

Monthly Report

**TO THE RATE BOARD AS REQUIRED BY THE
FY2022-2023 RATE DETERMINATION**

Philadelphia Water Department

November 22, 2022



City of
Philadelphia



November 22, 2022

Philadelphia Water, Sewer and Storm Water Rate Board
1515 Arch Street, 17th Floor
Philadelphia, PA 19102-1595

Chairman Popowsky and Members of the Rate Board:

Attached please find the fifteenth monthly report provided pursuant to the Philadelphia Water, Sewer and Storm Water Rate Board's Rate Determination, dated June 16, 2021, to document the Tiered Assistance Program ("TAP") enrollments, denials, turnovers, arrearage forgiveness (principal and penalty amounts), implementation of ratable forgiveness, as well as updates concerning tenant issues, language access, customer service and financial matters.

Thank you for your attention to this matter.

Very truly yours,

Susan Crosby, Esq.
Deputy Revenue Commissioner
Water Revenue Bureau

Melissa LaBuda
Deputy Water Commissioner, CFO
Philadelphia Water Department

Enclosure

CC: Service List (2021 General Rate Case)

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1. EXECUTIVE SUMMARY

This report provides a monthly update for October 2022 regarding TAP enrollments, denials, turnovers, arrearage forgiveness, implementation of ratable forgiveness, as well as customer service and financial updates.

In October 2022,

- 530 applicants were enrolled in TAP, 345 of them for the first time.¹
- 35 customers received a total of \$24,358.63 in Penalty Forgiveness.²
- 3,312 customers received a total of \$1,060,799.79 in Principal Forgiveness.³
- 474 applications were denied.⁴
 - Three of those denials (0.6%) were from already-existing TAP participants, whose change applications had missing or incomplete residency or income documentation. Those participants stayed in the program.
 - One of those denials (0.2%) was from already-existing TAP participants who were removed from the program because they were no longer eligible.
 - 99.2% of all denied applications were for applicants who have not participated in TAP before. Most (79% of new applicant denials) were denied for missing or incomplete documentation.
 - Some customers made more than one application.

¹ See Section 5.2 and Tables 3-4.

² See Table 1.

³ See Table 2.

⁴ See Table 5.

2. INTRODUCTION

2.1 Required Reporting

This Monthly Report is provided pursuant to the June 16, 2021 Rate Determination of the Philadelphia Water, Sewer and Storm Water Rate Board (“Rate Board”) and the Hearing Officer’s Report, dated May 18, 2021 both rendered in the 2021 general rate proceeding (collectively referred to as the “Rate Determination”). Based on the Rate Determination, the Philadelphia Water Department (“Department” or “PWD”) is required to report monthly on:

- Specific progress in PWD’s arrearage forgiveness and Tiered Assistance Program (TAP), namely the “amount and type of arrearage forgiveness” PWD provides to TAP customers.
- PWD efforts to increase accessibility to the TAP program by implementing “ratable forgiveness” (allowing customers to earn partial arrearage forgiveness each month). On July 1, 2022, amendments to Section 206.7 and the corresponding definitions in Section 206.1 became effective to implement ratable forgiveness for TAP Customers, completing those efforts.
- PWD efforts to reduce the number of denied applications (“TAP denials”) and program turnover, specifically the number leaving the program before receiving arrearage forgiveness.⁵

Sections 5 through 7 of this report also provide any updates regarding TAP outreach, community meetings, language access, customer assistance and financial updates (as available quarterly or more frequently).

⁵ The Rate Determination outlines the following reporting requirements at pages 53-54:

“Based on the record produced in this proceeding and in accordance with the discussions, findings and resolutions discussed above, we therefore... (8) require the Philadelphia Water Department to report monthly on the amount and type of arrearage forgiveness that PWD is providing to TAP customers, the result of its efforts to determine what legal and/or operational barriers must be overcome to implement ratable forgiveness for each month the TAP participant pays the TAP bill; and the efforts PWD is taking to reduce TAP denials and TAP churn.” In this report, “TAP churn” is called “Program Turnover.”

Reference: <https://www.phila.gov/media/20210618105014/2021-General-Rate-Determination-as-filed-with-Records-Dept-20210616.pdf>

3. ARREARAGE FORGIVENESS

3.1 Definitions

In this section, the definitions for important terms that have not been previously defined are as follows:

Penalty Arrearage Forgiveness: The process by which TAP participants are able to have penalty charges forgiven after 24 full payments of their TAP bills. The penalty forgiveness program began in July of 2017.

Principal Arrearage Forgiveness: For the period of September 2020 through June 2022, the process by which TAP participants are able to have their unpaid water bills forgiven after 24 full payments of their TAP bills. Beginning in July 2022, Principal Arrearage Forgiveness also encompasses a one-time retroactive lump sum principal forgiveness proportional to the number of TAP payments made on a customer's account, divided by twenty-four, which occurred on June 26, 2022 for all current TAP Customers. Effective July 1, 2022, Principal Arrearage Forgiveness occurs on a monthly basis whereby a credit of 1/24th of the customer's Pre-TAP Arrears amount will be added to the account after each full TAP Bill payment.

Enrollments (total): All customers who joined the TAP program and began participating this month. Includes customers who have never participated in TAP before (see below), as well as customers who had previously left TAP and now returned or recertified their enrollment in TAP.

First-Time Enrollees: Customers who have never participated in TAP before, and enrolled in TAP for the first time this month. These new TAP participants are a subset of total enrollments.

3.2 Forgiveness by Amount and Type

The information provided in the tables below is for the month of October 2022 (the "reporting period"). Table 1 documents the total penalty arrearages forgiven during the reporting period, Fiscal Year 2023, and since reporting began in August 2021, broken down by amount of the participant's penalty debt forgiven. Table 2 documents the total principal arrearages forgiven during the reporting period, Fiscal Year 2023, and since reporting began in August 2021, broken down by amount of the participant's principal debt forgiven.

In Fiscal Year 2023 to date (July-October 2022), a total of \$67,647.94 of Penalty Arrearage and \$3,927,739.83 of Principal Arrearage have been forgiven.

Table 1. Total Penalty Arrearage Forgiven during August 2021-October 2022

Debt Range	Participants Receiving Penalty Forgiveness this Month	Amount Forgiven this Month	Amount Forgiven, Previously Reported	Total Amount Forgiven, Fiscal Year 2023	Total Amount Forgiven, Reported to Date (August 2021-October 2022)
< \$0	-	\$-	\$-	\$-	\$-
\$0-\$200	21	\$1,235.83	\$57,979.01	\$5,909.06	\$59,214.84
\$200-\$500	2	\$830.55	\$62,776.54	\$5,114.91	\$63,607.09
\$500-\$1,000	5	\$3,741.40	\$81,416.87	\$10,989.24	\$85,158.27
\$1,000-\$2,000	2	\$3,074.86	\$135,243.13	\$16,882.82	\$138,317.99
\$2,000-\$5,000	5	\$15,475.99	\$166,107.27	\$28,751.91	\$181,583.26
\$5,000-\$10,000	-	\$-	\$78,721.00	\$-	\$78,721.00
\$10,000-\$20,000	-	\$-	\$35,423.41	\$-	\$35,423.41
\$20,000-\$50,000	-	\$-	\$-	\$-	\$-
\$50,000+	-	\$-	\$-	\$-	\$-
Total	35	\$24,358.63	\$617,667.23	\$67,647.94	\$642,025.86

Table 2. Total Principal Arrearage Forgiven during August 2021-October 2022

Debt Range	Participants Receiving Principal Forgiveness this Month	Amount Forgiven this Month	Amount Forgiven, Previously Reported	Total Amount Forgiven, Fiscal Year 2023	Total Amount Forgiven Reported to Date (August 2021-October 2022)
< \$0	-	\$-	\$-	\$-	\$-
\$0-\$200	2,243	\$149,092.98	\$603,789.65	\$620,226.40	\$752,882.63
\$200-\$500	629	\$197,136.55	\$1,004,705.42	\$846,185.71	\$1,201,841.97
\$500-\$1,000	246	\$168,436.16	\$1,079,217.80	\$648,258.18	\$1,247,653.96
\$1,000-\$2,000	99	\$135,039.38	\$1,573,766.91	\$460,956.71	\$1,708,806.29
\$2,000-\$5,000	69	\$225,920.63	\$4,549,654.18	\$699,510.49	\$4,775,574.81
\$5,000-\$10,000	23	\$147,925.00	\$3,977,357.85	\$411,490.00	\$4,125,282.85
\$10,000-\$20,000	3	\$37,249.09	\$1,740,189.89	\$189,627.09	\$1,777,438.98
\$20,000-\$50,000	-	\$-	\$327,810.27	\$51,485.25	\$327,810.27
\$50,000+	-	\$-	\$56,553.00	\$-	\$56,553.00
Total	3,312	\$1,060,799.79	\$14,913,044.97	\$3,927,739.83	\$15,973,844.76

For first-time enrollees, pre-TAP debt that was newly protected from enforcement and made eligible for forgiveness is shown in Tables 3 and 4.

Table 3. Pre-TAP Debt for October 2022 First-Time Enrollees

Type	Total First-Time Enrollees with Debt by Type	Total Pre-TAP Debt
Principal	321	\$641,301.06
Penalty	255	\$93,467.64
Total	345 ⁶	\$734,768.70

Table 4. October 2022 First-Time Enrollees by Income Guidelines and Associated Pre-TAP Debt⁷

Income Level as Compared to Federal Poverty Guideline	Total Enrollees	Total Pre-TAP Debt
Up to 50%	69	\$139,735.31
Above 50% and up to 100%	136	\$303,301.70
Above 100% and up to 150%	107	\$194,411.42
Above 150% and up to 250%	29	\$93,347.28
Above 250%	4	\$3,972.99
Total	345	\$734,768.70

⁶ Note that the total of first-time enrollees is 345. The count of enrollees in the penalty and principal lines above does not sum to 345 because some customers appear in one category, neither category, or both categories, depending on whether they had only principal, only penalty, both penalty and principal, or no pre-TAP debt. The monthly data in Table 3 was reported on November 1, 2022.

⁷ A similar report for all enrollees during the full calendar year is provided in the Annual Report to the Mayor on the Tiered Assistance Program (TAP), "Table 2. New Applicants Enrolled in TAP." The monthly data in Table 4 was reported on November 1, 2022.

Reference: <https://www.phila.gov/media/20210412104452/Tiered-Assistance-Program-TAP-2020-annual-report.pdf>

4. PWD EFFORTS TO REDUCE TAP DENIALS AND PROGRAM TURNOVER

4.1 Definitions

In this section, the definitions for important terms that have not been previously defined are as follows:

TAP Denials: TAP application outcomes where applicants are not enrolled in the program.

Applicants can be denied for TAP for one of six reasons:

- Failure to meet income and residency guidelines;
- Failure to meet income guidelines (without a Special Hardship);
- Failure to meet residency guidelines;
- Installation type is not eligible for TAP;
- Missing or invalid income or residency documentation; or
- Missing information on the application form.

Applications for accounts that are discontinued are also denied.

Program Turnover: Reduction in TAP participation due to failure to meet income or residency guidelines, missing or invalid documentation, failure to recertify or other reasons including a determination that the customer will have a more affordable bill under another assistance program or other billing arrangement.

More Affordable Alternatives: Some customers qualify for assistance programs outside of TAP, and based on their individual circumstances, these programs may be a more affordable option.

4.2 Discussion

In October, 530 applicants were approved for enrollment in TAP, and 585 applicants were not. Of those applications that were technically not approved, four applicants were already enrolled in TAP at the time of the application submittal, and one of those resulted in removal from TAP for failure to meet income or residency.

These data are set forth in Table 5 below. The numbers below reflect the number of applications, rather than the number of customers, as customers can make multiple applications.

Table 5. Denials: Applicants Not Enrolled in TAP¹ during October 2022

Outcome	Total Count	Applicants Already Participating in TAP
<u>Denied</u>		
Failed to meet Income and Residency Guidelines	0	0
Failed to meet Income Guidelines (no Special Hardship)	23	1
Failed to meet Residency Guidelines	21	0
Installation Type Not Eligible for TAP	0	0
Missing or Invalid Income or Residency Documentation	362	3
Missing information on application form	11	0
Not the Customer applying	57	0
<u>Total Denials</u>	<u>474</u>	<u>4</u>
<i>Denied for Incomplete, remained in TAP²</i>		3
<i>Denied for Cause, removed from TAP</i>		1
<i>New Applicant Denials</i>	470	
<u>Enrolled in More Affordable Alternative</u>		
Senior Citizen Discounted Bill ³	35	0
Senior Citizen Discounted Bill + Extended Payment Agreement	7	0
Regular Bill ³	9	0
Regular Bill + Extended Payment Agreement	59	0
WRBCC Agreement	0	0
Total More Affordable Alternative Placements	110	0
<u>Other Outcomes</u>		
Customer Withdrew Application	0	0
Data Transfer ⁴	1	0
Total Other Outcomes	1	0

As stated in the previous section, the introduction of “TAP Pause” will address some concerns about the impact of Program Turnover, as customers leaving and returning to the program will pick up where they left off on earning principal and penalty forgiveness, rather than starting anew.

¹ An annualized version of this report is included in the Annual Report to the Mayor On The Tiered Assistance Program (TAP), “Table 4. Applicants Not Enrolled.” This monthly data was reported on November 1, 2022.

² Apart from recertification, customers in TAP who reapply and have their application denied for being incomplete are not removed from TAP. Only those who are denied for cause or are approved for a more affordable alternative are removed from TAP.

³ Senior Citizen Discounted Bill or Regular Bill may also include a standard payment agreement.

⁴ When customers had more than one application in progress at the same time, information was transferred to the newest application for processing, older applications were categorized as “Data Transfer,” and were no longer processed. Similarly, previously denied applications were transferred for re-evaluation when WRB identified available OOPA information or the customer submitted additional required documentation after denial. The subsequent approvals or denials are also captured in these figures.

4.3 Efforts to Reduce TAP Denials and Program Turnover

As shown above, the largest portion of denials are due to missing or invalid income or residency documentation. To address this factor, the Water Revenue Bureau has finalized redesign of the TAP application checklist to clarify and communicate the documentation requirements. WRB has also continued the policies introduced over the past several months to reduce the customers' burden to provide proof of residency.

4.4 This Month's Updates

TAP recertifications were restarted in September 2021; however, there have been several changes in 2022 as a response to application review backlogs, stakeholder feedback, and supply chain delays that impacted WRB's ability to respond to customer requests for applications.

1. In January, 2022, WRB extended the timeframe in which customers can submit an application before they are removed from 60 days to 120.
2. As a part of the Department's efforts to retain and attract TAP participants, the recertification frequency for all customers has been updated from once annually to once every three years.
3. In June 2022, WRB updated internal guidance for reviewing documentation submitted from customers.

5. QUARTERLY UPDATES

PWD will provide updates to the Rate Board on at least a quarterly basis with respect to certain customer service and policy issues identified in the Settlement, as set forth in this Section.

5.1 Storm Water Cost of Service and Benefit Allocation Issues

The Water Department staff is reviewing the existing residential stormwater rate structure and evaluating potential alternatives.

Please note that the evaluation of cost of service and benefit allocation issues will involve the Department and multiple external stakeholders. PWD staff are developing a plan to engage these stakeholders and are targeting late summer/early fall to engage stakeholders and gather feedback.

On October 21, a virtual RCAS meeting took place concerning residential stormwater rate structure alternatives being evaluated pursuant to the Settlement of the 2021 rate case. During the meeting, participants were engaged in conversation on two key potential policy changes: 1) alternatives to the current residential stormwater rate structure and 2) cost recovery of stormwater credits and SMIP/GARP programs.

During the meeting:

- Context and background information on the existing rate structure was provided to participants, including data on billing data and statistics on tiered options for the residential rate structure.
- Participants were presented with multiple options for shifting recovery between residential and non-residential customers. The potential impacts of cost recovery were also discussed.

After the meeting, a survey was sent to attendees to gather additional feedback and evaluate opinions regarding the presented options. The slides that were presented in that meeting are shown in Appendix A.

Another meeting to gather additional stakeholder feedback is scheduled for November 2022.

5.2 Customer Service and Policy Issues

1. TAP Recertification:

Following the resumption of recertifications in 2021, WRB/PWD have decided to extend the length of time before TAP customers must recertify to three years. A mass mailing effort targeting TAP participants who failed to recertify in 2021 resulted in 221 recertification applications.

2. TAP Outreach/Participation:

In this quarter, WRB/PWD engaged in the following activities in support of achieving greater TAP participation, attaining more affordable bills for vulnerable households and evaluating various approaches to inform more customers of TAP and other assistance programs:

- PWD Assistance clinics began at the end of July and continued through October 26. In September, there were 147 appointments made, 70 appointments kept, and 26 assistance applications submitted. If customers decide not to apply for an assistance program, they may also set up a payment agreement, and twenty customers who visited PWD Assistance clinics in September elected to set up payment agreements.

- Through these assistance events, PWD informs customers with past due water bills they may be eligible for grants under the Low-Income Household Water Assistance Program (LIHWAP). PWD customers can receive up to \$5,000 toward delinquent water bills under this program. See discussion of LIHWAP in Section 7 below.
- PWD continues the outreach, promotion, and advertising campaign to create awareness of Water Customer Assistance programs, encourage customers to apply, and reduce back bills. The campaign uses advertisements in print, on social media, websites, radio, as well as flyers, postcards, bill stuffers, emails, and advertisements on Septa, many in English and Spanish. The campaign includes more than 40 unique “touches” or methods of presenting information about TAP.
- Web traffic to the Customer Assistance Application Portal at <https://cap.phila.gov/start> for September shows 4,169 unique users, with 3,470 having never visited the application. Users stayed on the page for more than four and a half minutes and averaged approximately two sessions.
- Spanish language promotion continued in September, with print, digital, and radio promotion through La Mega and Al Dia. PWD social media in September promoted PWD assistance clinics and encouraged customers to apply for assistance if they have back debt or are concerned about water shutoffs.
- Engagement remains strong in the PWD Customer Assistance email topic, gaining 259 new subscribers. In September, PWD delivered assistance focused emails to 34,187 unique recipients. These emails had an open rate of 48%.

3. Language Access: PWD’s updated 2022 Language Access Plan has been signed by the Commissioner and submitted to the Office of Immigrant Affairs

4. Updated Shut-off Eligibility for 2022:

PWD extended its shut-off moratorium until July 19, 2022. The extension was designed to provide additional time for customers to apply for assistance.

The new enforcement (shut-off) policies for the current period include the following changes:

- The level of delinquency that triggers a shut-off notice has been raised from \$150 to \$1,000
- PWD customers currently enrolled in TAP are exempt from shut-off
- PWD customers currently enrolled in the Senior Citizen Discount program are exempt from shut-off
- PWD customers who have applied for Customer Assistance are exempt from shut-off
- As an additional safeguard, the City will use internal data to match enrollment data from other low-income assistance programs and provide exemptions to those households.

The data matching process will be done by the newly established Office for Integrated Data for Evidence and Action in the Managing Director’s Office. These policy changes are designed to focus enforcement on customers that can pay their bills while protecting vulnerable residents.

6. CUSTOMER ASSISTANCE UPDATES

This section details customer assistance dollars that PWD is working with outside entities to process for its customers. These programs are:

- **PHDC:** Philadelphia Housing Development Corporation. Provides emergency rental assistance for renters and landlords. PHDC is currently administering federal COVID relief dollars
- **UESF:** Utilities Emergency Services. Provides financial assistance/grants to utility customers with low-income facing or experiencing shut-offs. Water grants are matched by PWD. UESF has introduced Rapid Assistance Development, which provides added flexibility. UESF funding is included here as part of the assistance provided to customers, however, unlike PHDC funds, UESF dollars do not come from the federal government and should not be considered in the reconciliation/adjustment process.
- **LIHWAP:** Low Income Household Water Assistance Program. Federal program introduced in 2021 to provide low-income households with financial assistance on water and wastewater bills.
- **Debt Collective tenant assistance program:** Nonprofit group that includes a focus on tenant issues. In 2022, the Debt Collective partnered with Community Legal Services (“CLS”) and UESF to identify tenants facing eviction due to unpaid water bills, and issue payment to WRB.
- **PAHAF:** Pennsylvania Housing Assistance Fund. Provides funds for homeowners to resolve delinquent payments for utility services.

6.1 Rental Assistance and Emergency Services Funding

During October 2022, a total of \$854,446.30 in rental assistance from PHDC, emergency grant funding from UESF, and grant funding from LIHWAP, Debt Collective, and PAHAF was applied to customer accounts.

A summary of the 2023 fiscal year PHDC, UESF, LIHWAP, Debt Collective, and PAHAF grants is shown in Table 6. Tables 7-11 show PHDC, UESF, LIHWAP, Debt Collective, and PAHAF payments from July 2022 to October 2022. All tables are based on data reported on October 31, 2022. In addition to these funds, PWD matches some UESF grants.

Table 6. Summary of UESF, PHDC, and LIHWAP Grants, Fiscal Year 2023 (to date)

Source	Count	Amount
UESF	11	\$6,483.63
PHDC	541	\$411,138.63
LIHWAP	3,035	\$5,963,483.44
Debt Collective	21	\$18,245.85
PAHAF	169	\$262,451.95
TOTAL	3,777	\$6,661,803.50

Table 7. PHDC Grants by Month July 2022-October 2022(FY 2023)

Month	Total Amount
July 2022	\$0.00
August 2022	\$411,138.63
September 2022	\$0.00
October 2022	\$0.00
TOTAL	\$411,138.63

Table 8. UESF Grants by Month July 2022-October 2022 (FY 2023)

Month	Total Amount
July 2022	\$0.00
August 2022	\$4,093.48
September 2022	\$1,150.85
October 2022	\$1,239.30
TOTAL	\$6,483.63

Table 9. LIHWAP Grants by Month July 2022-October 2022 (FY 2023)

Month	Total Amount
July 2022	\$1,835,743.44
August 2022	\$1,300,798.28
September 2022	\$1,997,855.95
October 2022	\$829,085.77
TOTAL	\$5,963,483.44

Table 10. Debt Collective Grants by Month July 2022-October 2022 (FY 2023)

Month	Total Amount
July 2022	\$1,118.24
August 2022	\$11,858.97
September 2022	\$1,365.42
October 2022	\$3,903.22
TOTAL	\$18,245.85

Table 11. PAHAF Grants by Month July 2022-October 2022 (FY 2023)

Month	Total Amount
July 2022	\$6,596.48
August 2022	\$122,064.15
September 2022	\$113,573.31
October 2022	\$20,218.01
TOTAL	\$262,451.95

7. DEPARTMENT EFFORTS TO PURSUE FEDERAL ASSISTANCE AND OTHER FINANCIAL UPDATES

The Water Department has pursued and is continuing to pursue federal funding. This section documents, among other things, PWD efforts to secure federal funding to date.

Assistance Program/ Requesting Organization	Date Submitted	Status	Amount Awarded Or Requested	Notes
PennVest	April 2020	Active Construction	\$80.8M loan	Rehabilitation of the Torresdale Filtered Water Pump Station. The award closed in February 2021.
PennVest	January 2021	Awarded	\$106M loan;	PennVest approved a loan for the construction of the new preliminary treatment building at the Northeast Water Pollution Control Plant. In January 2022 PennVest increased the award due to bids exceeding preliminary estimates. The award is expected to close September 2022.
PennVest	January 2021	Active Construction	\$6M loan	PennVest loan to finance stormwater improvements. The award closed October 2021.
PennVest	August 2021	Active Construction	\$20.7M loan	PennVest loan to fund Improvements to the City-owned Flat Rock Dam and introduce flow into the Manayunk Canal. The award closed April 2022.
Water Infrastructure Finance and Innovation Act (WIFIA) Letter of Interest	LOI - July 2021 Application - May 2022	Applied	\$600M of capital projects with 49% funded via WIFIA	Under WIFIA, federal aid can cover up to 49% of project eligible costs. Closing is expected to occur December 2022.
PennVest	August 2021	Active Construction	\$40.4M	PennVest loan to fund water main replacements in the City of Philadelphia. Closed July 2022.
PennVest	November 2021	Active Construction	\$8.2M	PennVest application to fund stormwater improvements in the City.
PennVest	November 2021	Active Construction	\$7.5M	PennVest application to fund stormwater improvements in the City.

Assistance Program/ Requesting Organization	Date Submitted	Status	Amount Awarded Or Requested	Notes
PEMA/FEMA Building Resilient Infrastructure and Communities (BRIC)	December 2021	Identified as Pending / Final Review	~\$35.7M	The Cohocksink Flood Mitigation Project, the final phase of a six-phase flood mitigation project, proposes to double conveyance capacity of the combined sewer system through the construction of new sewer infrastructure and seven green stormwater infrastructure systems. The project will have a large area of impact that includes portions of the Northern Liberties, South Kensington, and Ludlow neighborhoods.
PEMA/FEMA Building Resilient Infrastructure and Communities (BRIC)	December 2021	Not Approved	\$204K	Through the City of Philadelphia Climate Change Adaptation – Facility Flood Risk and Resiliency Assessment BRIC Project Scoping, the Philadelphia Water Department will work over 24 months in partnership with procured contractors to conduct a facility-based, asset-level risk and resiliency assessment of the Baxter WTP. This assessment will result in identification of a mitigation strategy to protect the Baxter WTP from coastal flooding and proactively build resilience to climate change. PWD's risk and resiliency assessment framework includes a comprehensive, asset-level flood risk assessment; a resiliency assessment to explore flood mitigation strategies; stakeholder engagement and partnership building; and development of a future FEMA BRIC application, including a Benefit-Cost Analysis.
PEMA/FEMA Building Resilient Infrastructure and Communities (BRIC)	December 2021	Identified as Pending / Final Review	\$693K	The Philadelphia Water Department is seeking BRIC project scoping funding to advance comprehensive planning, technical analyses, and stakeholder engagement for storm flood risk reduction and combined sewer overflow (CSO) mitigation within the Wingohocking and the Tookany/Tacony-Frankford (TTF) Watersheds. The Germantown Wingohocking Creek Flood Risk Reduction Project Scoping will advance the planning elements of the Tacony Tunnel alternative identified in the Germantown Flood Risk Reduction Study by evaluating hydraulic optimization, operation and maintenance considerations, climate resiliency, stakeholder engagement and partnership building, residual risk mitigation, and cost estimation and benefit cost analysis.
PEMA/FEMA Hazard Mitigation Grant Program (HMGP)	January 2022	Submitted	\$204K	Throughout the City of Philadelphia Climate Change Adaptation – Facility Flood Risk and Resiliency Assessment HMGP Project Scoping, PWD will work over 24 months in partnership with procured contractors to conduct a facility-based, asset-level risk and resiliency assessment of the Baxter WTP. This assessment will result in identification of a mitigation strategy to protect the Baxter WTP from coastal flooding and proactively build resilience to climate change. PWD's risk and resiliency assessment framework includes a comprehensive, asset-level flood risk assessment; a resiliency assessment to explore flood mitigation strategies; stakeholder engagement and partnership building; and development of a future FEMA BRIC application, including a Benefit-Cost Analysis.

PEMA/FEMA Hazard Mitigation Grant Program (HMGP)	January 2022	Submitted	\$693k	PWD is seeking HMGP project scoping funding to advance comprehensive planning, technical analyses, and stakeholder engagement for storm flood risk reduction and combined sewer overflow (CSO) mitigation within the Wingohocking and the Tookany/Tacony-Frankford (TTF) Watersheds. The Germantown Wingohocking Creek Flood Risk Reduction Project Scoping will advance the planning elements of the Tacony Tunnel alternative identified in the Germantown Flood Risk Reduction Study by evaluating hydraulic optimization, operation and maintenance considerations, climate resiliency, stakeholder engagement and partnership building, residual risk mitigation, and cost estimation and benefit cost analysis.
PennVest	February 2022	Awarded	\$125M	<p>PWD submitted an application to PennVest totaling \$125M for the replacement of an existing clear well basin ("CWB"), constructed in 1904, which is showing signs of deterioration making the structure susceptible to possible contamination and water quality deterioration.</p> <p>The building of the new CWB's will allow for additional storage capacity to replace the existing CWB. The original CWB was one tank which could not be taken offline for inspection, cleaning, or maintenance. With the addition of new CWB's, the clear well basin storage system provides redundancy and resiliency by providing multiple units that can individually be taken offline for maintenance. Furthermore, the new CWB's will improve quality of life by providing a new watertight storage tank to provide protection of the finished water supplied to PWD customers. Closing is expected January 2023.</p>
PennVest	November 2022	In-Progress Application	\$75M	PennVest application to fund water main and sewer replacements in the City. Application due November 2022
BRIC	December 2022	In-Progress Application	\$10M	<p>PWD is seeking BRIC Project funding Project funding to complete the 21st Street Flood Hazard Mitigation Project for storm flood risk reduction within the Wingohocking Watershed. The Germantown neighborhood, located along the former Wingohocking Creek, has a long history of wet weather-related basement backups and surface flooding. Through sewer enlargement and inlet upgrades, this project will reduce sewer surcharging and increase sewer capacity. Increased capacity will better convey stormwater runoff and thereby reduce surface flooding events.</p>
BRIC	December 2022	In-Progress Application	\$108M	PWD is seeking BRIC Phased Project funding to construct a new effluent pumping station (EPS) at the Northeast Water Pollution Control Plant (NEWPCP). This pumping station will reduce the risk of flooding at the NEWPCP by pumping treated flows to the Delaware River during peak wet weather events and high tidal conditions. elevations are expected to rise significantly over the next 50 to 100 years, further reducing the NEWPCP treatment performance and increasing the risk of flooding. In addition, the ongoing headworks upgrades project will allow 650 MGD to be delivered to the head of the plant. This proposed EPS project is needed to convey the flow out to the Delaware River after treatment. The new project will ensure that the process tanks do not overtop during future Delaware River elevations

BRIC	December 2022	In-Progress Application	\$10M	PWD is seeking BRIC Project funding to install new electrical infrastructure at the Queen Lane Raw Water Pump Station (QLRWPS). The existing QLRWPS has a maximum capacity of 140 million gallons per day (MGD) and is the sole source of raw water to the Queen Lane Water Treatment Plant (WTP) that provides potable water distribution to the City of Philadelphia
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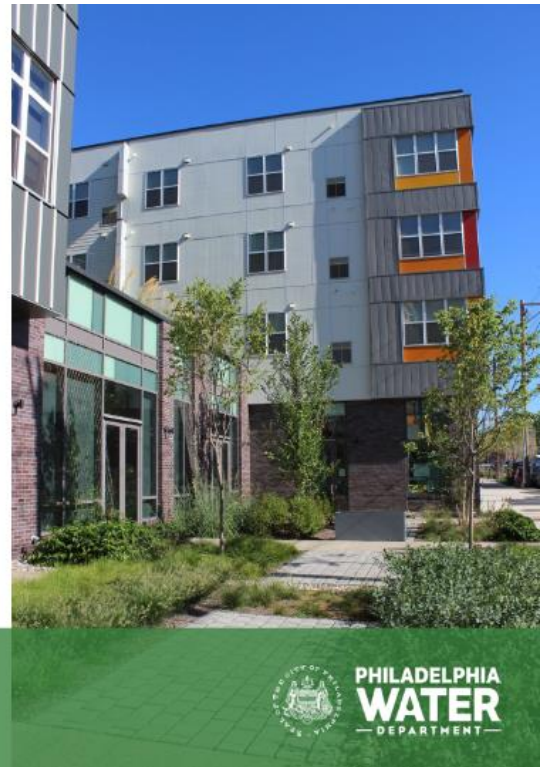
APPENDIX A: RESIDENTIAL STORMWATER RATE STRUCTURE RCAS MEETING SLIDES

POLICY REVIEW

Residential Stormwater Rate Structure and Related Policy Review

Presentation for the Residential Customer Assistance and Services (RCAS) Committee Meeting

OCTOBER 2022



PLEASE NOTE:

Today's meeting is a preliminary discussion intended to aid in the development of the evaluation of potential changes to the Water Department's existing stormwater rate structure and associated policies.

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REVIEW AREA #1

Residential Stormwater Rate Structure

Are there other reasonable alternatives to the existing Residential stormwater rate structure?

2

REVIEW AREA #2

Cost Recovery of Stormwater Credits and SMIP/GARP Grants

Are there other reasonable alternatives to the existing approach for recovery of stormwater credits and grants?

Note: Updates to the Residential rate structure would be predicated on ongoing updates to the Office of Property Assessment (OPA) data base, upon which stormwater classifications are based. Additionally, Billing System Software upgrades would be required to enable alternatives. Water, Sewer and Storm Water Rate Board approval would also be required.

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OVERVIEW

Existing Stormwater Billing System Background

- In 2010, the Department transitioned from a meter size-based stormwater management service (SWMS) charge to a parcel area-based SWMS charge.
- The current parcel-area based billing system utilizes Office of Property Assessment (OPA) data to assign customers to stormwater classes and to define the overall property boundary.
- Stormwater rates are set holistically across the City and do not vary by geography or sewer type (i.e. combined versus separate sewer systems).

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OVERVIEW

Key Definitions



Gross Area (GA):

A property's entire parcel area.



Impervious Area (IA):

A surface that restricts the infiltration of water.

Examples: roofs, driveways, sidewalks, parking lots, etc.



For more info: <https://water.phila.gov/stormwater/>

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OVERVIEW

Existing Rate Structure Overview



- Includes Residential properties with up to 4 dwelling units (excluding condominiums)
- Uniform Stormwater Charge (per parcel) based on the mean (i.e. average) Residential GA and IA
- Billing and Collection Charge (per account)



- Includes all properties which cannot be classified as Residential (including condominiums)
- GA Charge (\$ per 500 square feet) based on parcel's actual GA
- IA Charge (\$ per 500 square feet) based on parcel's actual IA
- Billing and Collection Charge (per account)

Note: References to "Residential" and "Non-Residential" stormwater rates in this presentation are as defined above.

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Residential Stormwater Rate Structure

Are there other reasonable alternatives to the existing Residential stormwater rate structure?

Based upon the 2021 Rate Determination, the Water Department agreed to “develop a proposal to evaluate tiered Residential stormwater rate structures to reflect the range of Residential property sizes.”

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REVIEW AREA #1: RESIDENTIAL RATE STRUCTURE

Residential Rate Structure

Existing Residential Rate Structure (est. 2010)

The existing stormwater Residential rate structure is a uniform flat fee based upon:

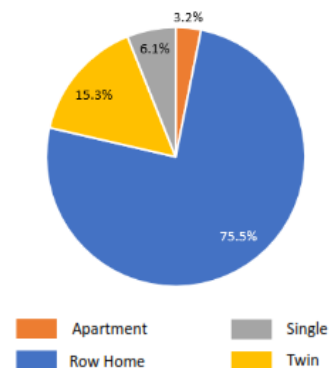
- Mean GA: 2,110 square feet
- Mean IA: 1,200 square feet

Background

- All Residential parcels are charged the same rate regardless of size, building type and individual property characteristics.
- Stormwater classifications rely on Office of Property Assessment (OPA) property designations.
- Uniform Flat Fees are the most commonly used Residential rate structure¹.

¹Based upon Black & Veatch's 2021 Stormwater Utility Survey.

% of Total Residential Parcels



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Residential Rate Structure

Potential Options

1. Maintain existing rate structure
2. Establish Residential Rates by **Building Type** (i.e., row homes, twins, singles, etc.)
3. Establish Tiers for **GA and IA Components**

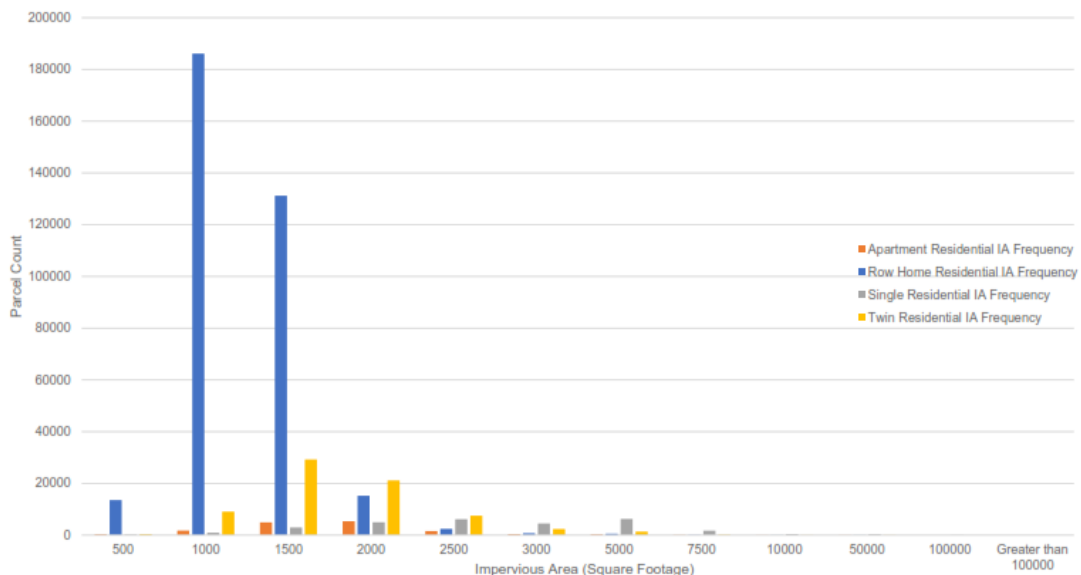
Factors for Consideration

- Availability of up-to-date impervious area data.
- Accuracy of building type / property classification within the OPA data set.
- While Uniform Flat Fees are the most common Residential rate structure, tiered rate structures are becoming more common, especially with the wider availability of impervious area data.
- Current options under review retain existing GA and IA components.
 - The updates under consideration relate to the Residential stormwater rate structure only.
 - Additional changes may be needed for overall stormwater rate structure including for Non-Residential customers.

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Residential Impervious Area Distribution

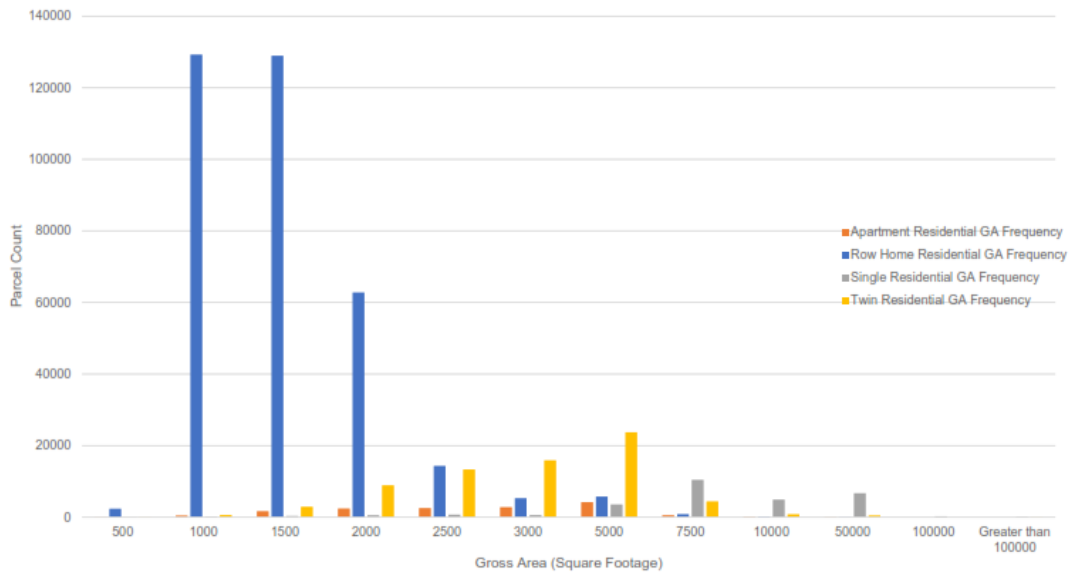


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REVIEW AREA #1

Residential Gross Area Distribution



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REVIEW AREA #1: RESIDENTIAL RATE STRUCTURE

Residential Statistics by Building Type

	Apartments	Row Homes	Twins	Singles	Overall
# of Parcels	14,605	349,602	70,949	28,134	463,290
% of Total	3.2%	75.5%	15.3%	6.1%	100.0%
Mean GA (sf)	2,722	1,265	3,098	9,720	2,110
Mean IA (sf)	1,562	974	1,536	2,893	1,200
Median GA (sf)	2,565	1,137	2,788	6,799	1,343
Median IA (sf)	1,530	945	1,446	2,420	1,042

Note: Data presented above is based upon FY 2022 billing data as provided by the Stormwater Billing Team. Statistics are preliminary and subject to change based upon updated data.

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REVIEW AREA #1: RESIDENTIAL RATE STRUCTURE

Residential Rate Structure – Option #1

Establish Residential Rates by Building Type

Under this approach:

1. Mean (i.e. average) IA and GA for each building type would be utilized
2. Total IA/GA charge would be established for each building type (e.g., uniform flat fee by building type)

	Mean GA	Mean IA	GA Charge	IA Charge	Total
	(sf)	(sf)	(\$)	(\$)	(\$)
Apartments	2,722	1,562	4.16	16.85	21.01
Row Homes	1,265	974	1.93	10.50	12.43
Singles	9,720	2,893	14.86	31.20	46.06
Twins	3,098	1,536	4.74	16.57	21.31
Residential (Overall Class)	2,110	1,200	3.23	12.94	16.17

Notes: Estimated stormwater management service charges are based on the 2022 Rate Determination and associated Cost of Service Analysis. Estimated rate impacts are approximate.

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REVIEW AREA #1: RESIDENTIAL RATE STRUCTURE

Residential Rate Structure – Option #2

Establish Tiers for the IA and GA Charge Components

Under this approach:

1. Establish Tiers for ranges of IA and GA
2. Each parcels IA and GA charge would be determined based upon the respective tier for each component.

4 Tier Option		IMPERVIOUS AREA TIERS				
		Tier Breakpoint	Parcel Count	% of Parcels	Mean IA	IA Rate
1	Low	0 – 999 sf	211,677	46%	752	8.11
2	Mid 1	1,000 - 1,799 sf	202,370	44%	1,278	13.78
3	Mid 2	1,800 - 2,599 sf	32,407	7%	2,109	22.74
4	High	2,600 sf and above	16,836	4%	4,018	43.33

4 Tier Option		GROSS AREA TIERS				
		Tier Breakpoint	Parcel Count	% of Parcels	Mean GA	GA Rate
1	Low	0 - 1,199 sf	194,249	42%	887	1.36
2	Mid 1	1,200 - 2,099 sf	154,834	33%	1,557	2.38
3	Mid 2	2,100 - 3,999 sf	73,634	16%	2,839	4.34
4	High	4,000 sf and above	40,573	9%	8,698	13.10

Notes: Estimated rates are based on the 2022 Rate Determination and associated Cost of Service Analysis. Estimated rate impacts are approximate.

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Tiered Examples

Small Row Home



IA: 800 Sq Ft GA: 823 Sq Ft
Current Monthly SWMS Charge: \$16.17

Potential Monthly Tiered Rate:

IA Charge: \$8.11 GA Charge: \$1.36
Total Tiered SWMS Charge : \$9.47

Large Row Home



IA: 2,000 Sq Ft GA: 2,594 Sq Ft
Current Monthly SWMS Charge Rate: \$16.17

Potential Monthly Tiered Rate:

IA Charge: \$22.74 GA Charge: \$4.34
Total Tiered SWMS Charge : \$27.08

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Notes: Estimated SWMS Charges are based on the 2022 Rate Determination, FY 2023 rates, and associated Cost of Service Analysis. Estimated bill impacts are approximate.

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Tiered Examples

Small Single-Family Home



IA: 900 Sq Ft GA: 1,773 Sq Ft
Current Monthly SWMS Charge: \$16.17

Potential Monthly Tiered Rate:

IA Charge: \$8.11 GA Charge: \$2.38
Total Tiered SWMS Charge : \$10.49

Large Single-Family Home



IA: 3,000 Sq Ft GA: 7,305 Sq Ft
Current Monthly SWMS Charge Rate: \$16.17

Potential Monthly Tiered Rate:

IA Charge: \$43.33 GA Charge: \$13.10
Total Tiered SWMS Charge : \$56.43

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Notes: Estimated SWMS Charges are based on the 2022 Rate Determination, FY 2023 rates, and associated Cost of Service Analysis. Estimated bill impacts are approximate.

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Other Considerations

- An update to the Residential rate structure may require:
 - Updated billing policies
 - More frequent data updates for Residential customer data
 - Additional processing time for Residential stormwater data
- The minimum IA/GA charge for Non-Residential customers is set to the Residential IA/GA charge and would likely need to be changed with any updates to the Residential rate structure.

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Cost Recovery of Stormwater Credits and SMIP/GARP Grants

Are there other reasonable alternatives to the existing approach for recovery of stormwater credits and grants?

Based upon the 2021 Rate Determination, the Water Department agreed to "...evaluate alternative ways of sharing the costs/benefits of ratepayer-funded Non-Residential stormwater overflow remediation projects."

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Recovery of Stormwater Credits and Grants

Background and Historical Perspective

Background:

- Stormwater Credits are currently only available to Non-Residential customers and recovered from all stormwater customers.
- Stormwater Management Incentive Program (SMIP) / Greened Acre Retrofit Program (GARP) Grants are only available to Non-Residential customers and recovered from wastewater customers. Grant costs are allocated ~40% to sanitary sewer customers and ~60% to stormwater customers.

Historical Perspective:

1. Private Stormwater Management helps the Water Department make progress in meeting greened acre goals including the requirements of Green City, Clean Waters (GCCW).
2. Private Stormwater Management may help to avoid public costs such as O&M and capital related expenses.
3. Private Stormwater Management benefits the entire system, therefore all customers “see the benefit.”

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Recovery of Stormwater Credits and Grants

Potential Options

1. Maintain existing approach for recovery of Stormwater Credits and Grants
2. Shift the recovery of credits to Non-Residential Customers
3. Shift the recovery of SMIP/GARP Grants to Non-Residential Customers
4. Shift both the recovery of credits and SMIP/GARP Grants to Non-Residential Customers

Factors for Consideration

Shifting cost recovery from all customers to only Non-Residential customers will:

- Reduce Residential IA/GA rates
- Increase Non-Residential IA/GA rates

Non-Residential customers have previously expressed concerns about changes to cost recovery and credit program.

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IA/GA Charge Impact of Cost Recovery

Influence of Credit and SMIP/GARP Cost Recovery on Residential and Non-Residential IA and GA Charges

DESCRIPTION	ADOPTED RATES	SHIFT JUST CREDITS	SHIFT JUST SMIP/GARP	SHIFT BOTH CREDITS & SMIP/GARP
RESIDENTIAL STORMWATER MANAGEMENT SERVICE CHARGE				
Charge Per Parcel	\$16.17	\$14.60	\$14.79	\$13.37
NON-RESIDENTIAL STORMWATER MANAGEMENT SERVICE CHARGE				
Min Charge	\$16.17	\$14.60	\$14.79	\$13.37
GA (per 500 sf)	0.778	0.877	0.837	0.927
IA (per 500 sf)	5.492	5.899	5.904	6.277

Notes: Estimated stormwater management service charges are based on the 2022 Rate Determination, FY 2023 rates, and associated Cost of Service Analysis. Estimated rate impacts are approximate.

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Other Considerations

- Appropriateness of cost recovery for the Stormwater Credits and SMIP/GARP Grants for all stormwater customers
- Ongoing impacts of cost recovery shift:
 - Impact on Non-Residential Rates
 - Other concerns tied to change in cost recovery of stormwater credits

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NEXT STEP:

Share your feedback!

Please complete the survey to share your feedback:

<https://wtcc27ab.paperform.co/>



If you have any questions, please email: Patricia Rogalski at Patricia.Rogalski@Phila.gov.

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