

## **Testimony of Cynthia Kishinchand to the Philadelphia Water, Sewer, and Stormwater Rate Board Regarding Proposed Rate Increases in 2017 and 2018 – April 18, 2016**

Although I understand why the Philadelphia Water, Sewer, and Stormwater Rate Board (PWSSRB) is recommending rate increases over the next two fiscal years, ie 2017 and 2018, in the document “Philadelphia requests rate increase over two years” I failed to see any mention of the 25 % discount given to registered non-profit institutions and organizations.

As a rate payer, I endorse a discount but with some revisions, particularly after pondering the range of the value of endowments of some non-profit institutions and the compensation of their chief executives. For example, according to the online *Annual Report* of the University of Pennsylvania, the university, as of June 30, 2015, had an endowment of \$10.1 billion dollars reflecting an increase of \$551 million from the previous year. According to an article in *The Daily Pennsylvanian* posted on its website October 11, 2015, writer Caroline Simone stated the salary of President Amy Gutmann to be \$3,426,106. (NB, The salary of the President of the United States is \$400,000 and the salary of the Mayor of Philadelphia is \$217,000.)

It is my understanding the 25 % discount the Water Revenue Bureau grants to non-profit institutions amounts to approximately 10 million dollars per year. Although I do not know how much of that cost is borne by a regular ratepayer, it is a concern. Therefore, I beseech Board and City Council to thoroughly review 25% discount for institutions before making any recommendations for rate increases. When doing so, I trust the PWSSRB and City Council will review the history of this discount, its impact on rate payers who do not qualify for any discount, the amount in dollars of the discount since it was granted, the financial assets of those institutions qualifying for the discount, and a list of municipalities which offer a similar discount.

One possible approach would to be enact a policy wherein there were clear criteria regarding eligibility. For instance, limit the discount to institutions whose assets are less than \$1,000,000. I realize my request for a thorough review and revision of the current 25% discount for institutions may slow down the rate increase process, but I am confident the PWSSRB and City Council will address every aspect of the all the discount policies of the Water Revenue Bureau. Thank you for your dedication to the City and its citizens.

Respectfully submitted,

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