

**BEFORE THE
PHILADELPHIA WATER, SEWER, AND STORM WATER RATE BOARD**

In the Matter of the Philadelphia Water Department's Proposed Change in Water, Wastewater, and Stormwater Rates and Related Charges **Fiscal Years 2022 – 2023 Rates and Charges to Become Effective : September 1, 2021 and September 1, 2022**

**LANCE HAVER DISCOVERY REQUESTS
&
REQUESTS FOR PRODUCTION OF DOCUMENTS**

A.

- LH-A 1--** What happens if/when the PWD is not satisfied with the operation of the Water Revenue Bureau?

- LH-A 2--** In the last 10 years, has there ever been differences between the projected amount in the Rate Stabilization Fund and the Actual Amount? How often did it happen?

- LH-A 3 --** Over the last 10 years, comparing the projections from the Mayor's 5-year plan and the ending balance in the Stabilization fund, has there ever been a year where the difference between the projection and the actual was larger than 5.9 million?

- LH -A4 --** If so, what actions did the PWD take in the following year to bring the difference between the projected amount to the actual amount?

- LH-A5--** Please provide information to fill in the following chart where the projected amount refers to the projected amount in the Rate Stabilization Fund for the requested years according to the cited 5-year plan and the actual is the amount in the fund shown by the annual audit.

Mayors 5-year plan -fy 2011-2015 projected amount 2011 2012 2013 2014 2015

Actual amount 2011 2012 2013 2014 2015

Mayor's 5-year plan fy 2012-2016 projected amount 2012 2013 2014 2015 2016

Actual amount 2012 2013 2014 2015 2016

Mayor's 5-year plan fy 2013 -2017 2013 2014 2015 2016 2017

Actual amount 2013 2014 2015 2016 2017

Mayor's 5-year plan fy 2014-2018 2014 2015 2016 2017 2018

Actual Amounts 2014 2015 2016 2017 2018

Mayor's 5-year plan fy 2015-2019 2015 2016 2017 2018 2019

Actual 2015 2016 2017 2018 2019

Mayor's 5-year plan fy 2016-2020 2016 2017 2018 2019 2020

Actual 2016 2017 2018 2019 2020

Mayor's 5-year plan fy 2017-2021 2017 2018 2019 2020 2021

Actual 2017 2018 2019 2020 2021

LH-A 6 -- Who invests the Rate Stabilization Fund? Where are the funds located?

- LH-A 7-- On Page 19 of Schedule ML-2, it appears that revenue projections are 4,642,000 more than what was projected. If that is correct, what accounts for revenues to be higher than projections? Does the 4, 642,000 off set the 5.9 million under projection in the rate stabilization fund? Why?
- LH-A 8-- P 29 of Schedule ML-2 lists the debt ratio for Philadelphia and other water departments. What is the correlation between Debt ratio and bond rating? Please explain how that answer is derived.
- LH-A 9- Are the projections of a “technical default” based on the past year’s revenues? If not, what revenue projection are being used to project a technical default without a rate increase?
- LH A-10 -- Why is a ratio of 1.3 the goal for Senior Debt Service Coverage when lower numbers have been accepted in other bonds? Why \$ 150 million the amount of reserves considered acceptable?
- LH-A11- How well has the PWD met projected amounts in the rate stabilization and residual funds?
- LH-A12 -- What efforts have been made to use COVID money to re finance debt?
- LH-A- 13-- Ms. La Buda. testifies “From both an operational and a credit rating perspective it is essential for the Department to sustain debt service coverage levels significantly above the minimum levels required by the Rate Covenants to provide rating agencies and bondholders comfort. . .” Would it be fair to say that one of the driving forces for the rate increase is the comfort level of the bond holders?
- LH-A- 14-- Where in Ms. La Buda’s testimony is there concern about the comfort of the rate payers?
- LH-A- 15-- Ms. La Buda testifies “From both an operational and a credit rating perspective it is essential for the Department to sustain debt service coverage levels significantly above the minimum levels required by the Rate Covenants” In this context, what does “significantly” mean and how was the definition derived? In the context of the testimony what does the word minimum refer to, if not the amount accepted by bond counsel and bond buyers?
- LH-A-16-- Bond buyers accepted the minimum cover ratio in the past, will they no longer accept the minimum ratio? How is this known to you?
- LH-A- 17 Please provide all the request for proposals (RFPs) issued by the PWD seeking to lower costs

- LH-A-18 Please provide all RFP's for using the resources of the PWD to generate funds from sources other than water sales to Philadelphia rate payers
- LH-A-19 Please list all RFPs seeking vendors to install "instream electrical generation" in the PWD infrastructure.
- LH-A-20 Please provide all the analysis of the joining buying cooperatives, creating a buying cooperative and/or buying materials with other City Departments, including PGW
- LH-A-21 Please list all vendors used by the PWD that have headquarters, employees and/or factories located in the City of Philadelphia
- LH-A-22 Please list all non-residential users who the PWD created incentives for in order to have them locate In Philadelphia and/or keep them in Philadelphia. Please provide all work products that show what efforts the PWD undertook, the cost benefit analysis of those efforts and the projected increased revenues flowing to the PWD