

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND REQUESTS
FOR PRODUCTION OF DOCUMENTS**

1. Please provide the components of the Additional Basis2 support cost.

Response:

See response to PA-RDC-50 and PA-RDC-51.

Table excerpt from PA-RDC-50:

Category	Requirement	Unit Cost	Total
Business Analyst	2 person years	\$225,000	\$450,000
Programmer	3 person years	\$225,000	\$675,000
			\$1,125,000

Table excerpt from PA-RDC-51:

Category	Requirement	Unit Cost	Total
IT Support Staff	2.5 FTEs	\$225,000	\$562,500

Response Provided By: Michelle Bethel and Mark Harvey, Philadelphia Water Revenue Bureau

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2. Please provide a breakdown of the facilities administration costs that was inadvertently dropped from the FY 2016 budget.

Response:

The chart below shows the budget for the Facilities Management Unit for FY13- FY17. Please note a drop of \$998,000 from FY 2015 to FY 2016. This budget line was inadvertently dropped from FY 2016 budget and has been added back to FY 2017. This budget line item covers the cost for repairs and maintenance at our facilities.

Fiscal Year	Class	Unit	Original Budget
2013	260	280257 - Facilities Management	1,964,400
2014	260	280257 - Facilities Management	1,964,400
2015	260	280257 - Facilities Management	1,866,500
2016	260	281247 - Facilities Management	868,500
2017	260	281247 - Facilities Management	1,868,500

Additional approved budget detail can be found on the Office of the Director of Finance’s website, under financial reports, budget detail. <http://www.phila.gov/finance/reports- BudgetDetail.html> For FY 2013, FY 2014 and FY2015, Facilities Management was under the Water Department’s Finance Division and for FY 2016, Facilities Management was moved to Human Resources and Administration Division.

These costs include installation of water and wastewater equipment, paving costs at all of our facilities, equipment maintenance and repairs, HVAC repairs, fire protection systems and repairs, which include smoke detector and alarm panels and other audio/video repairs need at all of PWD’s facilities.

Response Provided By: Melissa La Buda, Philadelphia Water Department

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3. Please provide a breakdown of the \$0.8 million additional staffing costs for the Operations Division that are required after completion of plant expansion. In your response identify the related plant.

Response:

The information requested is outside of the rate period.

Response Provided By: Melissa La Buda, Philadelphia Water Department

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4. Please provide the components that comprise the additional one-time maintenance costs for the Operations Division of \$1.3 million, \$1.2 million and \$0.1 million for 2017, 2018 and 2019, respectively.

Response:

Some of our plants and facility equipment require a high rate of maintenance. One time maintenance cost included in the cost of service study for 2017, 2018 and 2019 for the operations division include BRC increase in insurance payments; NEWPCP increase in drydocking recycler for 6 year inspection; digester cleaning; chiller rental; increase cost of CoGen Maintenance; SWWPCP increase in digester and flocculation cleaning, paving and emergency HVAC repair. These costs are based off of historical experience and will reoccur each fiscal year as equipment is old and other equipment requires a higher rate of maintenance.

Response Provided By: Debra McCarty, Philadelphia Water Department

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5. Please provide supporting documentation showing the derivation of the phosphoric acid costs and the parts for equipment repair.
 - a. In your response please provide the reason for the use of phosphoric acid and why phosphoric acid does not appear as one of the chemicals normally used in the Operations Division's budget for FY 2014, 2015 and 2016.
 - b. Please provide support for the pricing used for the phosphoric acid.

Response:

The Northeast Water Pollution Control Plant has been experiencing some problems with the microbiological health of the secondary treatment system during cold weather conditions. This problem has occurred at varying levels over the last 4 to 5 years. Phosphorus is necessary to maintain satisfactory microbiological health. Maintaining the correct microbiological populations in the secondary treatment system is necessary for good performance by the facility and in meeting PADEP permit requirements. The request was made to add additional phosphorous (phosphoric acid) to the treatment process during colder weather to increase the low concentrations of phosphorous and strengthen microbiological health in the secondary system. This increase is needed to insure good plant performance in cold weather.

Support for pricing is in the prior response to PA-EXE-185, phosphoric acid is used routinely in wastewater treatment. Phosphoric acid is H₂PO₄.

Response Provided By: Debra McCarty, Philadelphia Water Department

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6. For the Operations Division, please identify the Class 300 equipment to be repaired. In your response, explain how it is now known that this equipment will need to be repaired.

Response:

The increase in parts is for the phosphoric acid system since it will be used more often, but also for other plant equipment including HVAC, pumps, flowmeters, valves, sludge collection equipment, and other equipment. Some equipment is old and other equipment requires a higher rate of maintenance.

Response Provided By: Debra McCarty, Philadelphia Water Department

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7. For the Operations Division, please identify the additional Class 400 equipment of \$0.1 million; explain the purpose for the equipment.

Response:

The additional Class 400 equipment of \$0.1 million will be used at the SWWPCP for the purchase of LED light fixtures and replacement of air conditioning systems.

Response Provided By: Melissa La Buda, Philadelphia Water Department

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8. Please provide a breakdown of the additional staffing costs for the Office of Watersheds.

Response:

The three new positions are in the customer field service unit and will be water operations repair helpers. Also, note that the Department made a decision in January 2016 to realign its staffing needs and increase the staffing of the customer field service unit instead of the office of watersheds for FY 2017.

Response Provided By: Melissa La Buda, Philadelphia Water Department

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9. Please identify the components and the related costs of the additional stormwater facilities maintenance costs. In your response please identify the facilities related to this adjustment.

Response:

The components and the related costs of the additional stormwater facilities maintenance include both inspection and maintenance of the increased number of stormwater management practices required by the Consent Order and Agreement.

Response Provided By: Chris Crockett and Steve Furtek, Philadelphia Water Department

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10. Please provide a breakdown of the additional staffing costs for the sewer lateral inspection program. In your response, identify each position that is included in the costs and the reason each position is required.

Response:

The Philadelphia Water Department has been working with Licensing and Inspection as well as the Streets Department to review, inspect, and enforce all sewer repairs, connections, and backfills. The Joint Plumbing Issues Committee has been developing Sewer Connection Regulations and a Sewer Connection Manual. These documents will allow the Department to enforce sound sewer connections which ultimately will reduce sewer cave-ins and damage to the city infrastructure. An average of 1500 permits are applied for annually and are expected to be inspected from start to finish by a newly created inspection division within Projects Control. This group will comprise of six construction projects technicians, one for each streets department district, and one graduate civil engineer supervisor.

Response Provided By: Steve Furtek, Philadelphia Water Department

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12. Please provide a breakdown of the additional staffing costs for the Affordability Program.

Response:

See response to PA-ID-13.

Response Provided By: Michelle Bethel and Mark Harvey, Philadelphia Water Revenue Bureau

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13. Please provide a breakdown of the additional space requirements cost for the Affordability Program.

Response:

See response to PA-RDC-54 and table below:

Salary Calc Estimates for new WRB staff to address the Affordable Rates Plan

<u>Position Title</u>	<u>Annual Salary</u>		<u># of Pos</u>		<u>Salary Cost</u>
Collection Customer Representative	38,767	x	16	=	620,272
Collection Representative Supervisor	48,312	x	2	=	96,624
Data Services Support Clerk	35,265	x	4	=	141,060
					Total Salary Annual Cost: <u>857,956</u>

<u>Position Title</u>	<u>Total Salary (All Empl)</u>		<u>%*</u>		<u>Benefits</u>
Collection Customer Representative	620,272	x	42.97%	=	266,531
Collection Representative Supervisor	96,624	x	42.97%	=	41,519
Data Services Support Clerk	141,060	x	42.97%	=	60,613
					Total Benefits Annual Cost: <u>368,664</u>

<u>Position Title</u>	<u>Total Salary</u>		<u>%*</u>		<u>CAP</u>
Collection Customer Representative	620,272	x	56.00%	=	347,352
Collection Representative Supervisor	96,624	x	56.00%	=	54,109
Data Services Support Clerk	141,060	x	56.00%	=	78,994
					Total Indirect (CAP) Cost: <u>480,455</u>

<u>Position Title</u>	<u>Cubicle Avg Cost</u>		<u>Avg Cost</u>		<u>Cubicle Charges</u>
Coll Cust Rep/Data Services Supp Clerk	4,000	x	20	=	80,000
Collection Representative Supervisor	4,500	x	2	=	9,000
					<u>89,000</u>

Total Salary, Benefits, Indirect and Cubicle Costs: 1,796,075

**Benefits and Cap Rates (Indirect Charges) Per Finance*

Response Provided By: Michelle Bethel and Mark Harvey, Philadelphia Water Revenue Bureau

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With regard to full-time positions for the Operations department:

14. Please explain the \$4,951,500 increase in the obligation level between FY 2016 and FY 2015 even though there is no budgeted increase in the number of positions.

Response:

The increase of \$4,951,500 in the obligation level between FY 2016 and FY 2015 is due to recent labor settlements with AFSCME DC33.

In the table referenced and also attached as response attachment PA-ID-14, the total obligations for full-time employees for FY2015 is in two lines, line (1) and line (10). FY 2015 was shown this way due to the labor settlement of AFSCME DC33 which occurred in FY 2015. Line (10) shows the adjustments to base salary (3.5%) and a onetime retroactive payment.

FY 2016 shows that total obligation level for full time employees in one line, line (1), which includes the salaries at a higher pay from the FY 2015 adjustment as well as a 2.5% salary increase for all employees that was effective on July 1, 2015.

For more information on this settlement see, PWD Exhibit 4 (SI- 31) page 357 of 468, Table 18- Status of Arbitration Awards and Labor Contract Settlement as of January 2015. Also see, PWD Exhibit 4 (SI- 63).

Response Provided By: Melissa La Buda, Philadelphia Water Department