PHILADELPHIA WATER, SEWER AND STORM WATER

RATE BOARD

PUBLIC HEARING

Tuesday, March 16, 2021.
Philadelphia, Pennsylvania

TIME: 6:00 p.m.

LOCATION: Virtually

HELD BEFORE: MARLANE R. CHESTNUT, Hearing Officer

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HEARING OFFICER CHESTNUT: This is the second of the public hearings scheduled by the Philadelphia Water, Sewer and Storm Water Rate Board to give the Board a chance to hear directly from the customers concerning the Philadelphia Water Department's proposed rates and charges for fiscal year 2021 and 2022.

The Rate Board is an independent body that was established to set rates and charges for water and sewer service in Philadelphia. As part of its mandate to conduct an open and transparent examination of the proposed rates, the Board hired Community Legal Services to act as the Public Advocate in this case and selected me as Hearing Officer to ensure that the hearing process is conducted in a fair, impartial and expeditious manner.

Due to the ongoing public health emergency caused by the Covid pandemic, this and all hearings are being
conducted remotely.

There is a court reporter who is taking down what is being said and will produce a stenographic record of this hearing, so please be sure to speak slowly and clearly.

Before we get to hearing from you I will introduce the representatives from the Water Department and the Public Advocate and let them give you an overview of the filing and their plans for how to proceed in this case.

Mr. Dasent.

MR. DASENT: Yes. Thank you, Your Honor. Glen Abrams from the Public Affairs Unit at the Water Department will be giving an overview of the proceeding as we see it. And then we can proceed to CLS.

MR. ABRAMS: Great. Thank you, Andre and Ms. Chestnut.

Good evening, everyone. My name is Glen Abrams and I'm speaking on behalf of the Philadelphia Water
Department in this proceeding.

We first want to thank you all for joining the hearing this evening to share your views about the rate increase request that the Water Department has filed with the Philadelphia Water, Sewer and Storm Water Rate Board.

As you may know, if the Rate Board approves the Water Department's full request, a typical residential customer using 500 cubic feet of water per month would see their bill increase by about 11.6 percent in fiscal year 2022 and 5.3 percent in fiscal year 2023. Or, approximately $7.74 per month beginning on September 1st, 2021 and an additional $3.98 beginning on September 1st, 2022.

The Water Department recognizes that any increase in rates can be a hardship, especially right now. But this increase is necessary to address the Department's current financial deficit and to continue maintaining, upgrading and renewing its system to make sure that
clean water is delivered as safely and reliably as possible, and that wastewater treatment and storm water management services continue unabated. This system provides essential services that are the foundation of public health in Philadelphia. Importantly, since the Water Department is a municipal utility it has no shareholders and every dollar that it collects is used to support the safe and reliable operation and maintenance of the utility system. Rate relief is necessary now to sustain our operations. It should be noted that the Water Department continues to invest in much needed upgrades to critical water and wastewater infrastructure including replacing aging water mains to reduce the occurrence of water main breaks and increase the reliability of water service to customers; extending the life and reliability of the wastewater system by making repairs and improvements to
treatment facilities and improving
drinking water treatments; and improving
our water conveyance system by
rehabilitating critical water
infrastructure such as pumping stations
and water mains; as well as upgrading
water and wastewater treatment
facilities.

All projects planned for fiscal
years 2022 and 2023 are critical
investments to ensure the utility can
support its operations and continue to
provide safe and reliable service to
current and future customers with a well
maintained water and wastewater system
they can count on.

I would also highlight that the
Water Department has a robust and
comprehensive customer assistance program
which helps low income customers pay
their bills, including the Tiered
Assistance Program or TAP, senior citizen
discount program, and other programs that
are more flexible than ever during this
difficult time.
The Water Department has also agreed to extend the shutoff moratorium for residential customers through April 1st, 2022 and has paused enforcement activities for our most vulnerable residential customers.

If you are experiencing financial hardship we want to help. We encourage you to apply for TAP, the senior discount program or other programs that are available to assist households with payment difficulties. These programs are accessible through the website, www.phila.gov\waterbillhelp, or by calling 215-685-6300 Monday through Friday between 8:00 a.m. and 5:00 p.m.

I would also note that if you are having specific billing questions or other service issues that you would like assistance with, please let us know and we will have a customer service representative contact you as soon as possible. Tonight, please use the chat
function to identify yourself or let us
know that you would like to speak in a
breakout room to exchange contact
information.

The purpose of today's session
is to hear from you, the consumers. We
appreciate you taking the time to share
your views with us today. And we look
forward to hearing from you.

Thank you.

HEARING OFFICER CHESTNUT: Ms.
Pickens, if you want to make a statement
on behalf of the Public Advocate.

MS. PICKENS: Yes. And thank
you. Good evening, Hearing Officer.

Good evening, everyone. My name is Josie
Pickens and I'm an attorney at Community
Legal Services or CLS.

CLS has been appointed to serve
as Public Advocate to represent the
interests of residential and small
commercial customers, your mom and pop
shops, in this rate proceeding. We are
working with a team of experts to examine
PWD's proposal and to present our analysis on the independent Water, Sewer and Storm Water Rate Board that will make a determination of whether, and if so, how much PWD rates are allowed to increase.

PWD has proposed to raise typical residential water bills by 17 and-a-half percent over two years. At the end of that, if that rate request is approved, that would cost you about $140 more per year. We have concerns about PWD's proposal. And we're here this evening to hear from you.

Should PWD raise your rates during a pandemic or should it look for ways to lower costs? What about the estimated $1.4 billion in local government recovery funds that Philadelphia is going to get, shouldn't the City use that to support PWD instead of increasing your rates? What would it mean to your family to have to pay significantly more money for water right
now? And has PWD done everything it can
do to help you with the assistance you
may need?

        I want to encourage you to
please share your views. What you share
this evening will be an important part of
the record of this case. The Board needs
to hear from you and understand what you
think about PWD's request to increase
your water bills.

        I want to thank everyone for
making the time to participate in this
process. Thank you.

   HEARING OFFICER CHESTNUT: And
thank you, Ms. Pickens.

   Let me state that there are
other participants to this proceeding.
They include the Philadelphia Water
Revenue Board, which does the actual
billing and collections on behalf of the
Water Department; the Philadelphia Large
Users Group; PECO; and a number of
individuals.

   Let me also note that the
chairman of the Rate Board, who is actually the body charged with making the decision concerning the proposed rates, is present also, Sonny Popowsky.

Let's take a minute and talk about the schedule and the process. Generally, the process is that the company, the Water Department, excuse me, filed a request to change its rates and charges, and in support of that filed a substantial amount of testimony and exhibits.

The Public Advocate and other participants have conducted a discovery which is, they ask questions, they go into detail about that filing. And all of this is posted on the Rate Board's website. The filing, as well as the discovery and the answers to the discovery. So that goes into a lot more detail about every component of this case. If you're interested, it's available for you to see.

Now, once the discovery is over
and the other non-department parties have
a chance to file their own written
testimony giving their opinion of the
company's filing, there will be another
round of testimony to respond to
everybody else's. But then there will be
what are called technical hearings in
April. That's when each side can present
its experts who would be cross-examined
about the testimony they submitted.

After that, each party will
have the opportunity to file a written
brief. I will write my decision sometime
probably, hopefully, by the end of May.
And the Board will make the decision by
the end of June. Which gives the
Department time to deal with whatever the
Board decides in order to implement any
rates by September 1st. But that's
generally the process.

And as I said, all this is
posted on the Rate Board's website. So
if you have any questions about what's
filed or dates, it will all be there.
It's important that you came tonight because it's easy to talk about customers generally or as a class. It helps to have a human face instead of just saying, the customers, and the customers this, and the effect on the customers is that.

We can all agree that it's hard for people to pay more rates. And for a lot of people it's very hard, especially in these times. So I very much appreciate that you took the time to come.

And the reason that these public hearings are held when they are in the process is so that the parties can listen to what you say and hopefully incorporate it into their testimony. That's the process.

Now, in terms of the hearing itself tonight, as you know, you were asked to register. And people did register. And we will call people in order that they registered. But if there
are people who have not registered and
would like to make comments, that's fine.
I will take you in whatever order we can.

If you are on Zoom, if you are
on a video, then raise your hand. And I
have never done this, but I think it
should work, that if you are on a
telephone connection and you do
star-nine, that apparently unmutes you
when I ask if anybody else would like to
give a statement. So we are going to try
that.

Like I said, this is being
conducted remotely. We did one this
afternoon, that was my first time doing
this via Zoom so I hope it went well.
And I hope this will go well too.
Because this is an important part of the
process.

I do want to say, though, this
isn't your only opportunity to comment or
to express your concerns. You can also
e-mail or send a letter to the Rate Board
or directly to the company or to the
Public Advocate. Ms. Pickens can give you the e-mail address to use for the Public Advocate. And I guess Mr. Dasent can do the same for the company. But I read every e-mail that is sent to the Rate Board. It's all posted and it's all there for everybody to see.

When it's your turn I will ask you to give and spell your name. I will ask you to give your address and if you're appearing on your own behalf or on behalf of a group.

And I'm also going to ask you how you heard about this. The Public Advocate and the Water Department did a lot of outreach and it would be nice to know what worked and maybe what didn't work or maybe where there should be some additional efforts. So if you can think about that, if you saw -- if you got an e-mail or if you heard from word of mouth or you went to the website and saw the notice of this hearing, that would be great.
I will ask you to confine your remarks, if you can, to the issue in this hearing which is the proposed rates. As Mr. Abrams said, if you have a billing issue or a particular issue that affects you, we can arrange for the company to meet with you in a breakout room so that you don't have to disclose your personal information and they can get information and resolve your concerns. And I expect that Mr. Dasent will report back to me on the results of that.

Let's see. After you have given your statement I will ask the participants if they have questions for you. This is not cross-examination. It's not to embarrass you or to trip you up. It is to ask more clarifying questions in connection with that.

Let's talk about the nature of this procedure. It is not litigation. It is not like a civil case where there is a determination of liability and damages. It's not a criminal case where
there's a determination of guilt or
innocence.

This is a collaboration, or at
least the way I approach it is a
collaboration. Because the customers and
the company both want the same thing.
Which is, the customers don't want to
have to pay more for their service than
they can afford. The company doesn't
want you to pay more for your service
than you can afford because they don't
want to have to collect from you and
terminate your service, that's expensive.
I'm sure they would rather spend the
monies on the salaries and the equipment
and the supplies that they need. So from
that perspective, it's in the company's
interest to keep rates low.

Now, from a customer
perspective, you want to keep your rates
low, obviously, but you also want the
company to have enough money to do a
decent job to provide you the service
that you're entitled to. You want safe
service. And the company does need a
certain amount of money to do that. So
the point is, that we have to find that
common ground.
And I'm sure the parties have
been tired of me telling them that I
expect consensus in pretty much
everything. My objective in this case is
not to make any decisions. I would like
the parties to resolve things -- the
participants, excuse me -- to resolve
things among themselves. And that goes
from procedural issues like the schedule
or discovery disputes, to the substantive
issues. Because, as far as I'm
concerned, these people are in the best
position to know how to address these
conscerns. The company knows how much it
could give a little and the Public
Advocate knows what would really be in
the best interests of the people that its
representing. So really, I urge them to
work together.
And I'm urging all of you here
today to think of this, not as an
adversarial thing, but as an opportunity
to express your concerns, have those
concerns heard, and also perhaps see it
from the company's perspective too and
think how can we deal with this together.

This is a difficult time for
everybody. And that includes the
utilities as well because they depend on
the financial well being of their
customers. So we will hopefully get
through this and come up with a result
that's fair and reasonable and in
everybody's interests.

Now, at the session this
afternoon I made a statement that I
consider myself to be the most
knowledgeable person in the state when it
comes to utility regulation. Now, I did
that obviously to get your attention.
But I think it's true.

Because I do have 25 years
experience as an Administrative Law Judge
with the Public Utility Commission I have
done all kinds of cases. I have done hundreds of rate cases. I have done rate cases for utilities of all kinds in all parts of the state. I have done non-rate cases. I have done mergers and acquisitions. I have done rail cases. I have done everything. But the most, well, the greatest number of cases have been individual complaints, either service complaints or ability to pay. So I'm very conscious of the effect of utility rates on individual people.

I spent a lot of my career in the public interest. Before I became an Administrative Law Judge I worked for the Commission in various capacities representing the public interest. I worked for the Office of Consumer Advocate which represents commercial -- excuse me, residential customer interests.

So, yes, I'm very aware of all aspects of utilities, how they affect people, the rate making process, and how
to handle it. In fact, I will even say that after I retired from the Public Utility Commission I did a little work for utilities in Philadelphia, mostly customer service related issues. But, yes, I see it from a utility perspective as well.

But most of my work has been done in Philadelphia. So I'm very conscious of the particular facts of Philadelphia. Expenses are high in Philadelphia and incomes are low. There's just no getting around that. But I'm saying this to make you aware that I'm very sensitive to your concerns and the Board is too.

Mr. Popowsky was the State Consumer Advocate for many years. His whole career has been in the public service. And the other Board members also are distinguished in their own areas.

So I hope this makes you feel better about the process. Because really
my objective is to have a fair, equitable process, because you have an equitable process, you're going to have an equitable result.

And so far, I really commend all the participants. They work so well together. And have shown nothing by professionalism and good will. And I feel encouraged that this will be a productive use of everybody's time.

Okay. Any remarks you want to make on that, Mr. Dasent or Ms. Pickens? Or Mr. Haver, for that matter, since I know you like to chime in.

If not, then we will get to the people who signed up to talk. And, again, if you can confine your remarks to the subject so that we can be sure to get everybody in. I'm not going to put time limits now, I think we can accommodate people, but let's see how it goes.

Again, I will stress if you have a particular individual issue, that could be handled and we will deal with
Or if you have comments about the notice or how this is being conducted, please tell us. Like I said, this is my first experience doing these via Zoom. And I'm better at Zoom than I was maybe a year ago, but it's a learning process and I'm certainly open to constructive suggestions. Okay?

All right, then we will get started. Steven, do you want to tell us the first person?

MR. ABRAMS: You're on mute, Steve.

MR. LIANG: Sorry about that.

The first person who registered was Barbara Panzano.

HEARING OFFICER CHESTNUT: Is Barbara Panzano here?

No?

Okay, well, we will come back to her.

MR. LIANG: Next up is Daniela Ascarelli if she's here.
MS. ASCARELLI: Yes, yes, I'm here. Dani is the nickname. So my name, my first name is Daniela, D-A-N-I-E-L-A. And the last name is A-S-C-A-R-E-L-L-I.

HEARING OFFICER CHESTNUT: And your address, please?

MS. ASCARELLI: 1116 Ellsworth Street. And the zip is 19147.

HEARING OFFICER CHESTNUT: And are you on behalf of yourself or a group?

MS. ASCARELLI: I am on behalf of myself.

HEARING OFFICER CHESTNUT: And how did you hear about this?

MS. ASCARELLI: I think I saw some Facebook stuff, I saw stuff on Plan Philly and I think you also e-mailed me.

HEARING OFFICER CHESTNUT: So social media and e-mail, I guess?

MS. ASCARELLI: Sure, I will say that. You may have put something -- yeah, I don't -- yeah.

I guess I'm here to say I'm a little concerned that you're looking for
a rate increase in the middle of a pandemic when we are the poorest large city in America.

I think what also concerns me is, I haven't seen anything from the Water Department to try and control costs or to find alternatives to deal with their storm water run off. And I guess before I would feel about good about a 70 percent rate increase, which is quite a large rate increase, I'd want to know what they're doing to control these costs.

If I may give just a very simple example. I pay my water bills electronically the same way that I pay my credit card bills. The credit card bills years ago stopped sending me an envelope. I get one from the water company every single month. Stunning to me.

So I guess that's my primary concern. I understand the need, you know, our challenges with storm water runoff, but I haven't seen the city do
anything about it. I haven't seen the Water Department do anything about it. They haven't done anything to make the building of green roofs easier. I'm aware of their storm -- you know, what they're doing for residential folks, but I haven't seen a lot of ease in making green roofs for new buildings.

I sent an e-mail as well so that's probably somewhere in the record, when you guys sent me this, when I signed up.

HEARING OFFICER CHESTNUT: Does that complete your statement?

MS. ASCARELLI: It does.

HEARING OFFICER CHESTNUT: Does anyone have any questions for Ms. Ascarelli?

MR. HAVER: I do, Ms. Chestnut.

HEARING OFFICER CHESTNUT: Yes.

MR. HAVER: Hi. My name is Lance Haver. I would like to ask if you would support using some of the money from the American Recovery Plan Act as
opposed to raising rates?

MS. ASCARELLI: Absolutely. I would like to see that, some way to use the recovery money to keep rates low. And also then use some of that money to make some substantial long term changes, whether it's, you know, infrastructure or processes or something like that, yes.

MR. HAVER: Thank you.

HEARING OFFICER CHESTNUT: Does anybody else have anything for Ms. Ascarelli?

No?

Well, thank you very much, Ms. Ascarelli. I appreciate your taking the time and making your comments. I can assure you they were heard.

MS. ASCARELLI: Thank you.

HEARING OFFICER CHESTNUT: Okay

Steven.

MR. LIANG: Okay. Next up is Amanda Basard.

PARTICIPANT: You have Amanda here.
HEARING OFFICER CHESTNUT:  I do not see an Amanda Basard.

Amanda, are you here?

Okay, we'll go back to her.

MR. LIANG: The last person then is Andrew Rosenthal. I believe I saw him.

HEARING OFFICER CHESTNUT: Mr. Andrew Rosenthal?

MR. ROSENTHAL: I'm just here to attend. I just wanted to watch.

HEARING OFFICER CHESTNUT: Okay sure.

Okay, does somebody want to make a statement? Then why don't you raise your hand.

Yes, Richard. Did we see you earlier?

MR. OBLEK: Excuse me?

HEARING OFFICER CHESTNUT: Did we see you earlier?

MR. OBLEK: No. I have been on here just since you started, the evening one.
HEARING OFFICER CHESTNUT: I thought I saw you this afternoon.

MR. OBLEK: No. I have had some discussions with the Water Department on a separate issue, but not --

HEARING OFFICER CHESTNUT: Okay sure. Why don't we -- can you give and spell your name for the record then, please?

MR. OBLEK: Sure. Last name is Oblek, O-B-L-E-K. Address is 9820 Red Rambler Drive here in Philadelphia. Zip is 19115.

HEARING OFFICER CHESTNUT: And Mr. Oblek, how did you hear about this?

MR. OBLEK: Actually, in my first attempted contacts with the water meter issue I sort of crossed these hearings in their web page. Which started me very late down the line here and I had a few things I wanted to bring up so I decided to take a dive in and see if I can make some comments.
HEARING OFFICER CHESTNUT:  Sure go right ahead.

MR. OBLEK:  First one, as Mr. Haver had mentioned too, was the American Rescue Plan that we have in process developing.  I know cities and states are getting billions of dollars to help assuage all the losses that everyone suffered.  Will the Water Department in some way, shape or form get any of that money from the federal government?  Which would help lower the cost for everybody if they're eligible for some funding.  And as the other young lady had mentioned earlier, to set up some sort of concrete plan to make sure that there is a rolling process of doing this without coming back every second or third year and surprising us.

In fact, Mr. Haver, I had written him a couple of times in the past when he was working for the city as a consumer advocate, was it?  And asked him about these -- one of the things that
bothered me is a service charge. Monthly right now I think it's $12.22 per property. And if there's roughly 500,000 properties in the city, and if you extrapolate that into a year, that figures out to about, on a good year, $73 million just for monthly service charges.

That's a heck of a bundle of money. And what is it used for? We've never really known. There's something on the back of one of the forms that says for billing purposes. We are in the computer age. We are not with -- you know, trying to be sarcastic, we don't have scribes doing everything with pens in a back room, this is all done electronically. So why do we need constant increases in service charges?

And I haven't seen that yet in whatever paperwork I managed to cross as far as the percentage increase, is there a service charge increase and what will it be? That would, you know, concern me
a lot too. Because that's a permanent charge. Like PGW, PECO and everybody else has these, as I call them, charges in perpetuity. Makes no difference what the water, gas or electric costs, you're paying that fee.

And that would concern me to have a very honest reckoning of where that money goes. What are they doing with all the literally millions on a good year that come in? Even this year if they said a third of the people were having a bit of difficulty paying their bills, they probably still pulled in somewhere around $50 million in service charges. Even if people were unable to pay, the ones who could gave them a large surplus to deal with again. And where does the money go?

And as I said, my earlier question about the -- has anybody made a clear picture of will the Water Department here in the city get any funding from the federal government?
Which would make a substantial difference in what these charges that are being sent on to the public would be. And it would be nice if we knew it ahead of time so we could have a more rational discussion about it.

And there was one other thing, if you don't mind, bear with me a second, it's a little dark, I don't want to make it look like I'm something from Christmas Carol and, you know, Jacob Marley. I just wanted to make sure. Service charge, right, the American Rescue Plan, and I did want to make that a very clear comment about how much is taken in by those monthly service charges. They're two of my main concerns that really trouble me with this.

Anybody else has any suggestions or better ideas, I'm open.

HEARING OFFICER CHESTNUT: Mr. Oblek, thank you. I can tell you the cost of service is obviously a very large issue that is looked at intensively. And
the customer charge has components that we won't go into now, but it is a function of rate making that you have equipment available to provide service to you, even if you're not using that service at the moment.

So I don't want to get into that. But if you have questions about that I think Mr. Dasent might be able to address them or Ms. Pickens, if you contacted her, they can give you an explanation of how the cost of services derive and the components of it.

I think in terms of the federal money issue, I think we would all love to have federal money to help out here. I'm not sure if the company is in a position to make plans on it yet or how far along that is, but, yeah, of course that would be great to lessen the burden on everybody.

Now, Brooke, who are you? I see you have your hand up.

MS. WILLIAMS: I would like to
make some comments.

HEARING OFFICER CHESTNUT: You want to make a comment next?

MS. WILLIAMS: Yes.

HEARING OFFICER CHESTNUT: I didn't know if this was related to Mr. Oblek or not because we're not quite done with him yet. But okay, sure. Does anybody have any questions for Mr. Oblek?

MR. OBLEK: Well, I had one other clarification, if I may make it?

HEARING OFFICER CHESTNUT: Yes.

MR. OBLEK: If it's possible, many, many years ago there were no such thing as service charges on any of our accounts, to my knowledge. I have lived in the city my entire life. And if they were, they were minimal, not -- again, we are talking $12 dollars a month, $144 per household per year, $73 million. Calculator gives me that information no problem. And that's why I want to see in the paperwork, is there a service charge
increase built into this request for higher rates?

HEARING OFFICER CHESTNUT: Okay thank you very much, Mr. Oblek. Mr. Dasent.

MR. DASENT: Yes, Judge, we can provide to Mr. Oblek a written response that deals with the service charge, how much it's going up and what those components or costs that make that service charge up. It's in PWD's Statement 7A in the filing. But we can give you a response that gets right to your direct question without reading the hundred pages. And if that will satisfy you, we're pleased to do it.

MR. OBLEK: That will get me on the right track. Because, as I mentioned, when I talked to Mr. Haver about this a few years back, it was the same situation, trying to read a hundred pages of paperwork, very deep and dark in there, service charge. Never clear as a bell where you can see it.
MR. DASENT: And I will need your e-mail address, unless I can get it from Steven.

MR. OBLEK: No, I could give it to you right now if you want it.

MR. DASENT: Okay.

MR. OBLEK: It's my last name, O-B-L-E-K, first initial R, so it's Oblekr@yahoo.com.

MR. DASENT: @yahoo, okay. I will get back to you. And it's Andre Dasent. And somebody from the Water Department will be in touch.

MR. OBLEK: Thank you.

MR. HAVER: If I may, Ms. Chestnut?

For the purpose of this hearing, sir, are you saying that you're opposed to raising the service charge? And if there is a need for additional money, it come from the Rescue Plan or from some other source, and that the service charge not go up?

MR. OBLEK: Yes, to a degree
and not. I don't have the details of what's going on. I do not know what the Water Department -- do they have a hundred people on their staff that do the billing? What do they have to do, spend $20, $30 million dollars a year for computers? Where is the money going? How is it used? That is my interest.

And it's not only with water, I have seen it with PECO and I have seen it with PGW.

HEARING OFFICER CHESTNUT: Okay thank you very much, Mr. Oblek. Like I said, if you have further questions I suggest you contact the Public Advocate. They are looking into every aspect of this rate case.

MR. OBLEK: Okay.

HEARING OFFICER CHESTNUT: And there is a ton of material. Like Mr. Dasent said, you can get overwhelmed, frankly, with all the materials. So perhaps the Public Advocate can help you sift through that and answer your
questions. Okay?

MR. OBLEK: Okay.

HEARING OFFICER CHESTNUT: And, Brooke, who are you?

MS. WILLIAMS: Sure. My name is Brooke Williams.

HEARING OFFICER CHESTNUT: Can you spell that for the record, please?


And Brooke, B-R-O-O-K-E.

HEARING OFFICER CHESTNUT: And your address?

MS. WILLIAMS: 2527 Ingersoll Street. Zip code 19121.

HEARING OFFICER CHESTNUT: Are you appearing on your own behalf for yourself or for another group?

MS. WILLIAMS: Myself.

HEARING OFFICER CHESTNUT: And how did you hear about this?

MS. WILLIAMS: I think I got an e-mail.

HEARING OFFICER CHESTNUT: Go ahead.
MS. WILLIAMS: I think mine is a little bit of a piggyback off the last comments. However, you know, just based on limited knowledge of what I can see online and through records, it does seem that the systems used today are likely antiquated, probably some legacy systems that support the Water Department.

And, you know, I think before we look to raising the rates of our, you know, the customers, I would really love to see more effort put into optimizing efficiencies within the business itself and the operations through better technologies that can automate a lot of processes.

Frankly, there's so much that you can do, even from call service perspective these days. And that, you know, automation I think would be great savings or whether that's even, you know, looking at how you pay your vendors. There's a lot of ways to really save a lot of money there.
So I would love to see them look first at those opportunities before raising money or costs to the customers of the city.

I do think that from experience and living in other places the cost of water here has been much higher than I expected when I moved to the city. I was pretty surprised when I got my first water bill. I remember moving to the city and was pretty surprised by it. So it's already, I think, pretty high in comparison to other places I have lived. And those are my comments.

HEARING OFFICER CHESTNUT: We appreciate that.

Does anybody have any questions to ask?

MR. OBLEK: Well, again, if I may just interject for a second?

HEARING OFFICER CHESTNUT: No, Mr. Oblek. This isn't like a back and forth with people. That's just not -- you have had an opportunity and --
MR. OBLEK: The thing about computers --

HEARING OFFICER CHESTNUT: No, no, Mr. Oblek, you have to stop, okay. This isn't for you to respond to. She's asking questions of the company and the participants.

MR. OBLEK: Okay.

HEARING OFFICER CHESTNUT: Mr. Dasent, Ms. Pickens, Mr. Haver, do you have any questions for Ms. Williams?

MR. DASENT: We are happy, Ms. Williams, at the Department to provide you with explanations as to how we are trying to save money, effect deficiencies, as you mentioned, and all the steps that we have taken to avoid raising rates, including withdrawing the rate case in 2020 last year.

So we're happy to engage in that dialogue. And if you give me your e-mail address, if you share that with me, we are happy to give you the information and direct you to those
places in the filing where you can see how we are trying to justify the rate increase and indicate the savings we tried to realize in the last year or two.

MS. WILLIAMS: Sure. I can put it in the chat, if that's easiest.

MR. DASENT: That's fine.

MS. WILLIAMS: Okay.

MS. PICKENS: I will put the Public Advocate e-mail in the chat as well, if people want to reach out to us with questions. Our expert testimony is due this coming Monday and so you will have an opportunity to see the recommendations the Public Advocate is making regarding the Department's proposal and where we think there can be cost savings.

HEARING OFFICER CHESTNUT: Okay thank you. I think everybody is able to see that.

MR. HAVER: Ms. Chestnut, could I ask Ms. Williams a question?

HEARING OFFICER CHESTNUT: Yes,
quickly.

MR. HAVER: I'm wondering if you are aware that the Water Department doesn't do the billing or collections?

That's done -- are you aware that's done by a different organization?

MS. WILLIAMS: I was not aware.

It makes a lot of sense based on the sign-up process for billing. I think I did remember having to go through a couple different steps to do that. And I imagine if somebody else is doing billing, that's a huge expense, other than doing it in-house.

HEARING OFFICER CHESTNUT: It's not an outside group, which is what I think you're thinking, it is another city agency, part of the Department of Revenue.

MR. DASENT: That's correct.

MR. HAVER: Right. But I just wanted to know if she was aware that the Philadelphia Water Department doesn't control the people who do the billing and
collections.

HEARING OFFICER CHESTNUT: Oh,

right.

MR. HAVEN: Even if she is successful at making her point to the Water Department and they want a new system, the Water Department is not empowered to enact that.

HEARING OFFICER CHESTNUT: That is a good point, Mr. Haver. And I think there is someone from the Water Revenue Bureau here.

MS. WILLIAMS: I think the cost of systems goes beyond just billing and collections. You know, it goes into --

HEARING OFFICER CHESTNUT: Okay let's not go back and forth on this, okay?

Now, the Workers Benefit Council, did you want to make a statement?

MR. LIANG: Yvonne Munyan raised her hand first, I believe.

HEARING OFFICER CHESTNUT: Oh,
okay.

MS. MUNYAN: Hi. I'm here.

HEARING OFFICER CHESTNUT: Ms. Munyan?

MS. MUNYAN: This is Yvonne.

HEARING OFFICER CHESTNUT: Can you please state and spell your name for the record?

MS. MUNYAN: My first name is Y-V-O-N-N-E, and my last name is M-U-N-Y-A-N.

HEARING OFFICER CHESTNUT: And your address, please?

MS. MUNYAN: 2126 66th Avenue, 19138.

HEARING OFFICER CHESTNUT: Are you appearing on your own behalf or are you here for a group?

MS. MUNYAN: Myself, yes.

HEARING OFFICER CHESTNUT: And how did you hear about this?

MS. MUNYAN: I received an e-mail.

HEARING OFFICER CHESTNUT: Oh,
okay.

MS. MUNYAN: And my question is actually to piggyback on the woman prior to me is, I guess because I'm process driven, I would like to know, have the Philadelphia Water Department, have you done any studies against any major cities that will help to warrant its price increase? Because right now I am paying quite a bit of money for a single person. And if I'm paying almost $80 a month, I can only imagine if it's going up 70 percent. Like I said, and I'm by myself. I can't imagine families that may have four or five people in the home, what their bills could possibly be. That's my first question.

The other thing is the timing. I think that's what so many of your customers are concerned, that many people are not working now. So who's going to pick up the brunt of the cost for this project? Will it be people who are working? Will they have to pick up the
slack for people who are not working?

Exactly how are you planning to work that out?

HEARING OFFICER CHESTNUT: Mr. Dasent.

MR. DASENT: Sure, Your Honor.

First of all, in the context of the rate increase filing we did do and we provided a comparison with other utilities to show how our rates compare.

And we're sort of in the middle, sort of the median line in terms of the price point.

In terms of timing, we came in for a rate increase last year right as the pandemic was hitting, early in 2020. We withdrew that rate case because we recognized that folks could not afford a rate hike at that particular time. And we sort of borrowed against the future in terms of drawing down reserves as opposed to raising rates in that particular period.

And over the years, as that's
happened in '20 and '21, we have run a deficit. As a consequence, now we are in a position where we have to ask for increased rates. And it's not the optimum time, but we have to figure out somehow or another how to balance the interests of the utility and our customer, to find that middle way forward.

And the fact that there are monies coming in from the American Rescue Plan Act and other sources may be helpful in finding that middle way.

And so we're all looking for a solution that works for all parties, as the Hearing Officer has encouraged us. And I can, if you give me your e-mail address, Ms. Munyan, I can show you where the comparison is that we have made with other utilities and give you that information and direct you to the information which is posted at the Rate Board website.

And as to timing, we do speak
to that also in the filing. And I know
no time is a good time for a rate
increase, particularly if you're hurting
or without a job. But we're trying to
find a sort of a middle way to protect
our customers and to make sure the
utility can maintain the services on a
reliable basis.

We've also extended the
moratorium on shutoffs for a period, in
fact, through 2022, extended protections
against enforcement for our poorest
customers. And those are all steps that
we're taking trying to protect the
customer.

But at the same time, we have
to make sure we can remain a going
concern, which requires us to sort of
balance both your needs and the needs of
operating a utility. Which costs, you
know, quite a few hundred million a year
incidentally. Because that's come up
before, about $50 million, where is that
going? 2,000 employees and an operating
budget of $600 million, it goes to a
portion of the way to paying our costs.

    But, Ms. Munyan, I'm happy to
provide a more detailed answer for you
offline, if you'll give me your e-mail.

    MS. MUNYAN: Sure. It's

    And the other reason why I
asked this is because I work for PSE&G,
so I do understand about rate increases
and all of that. And they had a rate
increase slightly because they repaired
all of their gas lines. But the people
saw it, the customers saw that. Their
plan was initiated and given to the
customers about a year or two in advance.
So the customers knew exactly where their
dollars were being spent.

    And it wasn't addressed -- it
wasn't 70 percent, though, it wasn't that
high. So that's why I asked because I
have worked in a regulated area, such as
PSE&G, and I do understand rate
increases. And for me, it's the timing.
HEARING OFFICER CHESTNUT: And wait, Ms. Munyan.

MR. LIANG: Are you saying 70 or 17?

MS. MUNYAN: I thought it was 70, 7-0.

HEARING OFFICER CHESTNUT: No, it's 17.

MR. LIANG: 17.

MS. MUNYAN: Well, for me, 17, 70 is all a bit much for me because my bill is already, as a single person, about $80 a month. And I'm not using water all day long, so. And I have had a plumber come out to the house to look to make sure, you know, that the water wasn't going anywhere else. But I'm just saying.

And I'm not working right now, so like I said, I'm by myself. I can only imagine families who have children and other things of that nature. So, you know, that's why I'm asking.

HEARING OFFICER CHESTNUT: Does
anybody have clarifying questions for Ms. Munyan?

No?

Well, thank you very much, Ms. Munyan. We appreciate you taking the time and your comments.

I don't know if I said this.

MS. MUNYAN: You're welcome.

HEARING OFFICER CHESTNUT: You don't have to stay. You're welcome to stay after you have talked or had your fill, but you don't have to, okay? You can leave whenever you want.

Okay, who wants to go next?

MR. LIANG: Workers Benefit.

HEARING OFFICER CHESTNUT: All right, the Workers Benefit Council.

MR. CHAMBERS: Good evening.

My name is Terrence Chambers. First name T-E-R-R-E-N-C-E, Chambers, C-H-A-M-B-E-R-S, 1418 North Fulton Street, Philadelphia, PA 19151.

HEARING OFFICER CHESTNUT: And are you -- I assume you're here on behalf
of a group?

MR. CHAMBERS: Yes.

Specifically, the Workers Benefit Council.

HEARING OFFICER CHESTNUT: And how did you hear about this?

MR. CHAMBERS: From a fellow member, from a fellow member that asked me to --

HEARING OFFICER CHESTNUT: And do you want to tell me what the Workers Benefit Council is?

MR. CHAMBERS: It's a group of service workers, temp, part-time, among other individuals, representing the interests of the majority of workers that make the city run.

HEARING OFFICER CHESTNUT: Okay great. You want to make a statement then?

MR. CHAMBERS: Yes, I do, as a matter of fact.

I lived in my residence since June of 2006. And of course I had my
fair share of issues with various utility
companies, water especially, until I
applied for budget programs.

But the circumstances of being
a low income worker has resulted in my
being terminated from budget programs on
more than one occasion until the issue
was resolved. And the fact that I could
be removed from these budget programs yet
again due to situations beyond my
control, it worries me to a great degree,
especially during the pandemic.

In that regard, the purpose of
this speech is to preventative measures
to help the Water Rate Board's proposed
rate hike for the sake of low income
workers everywhere.

As a member of the Philadelphia
Workers Benefit Council, and a concerned
citizen of Philadelphia, I am taking this
time to express my feelings towards the
Water Rate Board's attempts to raise the
rates of the water bill, which does take
advantage of the very hard working
citizens who've suffered greatly due to Covid-19 pandemic.

The idea that Water Rate Board would shut off Philadelphia residents who are unable to pay their bills due to mitigating circumstances that are beyond their control is a travesty and it's illegal to a certain extent.

Now that we're still in the pandemic it gives them leeway to pursue rate increases, especially when it comes to how people are using their water. And this by itself is criminal and it's wrong.

You know, it's as simple as this: People need water to live and survive. They say that ordinary man could live without food for at least a couple weeks, give or take a day. And, however, a person could live without water for only a smaller duration of that time, two or three days at the most.

So imagine how water shutoffs would affect low income workers,
homeowners who rely on water to drink, bathe, hand washing, or other activities. And those who lost their jobs during the pandemic and/or have complicated health issues, are the ones who it really affects the most. This is practically a death sentence for some people. And the same goes for companies like PGW and PECO. Even though there will be a moratorium on terminations until next year, rate hikes will still present long term ramifications for those still stuck in the rut. And even due to situations that are not their fault. And they are forced to turn to welfare and/or relatives and/or friends to help them make ends meet. And stimulus checks are merely a Band-aid, a proverbial slap in the face for those who are hit hard financially, and them who are not. This is an issue someone should be paying strict attention to. Now, living in Philadelphia all
my life, I'm currently employed as a security guard, as you can see. Needless to say, my salary is not particularly adequate. I own a home. And I have had my issues with the Water Department in the past. Even given shutoff notices on some occasions. I was barely able to avoid terminations.

Now that I'm on the TAP program, yet I still am concerned about future problems that could rob me of being in the low income program. While not behind in my water bills at this time, I still need water for my home. I have a chronic illness, a Type 1 diabetes to be exact, that I'm trying to stay on top of, and water is just one of a certain number of things I need to keep my condition in check.

But my heart does go out to those who might be scared to death for the potential rate hikes that could be implemented by the Water Rate Board, which of course would lead to massive
shutoffs, whether a pandemic is in effect or not.

Perhaps the more disturbing aspect of this is how shutoffs would affect the children. Such a situation would be very unnerving, even traumatizing for younger age groups. And when the winter times do end next year, all the rate hikes will be the nuclear weapon that could financially destroy low income families.

So in conclusion of this, I'm making a speech to encourage all minimum wage workers to take a stand and raise their voice and combine your voices and say no to the water rate hikes before they are implemented.

No one should have to be punished for his or her -- their very lives. Having water is a right that should never be taken away at all. And there is strength in numbers. So we should let -- we should make our numbers make a difference in our city.
I leave with one final thing,
as a member of the Philadelphia Workers
Benefit Council, we are requesting that
the Water Rate Board, number one, stick
to the U.N. sustainable development goals
are agreed upon by U.S. government, one
of the goals is goal number six, clean
water and sanitation.

Number two, lower rates for at
least 300 -- for those at 300 percent of
poverty line or below no more than
6 percent of income, that's what the
federal standards are for household
budgets.

Number three, apply the same
quantities to those above 300 percent of
the poverty level who can demonstrate
financial hardships.

Number four, provide debt
relief for those who have fallen behind
on their water bill.

And, finally, year-round
moratorium on utility shutoffs for any
household at or below 300 percent of the
Philadelphia poverty level.
And I will leave with that.
And that's all it is. Thank you.

HEARING OFFICER CHESTNUT: And thank you very much for your remarks. I think we're all very conscious that water is an absolute necessity.

Does anybody have any questions for Mr. Chambers about his statement?

No?

Well, thank you very much, Mr. Chambers. I'm sure we all appreciate it.

MR. CHAMBERS: You're welcome.

HEARING OFFICER CHESTNUT: Does anybody else -- I'm looking to see if anybody has a hand up.

If you're on a telephone line and you wish to participate, I do understand that you can hit star-nine and that is some kind of a hands up signal.

I haven't tested that myself, so hopefully it works.

I don't -- Steven, do you see
MR. LIANG: I don't see anything.

HEARING OFFICER CHESTNUT: No. It looks like then we have come to the end of this.

I will ask again for Barbara Panzano, did you join us since the beginning of this?

No?

Or Amanda, Amanda something.

MR. LIANG: Basard.

HEARING OFFICER CHESTNUT: Are you here?

No?

Does anybody want to make any concluding remarks or --

MR. DASENT: Judge, if we could, I just want to tell anyone who's listening, perhaps you're on mute, we do have a hearing on Thursday at 1:00 and also another hearing at 6 o'clock on Thursday, and technical hearings in April.
HEARING OFFICER CHESTNUT: Good idea to repeat that. Yes, mm-hmm.

MR. DASENT: We do our own advertising.

HEARING OFFICER CHESTNUT: And anybody who hasn't registered, you can certainly register. You can send your comments in. We will have two more sessions on Thursday. And as Mr. Dasent said, probably have the technical hearings, hopefully brief ones, in April. Okay?

Well, thank you very much then. I appreciate you took the time to come. And it's so important.

So this hearing is adjourned. Thank you.

MR. DASENT: Thank you, everyone. Take care.

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(The hearing was concluded at 6:58 p.m.)

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CERTIFICATION

I, Kimberly A. Wilson, hereby certify that the proceedings and evidence noted are contained fully and accurately in the stenographic notes taken by me in the foregoing matter, and that this is a correct transcript of the same.

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Kimberly A. Wilson, RMR, CRR, Court Reporter - Notary Public

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