

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

**In the Matter of the Philadelphia Water Department's Proposed Change in Water, Wastewater, and Stormwater Rates and Related Charges**      **Fiscal Years 2024 – 2025  
Rates and Charges to Become Effective  
: September 1, 2023 and September 1, 2024**

**PUBLIC ADVOCATES DISCOVERY REQUESTS  
&  
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-VIII-1. According to the press release identified in footnote 1 below, the City of Philadelphia is slated to receive \$160 million to help upgrade water facilities and replace over 19 miles of water mains, and lead service lines and connections along those mains.

- a. Please indicate when PWD is expected to receive the funding. If the funding will be made available in tranches, please provide the dates on which each tranche will be received.
- b. Please identify the specific projects for which the funding will be used. For each project, please identify whether the project is a water mains replacement, lead service line replacement, service connections to the mains, etc.
- c. For each of the projects identified above, please show where in the cost of service the related cost is included.

PA-VIII-2. According to the press release identified in footnote 1 below, the City of Philadelphia is expected to receive a \$340 million Water Infrastructure and Innovation Act (WIFIA) loan from EPA to upgrade its water system, including the first \$19 million in financing that will help modernize critical infrastructure by replacing approximately 160 lead service lines and 13 miles of watermains.

- a. Please indicate when PWD is expected to receive the funding. If the funding will be made available in tranches, please provide the dates on which each tranche will be received.
- b. Please identify the specific projects for which the funding will be used. For each project, please identify whether the project is a water mains replacement, lead service line replacement, service connections to the mains, etc.
- c. For each of the projects identified above, please show where in the cost of service the related cost is included.

---

<sup>1</sup> <https://www.whitehouse.gov/briefing-room/statements-releases/2023/02/02/fact-sheet-president-biden-announces-500-million-for-philadelphia-water-upgrades-and-lead-service-removal/>

PA-VIII-3. According to the press release identified footnote 1 above, \$8.1 billion from a Bipartisan Infrastructure Funding is already headed to Pennsylvania with \$240 million awarded to Pennsylvania to provide clean and safe water across the state and improve water and wastewater infrastructure.

- a. Please identify how much of the \$8.1 billion is expected to be received by PWD for the improvement of water and wastewater infrastructure.
- b. Please identify the specific projects for which the funding will be used. For each project, please identify whether the project is a water or wastewater related and the type of project such as mains replacement, lead service line replacement, service connections to the mains, etc.
- c. For each of the projects identified above, please show where the related cost is included in the cost of service.

PA-VIII-4. With respect to all grants received by PWD, please explain how PWD accounts for each grant received and show how they are reflected in the cost of service.

PA-VIII-5. Please identify all grants (and the amounts) and/or additional funding that PWD is seeking from the Federal Government, State Government, or other entities.

- a. Please indicate when PWD is expected to receive the funding. If the funding will be made available in tranches, please provide the dates on which each tranche will be received.
- b. Please identify the specific projects for which the funding will be used. For each project, please identify whether the project is a water mains replacement, lead service line replacement, service connections to the mains, etc.

PA-VIII-6. Reference PWD Statement 3, page 5, beginning at line 22. Please clarify the meanings of “appropriated” and “encumbered”.

- a. Are all budgeted projects considered to be appropriated? If not, when is a project considered to be appropriated? Please fully explain the transition from budgeted to appropriated.
- b. Please explain what triggers a budgeted expenditure to be considered encumbered.
- c. Please explain how putting a project up for bids affects whether the project is considered appropriated or encumbered.

PA-VIII-7. Reference Table 1 of PWD Statement 3.

- a. Please separately identify, by category, the amount approved in FY 2023 that are likely to be carried over in FY 2024.
- b. Please provide the actual and budget expenditures by the category in Table 1 and year for FY 2020 through 2023.

PA-VIII-8. For FY 2020 to 2022, please identify, by the categories presented on Table 1 of PWD Statement 3, the approved budgeted amounts in each fiscal year that were carried over to the next fiscal year.

PA-VIII-9. Beginning on line 15, page 6 of PWD Statement 3, the witnesses state that PWD changed its construction schedules during FY2022 and FY 2023 due to delays that occurred during FY 2021.

- a. Is it correct that projects that PWD was unable to complete during 2021 were worked on and/or completed during FY 2022 and FY 2023?
- b. Is it correct that the FY 2022 and FY 2023 budgets were higher than they otherwise would be because they were adjusted to accommodate the projects carried forward from FY 2021?
- c. If PWD has returned to normal levels of construction, please explain why FY 2024 and FY 2025 appears to be significantly higher (\$185,000,000 increase for FY 2024 and \$176,000,000 increase for FY 2025) than FY 2023.

PA-VIII-10. Reference the construction categories presented in Table 1 of PWD Statement 3. Please identify the categories under which the (i) the Green City, Clean Waters Program; (ii) the Drinking Water Revitalization Plan; and (iii) the Renewal and Replacement of Other Older Infrastructure fall.

PA-VIII-11. On page 9, line 24 of PWD Statement 3, the panel states that the LTCP (Green City, Clean Waters Program) proposed expenditures in the FY 2024 to FY 2029 is \$999 million. Please separately identify the amounts related to this program for FY 2024 and FY 2025.

PA-VIII-12. With respect to the Drinking Water Revitalization program, please separately identify the amounts included in the FY 2024 and FY 2025 construction budget for:

- a. The replacement of the current clear well basin at the Baxter Water Treatment plant.
- b. The rehabilitation of the Lardner's Point Finished Water Pump Station.
- c. Constructing an additional Schuylkill River crossing.

PA-VIII-13. Please provide relevant documents, studies or reports that discuss and explain the purpose and reason for the Water Revitalization project.

PA-VIII-14. On page 16, line 15, of PWD Statement 3, the panel states that PWD expects most of the funding for its capital improvement program to be in the form of new borrowing financed through revenue bonds.

- a. Besides the new revenue bonds, please identify all other sources of funding that PWD receives for capital improvements.
- b. Is it correct that the repayment and servicing of any new bonds is derived solely from the water and wastewater rates?

- PA-VIII-15. Please explain how the City of Philadelphia-owned properties are charged and pay for water, wastewater and stormwater services.
- PA-VIII-16. Please provide any reports, analysis, studies, whitepapers in possession of PWD that discuss, explain or examine how municipalities, who do not own wastewater utilities, finance and fund stormwater and wastewater infrastructure.
- PA-VIII-17. Please identify and explain whether PWD has considered any alternatives to debt financing to fund stormwater and wastewater infrastructure. If so, please provide the alternatives identified and any supporting documentation.
- PA-VIII-18. Reference PWD Statement 2A, FY 23 Summary & Five-Year Financial Projection Plan, Financial Policies, Outstanding Debt.
- a. Please fully explain why FY 2023 Total Debt Service is at approximately \$100,000,000 but is projected to increase to above \$200,000,000 in the following years.
  - b. Please fully explain why the Total Debt Service values in this chart do not match the values in Schedule BV-1, Table C-1 for Total Senior Debt Service.
- PA-VIII-19. Please update the table on page 9 of PWD Rebuttal Statement No. 2 in the 2022-2023 FY proceeding for FY 2024.
- PA-VIII-20. Reference Table W-10. Please explain in detail how the maximum day, maximum hour, and Wholesale Direct allocation factors were determined. Include supporting calculations in Excel format.
- PA-VIII-21. Please identify the number of rain barrels on customer properties in place as of December of the last 3 years that were installed by PWD, broken down by zip code if available.