's -- I think it's awesome that  
8 the TAP Program takes into consideration  
9 that special hardship, but for those folks  
10 that we want to keep them above water, I  
11 do push that we consider it then, so they  
12 do not fall below 150 FPL. And the other  
13 case was I know that there was a lot of  
14 plumbing that was -- especially during the  
15 extreme weather, but also there were a few  
16 people's homes that had the same  
17 experiences. And, you know, we don't  
18 really have any programs which go out and  
19 fixes that type of emergency, and, so,  
20 when you're experiencing that height, a  
21 lot of people are, too.

22 So, I guess, my main concern is really  
23 looking at those people at the cusp of 150  
24 FPL. I think 150 is like really low.

PRECISION REPORTING, INC.

(215) 731-9847

1 And, again, I commend the water department  
2 for taking in that special hardship,  
3 because a lot of the utilities or any  
4 other federal or City programs do not, but  
5 at the same time regarding -- we want to  
6 keep those people above water so they do  
7 not become in a more difficult situation  
8 in need of these programs.

9 MS. BROCKWAY: So, when you say the  
10 cusp of 150, what I understand you to mean  
11 is if you don't have a special need and  
12 your income is 151 percent, you don't  
13 qualify and that's a problem that you see?

14 MS. GONZALES: Yes. I see that if  
15 you're at the, let's say, 151 FPL and you  
16 do not have a special hardship, you're  
17 going to be affected by these rates. And  
18 being at that 151, you're still a person  
19 who may have difficulty paying for your  
20 bills, because, you know, I just think  
21 that level is just not livable, and it  
22 becomes difficult for those folks between  
23 150 and 250 FPL.

24 MS. BROCKWAY: Is there anybody else  
PRECISION REPORTING, INC.

(215) 731-9847

1 that would like to speak tonight?

2 THE PUBLIC: (No verbal response.)

3 MS. BROCKWAY: We've asked the  
4 Commissioner also to be here to respond to  
5 particular questions that people have that  
6 maybe everybody has an interest in. So,  
7 if the Commissioner would come back, and,  
8 I believe, there were a couple of  
9 questions.

10 MS. McCARTY: Thank you, Nancy. So,  
11 to the question for Mr. Hester regarding  
12 the meter, so when we come change the  
13 meter, it's typically because the device  
14 wasn't sending a signal to the vehicle  
15 that drives by once a month, so that  
16 account was reading zero, and then when we  
17 come in and maybe change the battery or  
18 whatever the problem might be that keeps  
19 that device from communicating and sending  
20 a monthly accurate reading, the meter  
21 worked, and, so, we know what water you  
22 used. You just weren't billed for it.  
23 So, we do in situations like that, we do  
24 -- you know, we'll get you into a payment

PRECISION REPORTING, INC.

(215) 731-9847

1 agreement.

2 Also, you can always appeal to the Tax

3 Review Board, so there are appeal rights.

4 There are also hearings with the Water

5 Revenue Bureau as well, and you can ask

6 for it to be reviewed and potentially get

7 a reduction. We go back six years,

8 though, no further than that. But we are

9 trying to improve and reduce the customers

10 that this happens to. We need to get in

11 the property sooner rather than later.

12 We also have a forgiveness program.

13 So, if a customer responds to our letter

14 for a zero read, the previous year we will

15 split. I'm going to screw this up. The

16 previous year it's a shared responsibility

17 and then the other years it's a 50/50,

18 right? Yes, 50 percent for the customers

19 and 50 percent is on the water department.

20 So that's the incentive to, hopefully,

21 first, let us into the property to do what

22 we need to do, to make sure the meter is

23 working properly, but we can work with you

24 offline also, if you'd like, because we

PRECISION REPORTING, INC.

(215) 731-9847

1 don't want customers in that situation and  
2 we know it could be a huge challenge.

3       Regarding help loans, the issue was  
4 raised. We take that very seriously.  
5 That's the ratepayer's money. And, so, if  
6 someone says I'm going to pay this loan  
7 back, we expect that would occur unless  
8 there is some installation issues on the  
9 plumber's part where he did not do it to  
10 our standards and it failed, but that  
11 would not be the case with that particular  
12 property. Safety is very important to us,  
13 and we have investigated the claims and  
14 followed up and found no issue really.

15       With the water issues, the  
16 conservation, yes, that is very important.  
17 But, unfortunately, the infrastructure,  
18 the six treatment plants that Joanne  
19 shared are there. So, those are the  
20 costs, and some of those aren't going to  
21 go away when you reduce consumption.

22 Also, with the TAP program, the affordable  
23 rates program, we work with customers to  
24 -- we have a vendor who will go in and

PRECISION REPORTING, INC.

(215) 731-9847

1 help with installing low flow fixtures and  
2 things like that to help reduce the  
3 consumption.

4 And with the -- we also are going to  
5 be implementing, we hope, a help loan  
6 program where there is a longer payback  
7 period. Right now it's a zero interest  
8 five year loan. They're going to be  
9 customers. The affordable rates program  
10 we hope to implement by changing the  
11 regulations, extending that payback  
12 period. Because if you are in need of an  
13 affordable rate, you probably need a  
14 longer payback period as well. And, then,  
15 we had a lot of water main breaks this  
16 year. We also had a lot of customer  
17 services. So, the help loan is available  
18 and it's a zero interest loan, but it was  
19 a challenging year for sure,  
20 unfortunately. So, I hope I have answered  
21 all the questions.

22 Again, if there are some specifics  
23 that we haven't covered tonight, those  
24 folks are ready, willing and able to

PRECISION REPORTING, INC.

(215) 731-9847

1 assist in any way they can, and we will be  
2 here afterwards if you have questions. I  
3 will be here and other folks. So, thank  
4 you all.

5 MS. BROCKWAY: Thank you,  
6 Commissioner. Mr. Ballenger, that was an  
7 extensive reply. Do you wish to add to  
8 what you said before?

9 MR. BALLENGER: I think we're okay.  
10 Thank you, Hearing Officer.

11 MS. BROCKWAY: Okay. Well, thank you  
12 all for coming. One of the things I do is  
13 I take the transcript and I read it over  
14 and I try to categorize how people feel  
15 about the rate increase and how intense  
16 that is. So, it's very important to me  
17 and to the Board to understand how the  
18 public feels about this particular  
19 proposal, and I want to thank you for  
20 coming, and the meeting is over.

21 - - -

22 (Public Hearing concluded at  
23 7:30 p.m.)

24 - - -

PRECISION REPORTING, INC.  
(215) 731-9847

Water, Sewer and Stormwater Rate Board: Public Hearing

C E R T I F I C A T I O N

I, Sharise J. Thompson, a Court Reporter and Commissioner of Deeds for the Commonwealth of Pennsylvania, do hereby certify the foregoing to be a true and accurate transcript of my original stenographic notes taken at the time and place hereinbefore set forth.

\_\_\_\_\_  
Sharise J. Thompson  
Court Reporter  
Commissioner of Deeds

DATED: \_\_\_\_\_

(The foregoing certification of this transcript does not apply to any reproduction of the same by any means, unless under the direct control and/ or supervision of the certifying shorthand reporter.)

PRECISION REPORTING, INC.  
(215) 731-9847