



Debra A. McCarty, Water Commissioner

September 12, 2016

Bernard Brunwasser, Chairman
Philadelphia Water, Sewer and Storm Water Rate Board
c/o Ms. Gemela McClendon, Deputy City Solicitor
One Parkway Building, 15th Floor
1515 Arch Street
Philadelphia, PA 19102-1595

Re: Advance Notice of Proposed Change in Storm Water Rates for Community Gardens

Dear Chairman Brunwasser and Members of the Board:

This correspondence is to provide advance notice to the Philadelphia Water, Sewer and Storm Water Rate Board (the "Board"), in accordance with Section 2 of the Board's Regulations, that the Philadelphia Water Department (the "Water Department" or "PWD") intends to initiate a rate proceeding to change storm water rates for qualified community gardens, as requested in a letter received from the Pennsylvania Horticultural Society, Neighborhood Gardens Trust, and Public Interest Law Center. Enclosed are the following documents that the Department intends to file with its formal notice to the Department of Records: (i) PWD Exhibit No. 1 - Public Notice and Plain English Statement Of Reasons Why PWD Is Requesting A Change To Existing Storm Water Charges; (2) PWD Exhibit No. 2 – Bill No. 160523 (approved June 28, 2016); (3) PWD Statement No. 1 – Direct Testimony of Debra A. McCarty with Exhibits DM-1 (Letter) and DM-2 (Rates and Charges, Section 5.2); and (iv) PWD Exhibit No. 4 – Direct Testimony of Melissa La Buda with Exhibit ML-1 (Black & Veatch Financial Analysis).

This notice is being transmitted consistent with the ratemaking and procedural requirements specified in Section 5-801 of the Home Rule Charter, Sections 13-101 and 19-1603 of the Philadelphia Code, and the Rate Board's regulations. As always, the Water Department management staff will be available to discuss the proposed changes in rates and answer any questions with regard to this notice.

Sincerely,


Debra A. McCarty
Water Commissioner

Enclosures

cc: Pennsylvania Horticultural Society
Neighborhood Gardens Trust
Public Interest Law Center
Community Legal Services
Community Lawyering Clinic
PECO Energy Co. and Exelon Generation Co. LLC
PennFuture
Philadelphia Large Users Group (PLUG)
Tenant Union Representative Network (TURN)

Public Notice
Request for Community Garden Stormwater Charge Discount

On September 12, 2016, the Philadelphia Water Department filed Advance Notice with City Council and the Philadelphia Water, Sewer and Storm Water Rate Board about a requested change in stormwater rates for Community Gardens.

**WHY IS THE PHILADELPHIA WATER DEPARTMENT REQUESTING A CHANGE TO EXISTING
STORMWATER CHARGES?**

On June 28, 2016, Mayor James F. Kenney signed an ordinance passed by Philadelphia City Council that allows community gardens a special discounted rate for stormwater management services.

The ordinance directs the Philadelphia Water, Sewer and Storm Water Rate Board (Rate Board) to establish a special discounted stormwater charge, in an amount up to and including 100%, for approved community gardens. As a result, the Board may exempt community gardens from paying a monthly stormwater charge, as long as the gardens meet the criteria in the ordinance. The most important criteria a community garden must meet are:

- 1) the property's principal use is for growing plants,
- 2) a community group operates the garden for public benefit, and
- 3) stormwater is sustainably managed on at least 80% of the property.

On July 20, 2016, community garden representatives requested that the Water Department initiate a proceeding before the Rate Board to consider the stormwater charge exemption. The Water Department's current filing with the Rate Board is to initiate the Board's review and determination of the special discounted rate for approved community gardens.

A financial analysis has determined that a 100% stormwater rate discount to known community gardens for the current rate period which began on July 1, 2016 and ends June 30, 2018 would result in lost revenue to the Philadelphia Water Department estimated to be \$46,490 in FY2017 and \$48,374 in FY2018, for a total of \$94,864 over the current Rate Period.

If a full stormwater charge exemption is granted to community gardens, the revenue loss to the Water Department is small enough that all other existing rates and charges will not increase for the remainder of the current Rate Period. This means that no other customer will pay more for water, sewer and storm water service if the community garden exemption is granted.

For more info, please visit the Water, Sewer and Storm Water Rate Board website:
<http://www.phila.gov/water/rateboard/Pages>

PWD EXHIBIT No. 2

Bill No. 160523 (approved June 28, 2016)

City of Philadelphia



(Bill No. 160523)

AN ORDINANCE

Providing for an exemption from charges relating to storm water management and disposal for community gardens operated for community benefit and producing food or non-food crops; all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Title 19 of The Philadelphia Code, relating to Finances, Taxes, and Collections, is hereby amended to read as follows:

CHAPTER 19-1600. WATER AND SEWER RENTS.

* * *

§19-1603. [Reserved.] *Community Gardens.*

(1) For purposes of this Section, “Community Garden” shall mean any parcel of land used for growing crops, whether food or non-food, for personal consumption, donation, or sale, provided that the following criteria are met:

(a) The parcel’s principal use is devoted to regularly-planted crop bed and such other related uses as are reasonable and necessary to growing such crops and maintaining the garden (for example, but not by way of limitation, common areas for hand tool storage sheds or compost bins);

(b) At least 80% of the gross area of the parcel is effectively pervious;

(c) A community or non-profit organization, or a group of individuals ascertainable to the Water Department and associated for purposes of operating the garden for public benefit, operates the parcel and possesses written evidence of the right to use the parcel as a Community Garden; such evidence may include a deed in the name of the organization, a lease, license or other agreement, or such other written authorization as may be reasonably satisfactory to the Water Department;

(d) Gardening activities are conducted primarily by members of the organization or group of individuals defined in §19-1603(1)(c); and

City of Philadelphia

BILL NO. 160523 continued

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(e) *The parcel is appropriately maintained so as not to cause blight or nuisance.*

(2) *Upon the Water Department's approval of an application as set forth in this subsection (2), a parcel shall be classified as a "Community Garden" and shall be eligible to receive discounted storm water rates and charges from the Philadelphia Water, Sewer and Storm Water Rate Board (the "Board"), pursuant to § 13-101(4) of this Code. The following shall apply:*

(a) *Applications for Community Garden status and special rates shall be submitted in such form and within such times as the Water Department shall specify.*

(b) *At minimum, applications shall provide such information as is necessary, and that the Water Department may require, to establish that all criteria of § 19-1603(1) are met.*

(c) *Applications shall be signed by or on behalf of the organization or group of individuals operating the Community Garden under subsection 19-1603(1)(c).*

(d) *The Water Department may cause any parcel to be inspected upon receipt of an application for Community Garden status for such parcel under this Section. Such parcel shall be subject to inspection by the City at any time in order to ascertain whether it meets the criteria set forth in § 19-1603(1).*

(e) *Compliance with this Section and all regulations issued pursuant thereto shall be a continuing condition of eligibility for Community Garden status under this Section.*

(3) *Pursuant to § 13-101(4) of this Code, the Board shall establish a special discounted storm water charge for approved Community Gardens, in an amount up to and including a 100% discount.*

(4) *Community Garden status and eligibility for rate discounts provided under this Section shall expire after such period, and may be renewed pursuant to such procedure, as the Water Department shall specify. No exemption from water or sanitary sewer charges is authorized under this Section.*

(5) *The Water Department is authorized to promulgate such regulations as are necessary to effectuate this Section.*

SECTION 2. This Ordinance shall be effective January 1, 2017. The discounted charge allowed by Section 1 of this Ordinance shall be without prejudice to any prior arrangement for relief of storm water management and disposal fees between the Water

City of Philadelphia

BILL NO. 160523 continued

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Department and a Community Garden or similar entity, provided that (1) such relief was granted on or after July 1, 2010; and (2) no such relief may be presumed to continue beyond the effective date of this Ordinance except pursuant to the terms of Section 1 or when extended in writing by the Water Department.

Explanation:

[Brackets] indicate matter deleted.

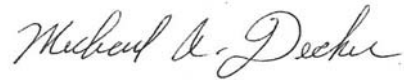
Italics indicate new matter added.

City of Philadelphia

BILL NO. 160523 continued

Certified Copy

CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on June 16, 2016. The Bill was Signed by the Mayor on June 28, 2016.

A handwritten signature in cursive script, reading "Michael A. Decker".

Michael A. Decker
Chief Clerk of the City Council

BEFORE THE PHILADELPHIA WATER, SEWER AND STORM WATER RATE BOARD

APPLICATION OF THE PHILADELPHIA :
WATER DEPARTMENT TO ESTABLISH ;
SPECIAL RATES FOR COMMUNITY :
GARDENS :

DIRECT TESTIMONY OF DEBRA A. McCARTY

Q. PLEASE STATE YOUR NAME AND WORK ADDRESS FOR THE RECORD.

A. My name is Debra A. McCarty. My business address is 1101 Market Street, Fifth Floor, Philadelphia, Pennsylvania.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the City of Philadelphia and serve as Commissioner of the Water Department (“Water Department” or “PWD”).

Q. WHAT ARE YOUR JOB RESPONSIBILITIES?

A. I am responsible for oversight of all operations of the Water Department.

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

A. I received a Bachelor of Engineering Sciences Degree with a major in Environmental Engineering from Johns Hopkins University.

Q. PLEASE DESCRIBE YOUR RELEVANT WORK EXPERIENCE.

A. I joined PWD as a Sanitary Engineer in 1982 and since then have been appointed to positions in the Department with increasing managerial and decision-making responsibility. Before joining PWD, I worked for a consulting engineering firm.

Q. PLEASE DESCRIBE THE PURPOSE OF YOUR DIRECT TESTIMONY.

A. The purpose of my direct testimony is to: (1) summarize Bill No. 160523, which was adopted on June 28, 2016, and among other things, requires the Board to establish a special discounted storm water charge for approved community gardens in an amount up to and including a 100% discount; (2) notify the Philadelphia Water, Sewer and Storm Water Rate Board (“Board”) of a letter received by the Water Department from the Pennsylvania Horticultural Society (PHS), Neighborhood Gardens Trust (NGT), and Public Interest Law Center (PILC) requesting that the Water Department initiate a rate proceeding to establish a special discounted stormwater rate for approved community gardens in accordance with Bill No. 160523; and (3) describe how the Water Department would revise its rates and charges if the Board approves a discount or exemption for qualifying community gardens in this proceeding.

Q. PLEASE SUMMARIZE BILL No. 160523.

A. Bill No. 160523 provides for an exemption or discount from charges relating to storm water management and disposal for community gardens operated for community benefit and producing food or non-food crops under certain terms and conditions. The bill was passed by City Council on June 16, 2016, and signed by the Mayor on June 28, 2016. It will be effective on January 1, 2017 and is codified in Section 19-1603 of the Philadelphia Code. I will refer to the enacted bill in my testimony as the Ordinance. A full copy of the Ordinance is included in the rate filing as PWD Exhibit No. 2.

The Ordinance requires the Board to establish a special discounted stormwater charge for approved community gardens, in an amount up to and including a 100% discount. It further outlines several criteria a Community Garden must meet to receive the discount or exemption, provides that the Water Department will receive and review applications for community gardens status, and authorizes the Water Department to establish regulations to effectuate the Ordinance.

Under the Ordinance, a “Community Garden” is “any parcel of land used for growing crops, whether food or non-food, for personal consumption, donation or sale,” that meets the following criteria:

- The parcel’s principal use is devoted to regularly-planted crop bed and such other related uses as are reasonable and necessary to growing such crops and maintaining the garden (for example, but not by way of limitation, common areas for hand tool storage sheds or compost bins);
- At least 80% of the gross area of the parcel is effectively pervious;
- A community or non-profit organization, or a group of individuals ascertainable to the Water Department and associated for purposes of operating the garden for public benefit, operates the parcel and possesses written evidence of the right to use the parcel as a Community Garden. Such evidence may include a deed in the name of the organization, a lease, license or other agreement, or such other written authorization as may be reasonably satisfactory to the Water Department;
- Gardening activities are conducted primarily by members of the organization or group of individuals defined in above; and
- The parcel is appropriately maintained so as not to cause blight or nuisance.

The Ordinance provides that the Water Department will review applications for the discount and may inspect any parcel to determine whether it is eligible for the discount. The discount will expire after a period determined by the Water Department, but may be reapplied if the parcel continues to meet the program requirements.

This Ordinance does not authorize any exemption from water or sanitary sewer services.

Q. PLEASE IDENTIFY AND SUMMARIZE THE LETTER THAT YOU RECEIVED FROM PHS, NGT AND PILC FOLLOWING THE ADOPTION OF THE ORDINANCE.

A. The letter is dated July 20, 2016, and is signed by Matt Rader for PHS, Jenny Greenberg for NGT, and Amy Laura Cahn for PILC. A copy of the letter is attached to my testimony as Exhibit DM-1.

The letter requests that the Department initiate a rate proceeding with the Board to establish an exemption from storm water charges for approved community gardens operated for community benefit and producing food or non-food crops, as authorized by the Ordinance.

Q. IF THE BOARD ESTABLISHES AN EXEMPTION OR DISCOUNT FROM STORMWATER CHARGES FOR QUALIFYING COMMUNITY GARDENS, HOW WOULD THE WATER DEPARTMENT EFFECTUATE THE EXEMPTION OR DISCOUNT?

- A.** The Board's rate determination would instruct the Water Department to revise Section 5.2 of its rates and charges to establish a new group of special customers consisting of customers with parcels eligible for an exemption or discount from stormwater charges as qualified community gardens. After the Board's final determination, the Water Department would file the revised rates and charges with the new exemption or discount for community gardens with the Department of Records. As required by the Board's regulations, the effective date of the change in rates would be the date set in the Board's rate determination, which may not be sooner than ten days after the Water Department files its new rates and charges with the Department of Records. Exhibit DM-2 is a redline version of the Section 5.2 of our rates and charges as this section would be revised if the Board approves an exemption.

In addition, the Water Department would promulgate regulations that further define the program requirements and the application procedures. These regulations would be filed with the Records Department in accordance with the City Charter to initiate the 30-day inspection period. If there are no requests for hearings, the program regulations would become effective at midnight on the thirtieth day after filing. If a public hearing is requested, there would be a public hearing on the proposed regulations before the Water Department and the City Solicitor, and the Water Department, with the approval of the Law Department, would then file a hearing report reaffirming or modifying the proposed regulations with the Department of Records.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

- A.** Yes, it does.

EXHIBIT DM-1

Letter dated July 20, 2016



July 20, 2016

Debra McCarty, Water Commissioner
1101 Market Street
5th Floor, ARAMARK Tower
Philadelphia, PA 19107

Dear Ms. McCarty:

We were delighted to learn that on June 28, 2016, Mayor Kenney signed into the law Bill 160523 which provides an exemption from charges relating to stormwater management and disposal for community gardens operated for community benefit and producing food or non-food crops; all under certain terms and conditions.

We write to respectfully request that the Philadelphia Water Department initiate the rate proceeding for garden exemptions.

We look forward to working closely with Philadelphia Water Department to implement this important legislation which is critical to the sustainability of so many community gardens across Philadelphia.

Sincerely,

A stylized, handwritten signature in black ink, consisting of a large 'M' followed by a horizontal line.

Matt Rader
President
Pennsylvania Horticultural Society

A handwritten signature in black ink that reads 'Jenny Greenberg' in a cursive script.

Jenny Greenberg
Executive Director
Neighborhood Gardens Trust

A handwritten signature in black ink, appearing to be 'AK' followed by a long horizontal line.

Amy Laura Cahn
Director
Garden Justice Legal Initiative
Public Interest Law Center

PHILADELPHIA WATER DEPARTMENT

RATES AND CHARGES

* * *

5.2 Special Customers.

The water, sewer and stormwater management service charges established in Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq. shall be applied to all general Customers, except the following groups of special Customers:

(a) GROUP I

(1) Public and private schools which provide instruction up to or below the twelfth grade but not beyond that grade, and excluding service to any separate or adjoining facilities or structures not used exclusively for educational or instructional purposes.

(2) Institutions of “purely public charity”, as defined by Pennsylvania law, except universities and colleges and excluding service to any separate or adjoining facilities or structures not used exclusively for the principal purpose of the charity.

(3) Places used for actual religious worship.

(b) GROUP II

(1) Residences of eligible senior citizens provided that the senior citizen shall:

(i) Make application for such reduction to the Revenue Department within the first billing period for which reduction is sought; and

(ii) Submit satisfactory proof that the applicant is 65 years of age or older and that he or she makes payment directly to the City for water, sewer, and stormwater service to his or her residence which is located in the City of Philadelphia; and

(iii) Submit satisfactory proof to the Revenue Department that the applicant does not exceed the household income limitation of \$31,500 per year established by the Department. The above income limitation shall apply to those applying for this discount subsequent to June 30, 1982.

(iv) Effective with each subsequent change in the water/sewer/stormwater charges, the Department shall adjust the Senior Citizen Income Limitation using the latest Consumer Price Index data available, as defined in the Philadelphia Code at Section 19-1901.

(c) GROUP III

(1) Universities and colleges, excluding service to any separate or adjoining facilities or structures not used exclusively for educational or instructional purposes.

(d) GROUP IV

(1) Public housing properties of the Philadelphia Housing Authority.

(e) GROUP V

(1) Group V Customers are Customers enrolled in the Income-Based Water Revenue Assistance Program (IWRAP) described in Section 19-1605 of the Philadelphia Code after the Water Revenue Bureau begins to issue IWRAP bills. Monthly bills for a Customer enrolled in IWRAP will be determined based on the Customer's family size and household income and will be charged in lieu of the service, usage and stormwater charges established in Sections 2.0 et seq., 3.0 et seq. and 4.0 et seq. for general Customers. Group V Customers will pay a percentage of his/her household income depending on where that Customer falls within the Federal Poverty Guidelines (FPL), subject to a minimum bill amount of \$12 per month.

(2) For determining the amount of service, usage and stormwater charges on monthly bills, Group V Customers will be defined according to three income tiers as follows:

(i) Group V-A. Group V Customers whose gross household income has been verified as being from 0% of FPL and up to and including 50% of FPL

(ii) Group V-B. Group V Customers whose gross household income has been verified as being greater than 50% of FPL and up to and including 100% of FPL.

(iii) Group V-C. Group V Customers whose gross household income has been verified as being greater than 100% of FPL and up to and including 150% of FPL.

(f) GROUP VI

(1) Customers with parcels eligible for a discount or exemption from the stormwater management service charge as a qualified community garden pursuant to Section 19-1603 of the Philadelphia Code and regulations promulgated by the Water Department under that Section.

(fg) Charges for Special Customers

(1) As of July 1, 2016, the charges to Groups I, II, and III of special Customers listed above shall be seventy-five percent (75%) of the charges as established in Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq., including both the water and sewer service and quantity charges, and the SWMS charges. The charges to Group IV Customers shall be ninety-five percent (95%) of the charges as established in Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq., including both the water and sewer service and quantity charges, and the SWMS charges.

(2) Group V Customers enrolled in IWRAP after the Water Revenue Bureau begins to issue IWRAP bills will be responsible for paying the following charges for service, usage and stormwater charges, or \$12 per month, whichever is greater:

- (i) Group V-A: 2.0% of household income.
- (ii) Group V-B: 2.5% of household income.
- (iii) Group V-C: 3% of household income.

(3) Group VI: Effective with bills issued on or after [insert date], Group VI special Customers will not be charged stormwater management service charges on parcels classified by the Department as community gardens when the Department approves an application for an exemption as set forth in Section 19-1603 of the Philadelphia Code and regulations promulgated by the Department under that Section.

(gh) All of these special Customers shall meter all water connections and they shall be subject to all provisions herein not inconsistent with Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq.

(hi) All special Customers are subject at any time to review as to their special charges by the Department or the Water Revenue Bureau and may be required to furnish adequate evidence supporting the continuance of such charges to the Department or the Water Revenue Bureau upon written notice to do so. Failure to furnish such evidence shall be sufficient ground for denial or termination of such special charges.

(ij) Special charges may be granted subject to the Department's review and approval of the size of the meter installed.

(jk) When the special use for which the special charge is granted ceases, the special charge ceases and the charges for general Customers shall apply thereafter.

BEFORE THE PHILADELPHIA WATER, SEWER AND STORM WATER RATE BOARD

APPLICATION OF THE PHILADELPHIA :
WATER DEPARTMENT TO ESTABLISH ;
SPECIAL RATES FOR COMMUNITY :
GARDENS :

DIRECT TESTIMONY OF MELISSA LABUDA

Q. PLEASE STATE YOUR NAME AND WORK ADDRESS FOR THE RECORD.

A. My name is Melissa LaBuda. My business address is 1101 Market Street, Fifth Floor, Philadelphia, Pennsylvania.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the City of Philadelphia and serve as the Water Department's ("Water Department" or "PWD") Deputy Commissioner in charge of finance.

Q. WHAT ARE YOUR JOB RESPONSIBILITIES?

A. I have overall responsibility for the Water Department's financial management, including accounting operations and financial reporting, budget formulation and execution, and financial planning.

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

A. I received a Bachelor of Science Degree in Business Administration from Bloomsburg University of Pennsylvania in 1995.

Q. PLEASE DESCRIBE YOUR RELEVANT WORK EXPERIENCE.

A. I joined the Water Department as an Assistant Deputy Commissioner in October 2013. I was elevated to my current position in August 2014. Before joining the Water Department I worked for a global financial institution where I served as an investment banker to public power and combined utility systems. Prior to that position, I worked for Public Financial Management, Inc.

Q. PLEASE DESCRIBE THE PURPOSE OF YOUR DIRECT TESTIMONY.

A. The purpose of my direct testimony is to summarize the revenue impact related to Bill No. 160523, which provides approved community garden parcels relief from "charges related to stormwater management" by applying special discounted stormwater charges "in an amount up to and including a 100% discount."

Q. PLEASE IDENTIFY THE EXHIBITS THAT ACCOMPANY YOUR DIRECT TESTIMONY.

A. The following exhibit accompanies my testimony.

Exhibit ML-1 Black & Veatch Estimated Financial Impact

Q. PLEASE SUMMARIZE THE REVENUE IMPACT OF ENACTING A 100% DISCOUNT FOR COMMUNITY GARDENS FOR STORMWATER CHARGES.

A. As detailed in ML-1, the lost revenue of granting Community Gardens a zero rate for stormwater is approximately \$46,489.86 in FY17 and \$48,374.34 in FY18.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

EXHIBIT ML-1

Black & Veatch Estimated Financial Impact

COMMUNITY GARDENS ORDINANCE – ESTIMATED FINANCIAL IMPACT

Introduction

The City of Philadelphia enacted an ordinance (Bill No. 160523) that provides approved community garden parcels relief from “charges related to stormwater management” by applying special discounted stormwater charges “in an amount up to and including a 100% discount.”

This ordinance was passed in June 2016 and goes into effect on January 1, 2017. The Philadelphia Water Department (“Water Department”) requested Black & Veatch (“B&V”) perform a financial impact analysis for the rate period of FY 2017 and FY 2018 (“Rate Period”), to estimate the contra revenue associated with this new ordinance.

Methodology

The Water Department provided B&V the following datasets for known “community gardens”:

- Stormwater Billing Attributes Information

There are a total of 286 known community garden parcels with a total billable gross area of 1,276,500 sq. ft. and total billable impervious area of 119,500 sq. ft. Of these, 55 are City Owned Vacant parcels that are already not billed stormwater charges. Table 1 presents the number of parcels, billable gross area (GA) and billable impervious area (IA) for each category of parcels.

Table 2 presents the proportion of the total system-wide billable parcels, GA, and IA represented by community gardens for the Rate Period. The loss of stormwater billable units of service due to 100% discounts for Community Gardens is less than 0.1% for both GA and IA respectively.

To estimate the financial impact of contra revenue due to the City’s Community Garden Ordinance, B&V used a two-step process, as follows:

- First, B&V calculated the monthly stormwater charges (i.e. stormwater management service charge and billing and collection charge) for each parcel based upon the parcel impervious and gross area data and the adopted FY 2017 and FY 2018 stormwater rates. As appropriate, minimum stormwater service charges and discounts were also applied.
- Second, the monthly stormwater charges were then annualized to determine the contra revenue for each year.

Findings

The contra revenue due to loss of stormwater billable units is estimated to be \$46,489.86 in FY 2017 and \$48,374.34 in FY 2018, for a total of \$94,864.21 over the Rate Period. The financial impact due to contra revenue is presented in Table 3.

TABLE 1: SUMMARY OF COMMUNITY GARDEN PARCELS BY TYPE						
Line No.	Billing Class	Property Type	Discount Type	# of Parcels	Final Gross Area (Sq ft)	Final Impervious Area (Sq ft)
Exempt						
1	Exempt	City-Owned Vacant	Exempt	55	155,500	17,500
Residential						
2	Residential	Row & Apartments	Non Discount	7	9,000	5,000
Non-Residential						
3	Non-Residential	Non-Residential	Non Discount	131	497,000	58,500
4	Non-Residential	Non-Residential	Discount-Charity	82	592,500	30,500
5	Non-Residential	Non-Residential	Discount-PHA	11	22,500	8,000
6	Subtotal Non-Residential			224	1,112,000	97,000
7	Total			286	1,276,500	119,500
8	Total Excluding Exempt			231	1,121,000	102,000

Notes:

The Exempt parcels data provided only includes Community Gardens and not the data for the entire City Owned properties.
Exempt parcels do not pay stormwater charges currently, hence they are excluded for calculating contra revenue.

TABLE 2: STORMWATER UNITS OF SERVICE LOSS AS A PERCENTAGE OF FINAL BILLABLE PARCELS, GROSS AREA , IMPERVIOUS AREA					
Line No.		FY 2017		FY 2018	
		Final Billable	% Community Garden	Final Billable	% Community Garden
1	PARCELS	535,636	0.0431%	535,570	0.0431%
2	GROSS AREA (sq ft)	2,168,786,233	0.0517%	2,151,226,163	0.0521%
3	IMPERVIOUS AREA (sq ft)	1,115,871,035	0.0091%	1,105,778,715	0.0092%

Notes:

1,2,3 *Fnal billable units are based upon the Final Rate Board Decision Tables. % Community Gardens is based upon the Parcel, Gross and Impevious Area impacts presented in Table 1.
City-Owned Vacant properties are already accounted for in final billable units.*

TABLE 3: COMMUNITY GARDEN CONTRA REVENUE FOR FY 2017- FY 2018

Line No.	Class	Discount Type		FY 2017 Annual		FY 2018 Annual		Total Impact Current Rate Period
1	Non-Residential	Non Discount	\$	27,372.66	\$	28,473.05	\$	55,845.71
2	Non-Residential	Discount-Charity	\$	16,040.21	\$	16,701.64	\$	32,741.85
3	Non-Residential	Discount-PHA	\$	1,890.92	\$	1,964.01	\$	3,854.93
4	Residential	Non Discount	\$	1,186.08	\$	1,235.64	\$	2,421.72
5	Total Contra Revenue		\$	46,489.86	\$	48,374.34	\$	94,864.21

Notes:

*FY 2017 Contra Revenue calculations assume a full fiscal year non-payment by community gardens due to public awareness regarding the ordinance.
PWD is not certain if the implementation can be achieved in February 2017.*