

**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**

**RESPONSE TO PWD'S OBJECTIONS TO
DISCOVERY REQUESTS of MICHAEL SKIENDZIELEWSKI
&
REQUESTS FOR PRODUCTION OF DOCUMENTS**

I reaffirm my request that due to the size and scope of the PWD HELP loan program and the financial resources assigned to a process that provides interest-free loans to PWD customers, there is assuredly costs involved for PWD and its customers to secure these sums through loans and it is reasonable, prudent and justified for PWD consumers to be able to review and judge for themselves exactly how the HELP loan program is being administered and managed and the costs involved in administering such an important program.

The financial issues that relate to the PWD HELP loan program are the expense of securing the monies to fund the program, as well as the costs added to the program when loans are forgiven. Another undetermined though critical concern focuses on which class of PWD consumers pays for these HELP loan expenses. Are the program expenses paid for by only residential customers since they are sewer (residential) related or are the HELP loan program costs borne by all PWD customers, including business accounts?

When the PWD decides to discount or reduce the amount of the PWD Help loan due from the consumer, what are the written rules, procedures and/or guidelines that are utilized to make such a decision, which adversely impacts PWD revenue? How and why are such steps as discounting PWD HELP loans undertaken when state law asserts that the PWD has no liability or financial responsibility for the expenses related to lateral repair at a consumer's residence?

The singular event that led this PWD consumer to this effort before the Water Rate Board and the request for PWD HELP loan documents and records is presented here:

- (1) The Philadelphia Water Department, the Office of the City Solicitor of Philadelphia and a PWD consumer signed a modified, discounted PWD HELP loan agreement in 2010, which discounted the money owed by 55% and the PWD lost approximately \$5500 in revenue. (copy of discounted PWD HELP loan agreement attached to this response).

- (2) The agreement was signed by an assistant City Solicitor, Sarah Stevenson who worked under the supervision of the Head of the Corporate and Tax Unit in the Law Department, Daniel Cantu-Hertzler. According to Mr. Cantu-Hertzler, Ms. Stevenson would have had the authority to sign such a new loan contract, though in the field of business management, the supervisor retains the ultimate authority and responsibility for the conduct of those professionals that report to his position of leadership.

- (3) According to a statement made by Mr. Cantu-Hertzler to this consumer, the City of Philadelphia has no liability or financial responsibility for the failure and resulting damages caused by defective water/sewer long laterals in a consumer's service line.

Given the above facts and information, I submit that the following statement offered on Page 2 of the PWD objection document is unreasonable and deceptive.

“.....(records request).....is not reasonably calculated to lead to the discovery of admissible evidence for the purposes of rate setting.....”

Additionally, on page 5 of the PWD objection document:

“.....This interrogatory and request are not seeking information related to prospective rates and charges proposed for the rate period.....”

Direct evidence of a process where a PWD HELP loan was discounted by 55% (approx. \$5500) shows indeed that the request is legitimate and has the potential to have an impact on water rates if such discount policy had been or is currently still in place as an aspect of the PWD HELP loan program. Yes, the program where it has been shown that one consumer receives over 50% of his HELP loan forgiven, while the remaining HELP loan customers pay the full amount.

The following phrases appear in the PWD response to my request for records and appears again in other PWD responses:

“...the discovery requests are overly-broad in scope, unduly burdensome, and create unreasonable annoyance or burden....”

I simply cannot believe that PWD has used such a trite and pathetic statement such as this to imply that my request will overwhelm them in terms of expense and manpower. This is the 21st century and it is extremely unlikely that PWD personnel, or personnel in the Water Revenue Bureau, are going to have to go down to the records room, face rows of filing cabinets, and gather hundreds of paper HELP loan applications, records and dispositions. Such an inane excuse worked for them oftentimes in the past for their objection to records production, including mine in 2018, so I guess PWD management will just stay the course regardless of the specious nature of their defense.

“...Compilation of information and documents being requested would require a costly and burdensome special investigation to produce. These interrogatories and requests are seeking information and documents over too great a period of time (the last 12 years, from 2009 to 2021)....”

Of course, it is quite evident (evidence) and necessary why the records must include 2010, since that is when PWD and the City Solicitor's Office decided to give away approximately \$5500 in revenue, which certainly impacts on water/sewer rates. If such a reckless decision was made once, how often did it occur prior to 2010, and how often since that time?

Well, in this day of technology and computers in record-keeping and files, it would be reasonable to expect that a \$1 billion agency such as the Philadelphia Water Department should be able to retrieve and secure the requested HELP loan information with a reasonable amount of time and effort. If it is a particular financial program, which the HELP loan program is, one would expect and believe that such a professional organization would reconcile the accounts and records for programs like this on a semi-annual or annual basis. "Burdensome special investigation" is indeed hyperbolic.

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Documents attached.....Discounted PWD HELP loan