

Philadelphia Water, Sewer and Storm Water Rate Board  
April Monthly Meeting Notes  
4/10/2019, 1515 Arch Street, 18th Floor, Rooms 18-029 & 18-025

Board Members Present

Irwin “Sonny” Popowsky, Chair  
Tony Ewing, Vice Chair

Also Present

Daniel W. Cantú-Hertzler  
Scott Schwarz  
Melissa LaBuda  
Brian Merritt  
Ann Bui  
Ji Jun  
Jackie Rogers  
Rob Ballenger  
Edward Markus  
Susan Crosby  
Steven Liang

Mr. Popowsky called the meeting to order at 3:10 p.m. The Board met in Room 18-029 because another group was meeting in Room 18-025 (the Mayor’s Media Room) despite the Board’s prior reservation and moved to Room 18-025 before 4:00 when another group that had reserved Room 18-029 for that time asked the Board to move.

Due to extenuating circumstances three of the Board members were not in attendance; lacking a quorum, the minutes of the prior meeting were not voted upon and the Board conducted no business. Mr. Popowsky asked that minutes be prepared anyway for the information of the public and other Board members.

Mr. Popowsky introduced Steven Liang, the new Legal Assistant who will be working for the Water Rate Board. Mr. Liang spoke briefly about the role he played as a member of the City Law Department before his transition, the circumstances surrounding how he came to replace his predecessor, Cody Williams, and the work related to water that he did prior to his work with the City.

Mr. Popowsky asked for an update on the schedule of the TAP Rider Proceeding. Scott Schwarz passed around a copy of the newest proposed schedule. The Advance Notice for the proceeding was submitted to the Department of Records on April 4<sup>th</sup>, with notice sent to various newspapers: The Daily News, the Legal Intelligential, the Philadelphia Tribune, Al Día, and the Philadelphia Inquirer. He stated that the Water Department intends to file a Formal Notice on May 6<sup>th</sup>.

Under the rules of the Board the official deadline for the Public to register to participate in the Proceeding would be one week after the date of the Formal Notice Filing, May 13<sup>th</sup>. A tentative schedule from that date was outlined, subject to Board approval:

May 15	2:00 p.m. scheduling conference of Board Chair with participants
May 24	deadline for initial written comments on Formal Notice
June 3-7	public hearing and technical hearing or technical conference to be scheduled, perhaps on same date.
June 17-21	likely deadline for participant briefs or other final comments
June 24-28	likely public meeting(s) of Board to meet to make Rate Determination
July 1	likely filing date of Board's Rate Determination
September 1	likely effective date of new TAP rider

At the Technical Hearing or Conference, over which the Board has authorized Mr. Popowsky to preside, Participants and their experts would be permitted to ask questions of each other and respond to questions from the Board.

The tentative schedule was designed to grant appropriate access and time for interested members of the public to review, understand, and comment on the documents and information that pass between the Water Department, Public Advocate, and other Participants as well as ensuring that they are fully and suitably involved in the hearing process.

Mr. Popowsky stated that the proceeding would be limited to the calculation of the reconcilable rider. There would be no reopening of any issues about design or formula of the Rider on a per CCF rate basis; rather, the Board should simply calculate the reconciliation and rider numbers to be implemented starting September 1<sup>st</sup>, 2019.

After the scheduling discussion, Ed Markus, from Amawalk Consulting, the Board's technical consultant on rate matters, spoke about the simplified rate model he was asked to develop for future rate proceedings. The Board had requested Ed's efforts to create a tool that could be used over the course of general rate proceedings that would allow both the Board and Participants to calculate the impact of any adjustments made to the Water Department's revenue requirements and understand any financial results stemming from such adjustments. Data could be inputted, and an output would reveal potential changes in revenue requirements and other relevant financial impacts. The model is being developed by Amawalk in conjunction with the Water Department and Public Advocate and was nearly finished at the time of the meeting.

The next items on the agenda were issues that would be dealt with in the next full Rate Proceeding, anticipated for February 2020, that would affect the rates set from September 2020 onwards. The items included the development of a Rate Design Study suggested at the prior Rate Proceeding and requested by the Board.

Melissa "Missy" LaBuda headed the conversation about the list of items, made in conjunction with Black & Veatch Management Consulting, whose representatives Ann Bui and Brian Merritt

also spoke about the issue. The Water Department identified three broad areas where it may consider changes in the rate structure in the next General Rate Proceeding.

The items were as follows: 1. Putting pension costs onto a reconcilable rate rider. 2. Re-evaluation of the stormwater credit and incentives regulations based on the most up-to-date planimetric data. 3. Elimination of the Declining Block Rate and other rate design changes. The Water Department intends to discuss these issues with an advisory group from May through the end of summer 2019 so that any changes to the rate structure could be included in an Advance Notice filed in February 2020.

Mr. Popowsky encouraged the Department to look further into the issues with the Public Advocate and other interested Participants and to identify which avenues they would like to pursue before the next General Rate Proceeding.

Meeting adjourned at 4:32p.m.