

Philadelphia Water, Sewer, and Storm Water Rate Board
Deliberation Meeting Notes

6/29/2018, 2 p.m., 1515 Arch Street, 18th Floor, Gas Commission Hearing Room

Members Present:

Irwin “Sonny” Popowsky, Chair
Folasade A. Olanipekun-Lewis
Tony Ewing
Abby Pozefsky

Also Present:

Nancy Brockway
Ed Markus
Daniel W. Cantú-Hertzler
Andre Dasent
Jolene Price
Susan Crosby
Fara Cohen
Sara Stevenson
Jaclyn Rogers

Christopher Mack
Kathy Clupper
Rana Elabd
Thomas Boynton
Daniel Kielty
Cody Williams

Mr. Popowsky called the meeting to order at 2:02 p.m.

Noting that that meeting had been called so that the Water, Sewer and Storm Water Rate Board may begin deliberations in the 2018 Water Rate Proceeding. Mr. Popowsky went on to explain that Exceptions had previously been submitted by the Philadelphia Water Department, the Public Advocate, and the Philadelphia Large Users Group (“PLUG”).

Mr. Popowsky further noted the absence of Board member Rasheia Johnson due to a family medical emergency.

Before commencing deliberations utilizing a decision matrix document which had been distributed, Mr. Popowsky mentioned that there was a disagreement between the Water Department and the Public Advocate about the scope of a previous agreement reached concerning the TAP rider. Mr. Popowsky stated that he had asked the Water Department and the Public Advocate for a document which clarifies the scope of agreement in this matter.

The Board then began deliberating and voting on the particular matters of the Rate Proceeding, the results of which are recorded in the appended decision matrix.

In addition to requesting clarification on the agreement reached between the Department and the Public Advocate concerning the TAP rider, the Board also requested that the Department and the Advocate present a clarification of the collection data presented in the Hearing Officer’s Report, pp. 52-59.

Ms. Pozefsky moved to adjourn the meeting; the motion was seconded by Ms. Olanipekun-Lewis. The motion was approved with Mr. Popowsky, Ms. Olanipekun-Lewis, Mr. Ewing, and Ms. Pozefsky voting in favor. No members opposed or abstained and Ms. Johnson was absent. The meeting was adjourned at 4:47 p.m.

Prepared by Cody Williams, Legal Assistant

	Mr. POPOWSKY	Ms. OLANIPEKUN-LEWIS	Mr. EWING	Ms. JOHNSON	Ms. POZEFSKY
General Exception / Extension of Rate Proceeding PA EXC I	Deny PA exception	Deny PA exception	Deny PA exception	Absent	Deny PA exception
Necessity for Rate Increase PA EXC II	Deny PA exception	Deny PA exception	Deny PA exception	Absent	Deny PA exception
Due Process / Recusal PA EXC III	Deny PA exception	Deny PA exception	Deny PA exception	Absent	Deny PA exception
Motion <i>in Limine</i> PWD EXC 2D PA EXC III Report pp. 11-13					
Rate Period/Test Years PWD EXC A2 PA EXC IV Report pp. 17-26	Two year rate period	Two year rate period	Two year rate period	Absent	Two year rate period

Notes:

	Mr. POPOWSKY	Ms. OLANIPEKUN-LEWIS	Mr. EWING	Ms. JOHNSON	Ms. POZEFSKY
Debt Service Coverage PWD EXC A2 PA EXC V Report pp. 27-31	1.3 debt service coverage ratio target	1.3 debt service coverage ratio target	1.3 debt service coverage ratio target	Absent	1.3 debt service coverage ratio target
Rate Stabilization & Residual Funds PWD EXC A3 PA EXC VII Report pp. 25-27, 39	Combined \$150 million target for Rate Stabilization & Residual Funds	Combined \$150 million target for Rate Stabilization & Residual Funds	Combined \$150 million target for Rate Stabilization & Residual Funds	Absent	Combined \$150 million target for Rate Stabilization & Residual Funds
PAY-GO Financing PWD EXC A4 PA EXC V Report pp. 32-34	20% capital project PAY-GO cash financing target	20% capital project PAY-GO cash financing target	20% capital project PAY-GO cash financing target	Absent	20% capital project PAY-GO cash financing target
Capital Account Deposit PWD EXC A5 PA EXC V Report p. 34	1% deposit rate	1% deposit rate	1% deposit rate	Absent	1% deposit rate
Capital Program Spend Rate PWD EXC B1 PA EXC VI Report pp. 34-39	90% spend rate	90% spend rate	90% spend rate	Absent	90% spend rate

Notes:

	Mr. POPOWSKY	Ms. OLANIPEKUN-LEWIS	Mr. EWING	Ms. JOHNSON	Ms. POZEFSKY
SMIP/GARP PA EXC IX Report pp. 41-45	Increase of \$10 million approved	Increase of \$10 million approved	Increase of \$10 million approved	Absent	Increase of \$10 million approved
Power & Gas Costs PWD EXC B2(a) PA EXC X-A Report pp. 46-48, 60-62	PWD rates approved for Fiscal Years 2019 & 2020 only	PWD rates approved for Fiscal Years 2019 & 2020 only	PWD rates approved for Fiscal Years 2019 & 2020 only	Absent	PWD rates approved for Fiscal Years 2019 & 2020 only
General Costs, Class 200 Expense & Class 800 Transfer PWD EXC B2(b) PA EXC X-C Report pp. 50-52; 64-66	PWD rates approved Note: 3.3% rate for Class 200, not 3.4%	PWD rates approved Note: 3.3% rate for Class 200, not 3.4%	PWD rates approved Note: 3.3% rate for Class 200, not 3.4%	Absent	PWD rates approved Note: 3.3% rate for Class 200, not 3.4%
Chemical Costs PWD EXC B2(c) PA EXC X-B Report pp. 48-50; 62-64	2% increase in Fiscal Year 2020	2% increase in Fiscal Year 2020	2% increase in Fiscal Year 2020	Absent	2% increase in Fiscal Year 2020
Normalization-Rate Case Expense PWD EXC B2(d) PA EXC XIII Report Supplement pp. 1-8	Normalize over two years	Normalize over two years	Normalize over two years	Absent	Normalize over two years

Notes:

	Mr. POPOWSKY	Ms. OLANIPEKUN-LEWIS	Mr. EWING	Ms. JOHNSON	Ms. POZEFSKY
Normalization-TAP Implementation Costs PWD EXC B2(d) PA EXC XIII Report Supplement pp. 1-8	Normalize over two years	Normalize over two years	Normalize over two years	Absent	Normalize over two years
Debt Interest Rate PWD EXC B2(e) PA EXC XI Report pp.					
Miscellaneous Charge- Restoration PWD EXC B2(f) PA EXC XVIII Report pp. 90-93					
Collection Factors PA EXC XII Report pp. 52-59					
TAP Administrative Costs PA EXC XV Report pp. 81-82	Deny PA exception	Deny PA exception	Deny PA exception	Absent	Deny PA exception

Notes:

	Mr. POPOWSKY	Ms. OLANIPEKUN-LEWIS	Mr. EWING	Ms. JOHNSON	Ms. POZEFSKY
Agreed-Upon Revenue Requirement Adjustments PA EXC VIII Report p. 40	Adopt agreement between Water Department & Public Advocate	Adopt agreement between Water Department & Public Advocate	Adopt agreement between Water Department & Public Advocate	Absent	Adopt agreement between Water Department & Public Advocate
Fire Protection PWD EXC C1 Report pp. 105-107	Deny PWD exception	Deny PWD exception	Deny PWD exception	Absent	Deny PWD exception
Cost Allocation PWD EXC C2 PLUG EXC 1 Report pp. 93-105					
Rate Allocation PWD EXC C2 PLUG EXC 1 Report pp. 93-105					
TAP Implementation Issues PWD EXC 2D PA EXC XIV Report pp. 68-75					

Notes:

	Mr. POPOWSKY	Ms. OLANIPEKUN-LEWIS	Mr. EWING	Ms. JOHNSON	Ms. POZEFSKY
TAP Arrearage Forgiveness PWD EXC C3(b) PA EXC XVI, XVII-B Report pp. 82-83					
TAP Rider Areas of Agreement PWD EXC C3 PA EXC XVII Report pp. 75-76					
TAP Low Income Collection Factor PWD EXC C3(a) PA EXC XVIII-B Report pp. 78-80; 85-86					
TAP Apportionment of Revenue Loss PWD EXC C3(c) PA EXC XVIII-B Report pp. 86-87					
TAP Rider Inclusion of Arrearage Forgiveness PWD EXC C3(b) PA EXC XVII-B Report p. 86					

Notes:

	Mr. POPOWSKY	Ms. OLANIPEKUN-LEWIS	Mr. EWING	Ms. JOHNSON	Ms. POZEFSKY
TAP Reconciliation Process PWD EXC C3 PA EXC XVII-B Report p. 84					
TAP Rider Formula PWD EXC C3 PA EXC XVII-A Report pp. 75-78					
Shut-Off Notices PA EXC XVIII Report pp. 89-90					
Land Bank Report p. 108-110					
Skiendzielewski Appeal Report p. 110-111 & Prior Hearing Officer Orders ¹					

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