

**RESPONSE TO**  
**PUBLIC ADVOCATE'S INTERROGATORIES (SET VIII)**  
**AND**  
**REQUESTS FOR PRODUCTION OF DOCUMENTS**  
**QUESTIONS 1-21**

**Dated: March 2023**

1 **PA-VIII-1.** ACCORDING TO THE PRESS RELEASE IDENTIFIED IN FOOTNOTE<sup>1</sup>  
2 BELOW, THE CITY OF PHILADELPHIA IS SLATED TO RECEIVE \$160  
3 MILLION TO HELP UPGRADE WATER FACILITIES AND REPLACE OVER  
4 19 MILES OF WATER MAINS, AND LEAD SERVICE LINES AND  
5 CONNECTIONS ALONG THOSE MAINS.

6 A. PLEASE INDICATE WHEN PWD IS EXPECTED TO RECEIVE THE  
7 FUNDING. IF THE FUNDING WILL BE MADE AVAILABLE IN  
8 TRANCHES, PLEASE PROVIDE THE DATES ON WHICH EACH  
9 TRANCHE WILL BE RECEIVED.

10 B. PLEASE IDENTIFY THE SPECIFIC PROJECTS FOR WHICH THE  
11 FUNDING WILL BE USED. FOR EACH PROJECT, PLEASE IDENTIFY  
12 WHETHER THE PROJECT IS A WATER MAINS REPLACEMENT,  
13 LEAD SERVICE LINE REPLACEMENT, SERVICE CONNECTIONS TO  
14 THE MAINS, ETC.

15 C. FOR EACH OF THE PROJECTS IDENTIFIED ABOVE, PLEASE SHOW  
16 WHERE IN THE COST OF SERVICE THE RELATED COST IS  
17 INCLUDED.

18  
19 **RESPONSE:**

20 Refer to PWD Memo to the Rate Board regarding Federal Funding dated February 27, 2023,  
21 page 2. Link: [Rate-Board-Information-Request-Response-2023-02-27.pdf \(phila.gov\)](https://www.phila.gov/files/Rate-Board-Information-Request-Response-2023-02-27.pdf).

22  
23 As noted in the above referenced memo:

24 A. \$160 million noted in the President's announcement is related to two projects,  
25 which are being funded via PENNVEST loans. PENNVEST loans work on a  
26 reimbursement basis, PWD will be utilizing its commercial paper  
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<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/>

1 program to provide interim financing to pay contractor invoices while awaiting  
2 reimbursement from PENNVEST. Spending associated with these projects is  
3 projected to occur between FY 2023 and FY 2028.

4 B. The \$160 million will finance the approximately \$125 million replacement of the  
5 Clearwell Basin at the Baxter Water Treatment Plant and roughly \$35.8 million in  
6 the replacement of linear assets across the City.

7 C. As noted in response to PA-V-10, the cost of service study reflects the projected  
8 PENNVEST financing, which is included in the projected debt service on Line 10  
9 of Table 2-7 of Schedule BV-2: Water and Wastewater Cost of Service Report (the  
10 same table is presented in Schedule BV-1: Table C-9), while projected commercial  
11 paper program interest payments are reflected on Line 11.

12  
13 **RESPONSE PROVIDED BY:** Philadelphia Water Department and Black & Veatch  
14 Management Consulting, LLC.

1 **PA-VIII-2.** ACCORDING TO THE PRESS RELEASE IDENTIFIED IN FOOTNOTE 1  
2 ABOVE, THE CITY OF PHILADELPHIA IS EXPECTED TO RECEIVE A \$340  
3 MILLION WATER INFRASTRUCTURE AND INNOVATION ACT (WIFIA)  
4 LOAN FROM EPA TO UPGRADE ITS WATER SYSTEM, INCLUDING THE  
5 FIRST \$19 MILLION IN FINANCING THAT WILL HELP MODERNIZE  
6 CRITICAL INFRASTRUCTURE BY REPLACING APPROXIMATELY 160  
7 LEAD SERVICE LINES AND 13 MILES OF WATERMANS.

8 A. PLEASE INDICATE WHEN PWD IS EXPECTED TO RECEIVE THE  
9 FUNDING. IF THE FUNDING WILL BE MADE AVAILABLE IN  
10 TRANCHE, PLEASE PROVIDE THE DATES ON WHICH EACH  
11 TRANCHE WILL BE RECEIVED.

12 B. PLEASE IDENTIFY THE SPECIFIC PROJECTS FOR WHICH THE  
13 FUNDING WILL BE USED. FOR EACH PROJECT, PLEASE IDENTIFY  
14 WHETHER THE PROJECT IS A WATER MAINS REPLACEMENT,  
15 LEAD SERVICE LINE REPLACEMENT, SERVICE CONNECTIONS TO  
16 THE MAINS, ETC.

17 C. FOR EACH OF THE PROJECTS IDENTIFIED ABOVE, PLEASE SHOW  
18 WHERE IN THE COST OF SERVICE THE RELATED COST IS  
19 INCLUDED.

20  
21 **RESPONSE:**

22 Refer to PWD Memo to the Rate Board regarding Federal Funding dated February 27, 2023,  
23 page 2. Link: [Rate-Board-Information-Request-Response-2023-02-27.pdf \(phila.gov\)](#).

24  
25 As noted in the above referenced memo:

26 A. \$340 million noted in the President's announcement is related to a suite of projects  
27 included in the Water Department's Water Revitalization Plan (WRP) totaling  
28 approximately \$697 million. The \$340 million represents 49% of eligible project

1 costs. PWD is responsible for securing the remaining 51%, which PWD plans to  
2 fund using a combination of available cash and revenue bond financing.

3  
4 PWD has entered into a Master Agreement with WIFIA under which loans will be  
5 issued in tranches. The first loan tranche which covers water main and service line  
6 replacement projects closed in January 2023. Subsequent loan tranches are projected  
7 to close in July 2023, 2024, 2025 and 2027.

8  
9 Similar to PENNVEST, WIFIA loans work on a reimbursement basis and the  
10 associated funding is not received upfront.

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12 B. The projects included in the WIFIA Master Agreement are as follows:

- 13 1. George's Hill Pump Station Replacement
- 14 2. Belmont High Service Pump Station
- 15 3. East Park Booster Pump Station
- 16 4. Baxter Water Treatment Plant Storage
- 17 5. Schuylkill River Crossing
- 18 6. Monument Road Storage
- 19 7. Belmont Water Treatment Plant Storage
- 20 8. Distribution Main Replacement (consists of 11 water main replacements  
21 projects at various locations through out the City, lead service lines  
22 encountered during construction will be replaced).

23  
24 C. As noted in response to PA-V-10, the cost of service study reflects the projected  
25 WIFIA financing, which is presented on Line 12 of Table 2-7 of Schedule BV-2:  
26 Water and Wastewater Cost of Service Report (the same table is presented in  
27 Schedule BV-1: Table C-9). The projected debt service reflects the WIFIA loan as  
28 well as the projected financing associated with the matching funds.

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**RESPONSE PROVIDED BY:** Philadelphia Water Department and Black & Veatch Management Consulting, LLC.

1 **PA-VIII-3.** ACCORDING TO THE PRESS RELEASE IDENTIFIED FOOTNOTE 1  
2 ABOVE, \$8.1 BILLION FROM A BIPARTISAN INFRASTRUCTURE  
3 FUNDING IS ALREADY HEADED TO PENNSYLVANIA WITH \$240  
4 MILLION AWARDED TO PENNSYLVANIA TO PROVIDE CLEAN AND  
5 SAFE WATER ACROSS THE STATE AND IMPROVE WATER AND  
6 WASTEWATER INFRASTRUCTURE.

7 A. PLEASE IDENTIFY HOW MUCH OF THE \$8.1 BILLION IS EXPECTED  
8 TO BE RECEIVED BY PWD FOR THE IMPROVEMENT OF WATER  
9 AND WASTEWATER INFRASTRUCTURE.

10 B. PLEASE IDENTIFY THE SPECIFIC PROJECTS FOR WHICH THE  
11 FUNDING WILL BE USED. FOR EACH PROJECT, PLEASE IDENTIFY  
12 WHETHER THE PROJECT IS A WATER OR WASTEWATER  
13 RELATED AND THE TYPE OF PROJECT SUCH AS MAINS  
14 REPLACEMENT, LEAD SERVICE LINE REPLACEMENT, SERVICE  
15 CONNECTIONS TO THE MAINS, ETC.

16 C. FOR EACH OF THE PROJECTS IDENTIFIED ABOVE, PLEASE SHOW  
17 WHERE THE RELATED COST IS INCLUDED IN THE COST OF  
18 SERVICE.

19  
20 **RESPONSE:**

21 A. As noted in the question, only \$240 Million was awarded to Pennsylvania for clean  
22 water related projects. This funding is distributed via PENNVEST:

23 [https://www.paawwa.org/gov-wolf-pa-receives-240-million-to-improve-water-  
25 infrastructure/](https://www.paawwa.org/gov-wolf-pa-receives-240-million-to-improve-water-<br/>24 infrastructure/)

26 Please refer to the attachment to PA-VIII-3 for report of PWD federal and state  
27 funding efforts. PWD applied for PENNVEST and WIFIA funding after the  
28 passage of the Bipartisan Infrastructure Bill in November 2021.

1 Per the State Revolving Fund Intended Use Plan<sup>2</sup>, of the \$240 Million,  
2 PENNVEST allocated:

- 3 • \$166 Million is available via the Drinking Water State Revolving Fund;
- 4 and
- 5 • \$74 Million is available via the Clean Water State Revolving Fund.

6  
7 As the Water Department does not meet PENNVEST's criteria for grant funding  
8 nor principal forgiveness, any funding sourced (in full or partially) from the  
9 Bipartisan Infrastructure Funding Act, would come in the form of a loan.

10  
11 Note - there are "nearly 9,200 public water systems<sup>3</sup>" in Pennsylvania, and roughly  
12 the same number of wastewater systems.

13  
14 B. Please refer to the attachment to PA-VIII-3.

15 C. Please refer to PWD Statement 7, Schedule BV-1, Table C-8 lines 8 and 10. Also,  
16 refer to Section 2.3.3 Capital Improvements and Section 2.3.4 Debt Service of  
17 Schedule BV-2: Water and Wastewater Cost of Service Report, Pages 2-7 to 2-11.

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19 **RESPONSE PROVIDED BY:** Philadelphia Water Department

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27 <sup>2</sup>[State Revolving Fund Intended Use Plan \(pa.gov\)](https://www.dep.pa.gov/Business/Water/BureauSafeDrinkingWater/pages/default.aspx#:~:text=To%20carry%20out%20this%20mission,and%20permitting%20activities%20at%20public)

28 <sup>3</sup>Pennsylvania Department of Environmental Protection – Bureau of Safe Drinking Water:  
<https://www.dep.pa.gov/Business/Water/BureauSafeDrinkingWater/pages/default.aspx#:~:text=To%20carry%20out%20this%20mission,and%20permitting%20activities%20at%20public>



1 **PA-VIII-4.** WITH RESPECT TO ALL GRANTS RECEIVED BY PWD, PLEASE EXPLAIN  
2 HOW PWD ACCOUNTS FOR EACH GRANT RECEIVED AND SHOW HOW  
3 THEY ARE REFLECTED IN THE COST OF SERVICE.  
4

5 **RESPONSE:**

6 PWD receives Pennsylvania Act-13 grants. Grants funds are utilized toward SMIP/GARP  
7 projects.  
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9 With respect to the Cost of Service study, grant funds are included as other operating  
10 revenue revenues as presented in PWD Statement 7, Schedule BV-2: Table C-3 – Line 9  
11 and as further discussed in Schedule BV-2, Section 1.4.1 in Table 1-5 on Page 1-14.

12 Other operating revenue from grants reduced the net revenue requirements derived by  
13 rates and charges.  
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15 **RESPONSE PROVIDED BY:** Philadelphia Water Department and Black & Veatch  
16 Management Consulting, LLC.  
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1 **PA-VIII-5.** PLEASE IDENTIFY ALL GRANTS (AND THE AMOUNTS) AND/OR  
2 ADDITIONAL FUNDING THAT PWD IS SEEKING FROM THE FEDERAL  
3 GOVERNMENT, STATE GOVERNMENT, OR OTHER ENTITIES.

4 A. PLEASE INDICATE WHEN PWD IS EXPECTED TO RECEIVE THE  
5 FUNDING. IF THE FUNDING WILL BE MADE AVAILABLE IN  
6 TRANCHES, PLEASE PROVIDE THE DATES ON WHICH EACH  
7 TRANCHE WILL BE RECEIVED.

8 B. PLEASE IDENTIFY THE SPECIFIC PROJECTS FOR WHICH THE  
9 FUNDING WILL BE USED. FOR EACH PROJECT, PLEASE IDENTIFY  
10 WHETHER THE PROJECT IS A WATER MAINS REPLACEMENT,  
11 LEAD SERVICE LINE REPLACEMENT, SERVICE CONNECTIONS TO  
12 THE MAINS, ETC..

13  
14 **RESPONSE:**

15 Please refer to Response Attachment PA-VIII-3.

16  
17 As detailed in Section 7 of the Rate Case Settlement Monthly Reports filed with the  
18 Philadelphia Water, Sewer and Storm Water Rate Board (“Rate Board”), the Water  
19 Department continues to pursue various state and federal funding opportunities. The table  
20 presented in Section 7 details the assistance program, the date submitted, the current  
21 status, the award or requested amount of funding support, along with a description of the  
22 project.

23  
24 The Water Department does not expect to receive all funding requests. Further, only  
25 PEMA/FEMA funded Building Resilient Infrastructure and Communities (BRIC) and  
26 Hazard Mitigation Grant Program (HMGP) have the potential to result in grant funding.  
27 At this time, it is unclear how the Water Department would receive funding if awarded a  
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1 grant. Grant funding may still be received on a reimbursement basis, similar to  
2 PENNVEST and WIFIA financed projects.

3  
4 PWD is evaluating additional future PENNVEST loan opportunities and will continue to  
5 pursue low-interest financing options to support the CIP.

6  
7 Note - the Philadelphia Water Department does not qualify for grant assistance or loan  
8 forgiveness under PENNVEST requirements.

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10 **RESPONSE PROVIDED BY:** Philadelphia Water Department

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1 **PA-VIII-6.** REFERENCE PWD STATEMENT 3, PAGE 5, BEGINNING AT LINE 22.

2 PLEASE CLARIFY THE MEANINGS OF “APPROPRIATED” AND  
3 “ENCUMBERED”.

4 A. ARE ALL BUDGETED PROJECTS CONSIDERED TO BE  
5 APPROPRIATED? IF NOT, WHEN IS A PROJECT CONSIDERED TO BE  
6 APPROPRIATED? PLEASE FULLY EXPLAIN THE TRANSITION  
7 FROM BUDGETED TO APPROPRIATED.

8 B. PLEASE EXPLAIN WHAT TRIGGERS A BUDGETED EXPENDITURE  
9 TO BE CONSIDERED ENCUMBERED.

10 C. PLEASE EXPLAIN HOW PUTTING A PROJECT UP FOR BIDS  
11 AFFECTS WHETHER THE PROJECT IS CONSIDERED  
12 APPROPRIATED OR ENCUMBERED.

13  
14 **RESPONSE:**

15 A. Funds are appropriated when the proposed capital budget is approved by City Council  
16 and signed by the Mayor. At this point, the appropriated funds are available for  
17 funding of individual capital projects.

18 B. Encumbered funds are appropriated funds committed to individual projects. Funds are  
19 encumbered for a specific project when a contract with a contractor is conformed.

20 C. Projects are bid based on available appropriations, but the funds are not encumbered  
21 until a contract is conformed between the City and the selected contractor.

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23 **RESPONSE PROVIDED BY:** Philadelphia Water Department  
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1 **PA-VIII-7.** REFERENCE TABLE 1 OF PWD STATEMENT 3.

2 A. PLEASE SEPARATELY IDENTIFY, BY CATEGORY, THE AMOUNT  
3 APPROVED IN FY 2023 THAT ARE LIKELY TO BE CARRIED OVER  
4 IN FY 2024.

5 B. PLEASE PROVIDE THE ACTUAL AND BUDGET EXPENDITURES BY  
6 THE CATEGORY IN TABLE 1 AND YEAR FOR FY 2020 THROUGH  
7 2023.

8  
9 **RESPONSE:**

10 A. Approximately a third of the FY 2023 CIP Budget is likely to be carried over to FY  
11 2024. Note this is an estimate of the cumulative carryforward of available  
12 appropriation balances.

13 B. Please refer to the response to PA-V-1.

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15 **RESPONSE PROVIDED BY:** Philadelphia Water Department  
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1 **PA-VIII-8.** FOR FY 2020 TO 2022, PLEASE IDENTIFY, BY THE CATEGORIES  
2 PRESENTED ON TABLE 1 OF PWD STATEMENT 3, THE APPROVED  
3 BUDGETED AMOUNTS IN EACH FISCAL YEAR THAT WERE CARRIED  
4 OVER TO THE NEXT FISCAL YEAR.

5  
6 **RESPONSE:**

7 See response attachment PA-VIII-8 for the FY 2022 carryforward. A report that provides  
8 the requested breakdown is not available to provide the historical carryforward for fiscal  
9 years FY 2020 and FY 2021.

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11 **RESPONSE PROVIDED BY:** Philadelphia Water Department  
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1 **PA-VIII-9.** BEGINNING ON LINE 15, PAGE 6 OF PWD STATEMENT 3, THE  
2 WITNESSES STATE THAT PWD CHANGED ITS CONSTRUCTION  
3 SCHEDULES DURING FY2022 AND FY 2023 DUE TO DELAYS THAT  
4 OCCURRED DURING FY 2021.

5 A. IS IT CORRECT THAT PROJECTS THAT PWD WAS UNABLE TO  
6 COMPLETE DURING 2021 WERE WORKED ON AND/OR  
7 COMPLETED DURING FY 2022 AND FY 2023?

8 B. IS IT CORRECT THAT THE FY 2022 AND FY 2023 BUDGETS WERE  
9 HIGHER THAN THEY OTHERWISE WOULD BE BECAUSE THEY  
10 WERE ADJUSTED TO ACCOMMODATE THE PROJECTS CARRIED  
11 FORWARD FROM FY 2021?

12 C. IF PWD HAS RETURNED TO NORMAL LEVELS OF CONSTRUCTION,  
13 PLEASE EXPLAIN WHY FY 2024 AND FY 2025 APPEARS TO BE  
14 SIGNIFICANTLY HIGHER (\$185,000,000 INCREASE FOR FY 2024  
15 AND \$176,000,000 INCREASE FOR FY 2025) THAN FY 2023.  
16

17 **RESPONSE:**

18 A. Correct.

19 B. Incorrect. The FY 2022 Budget was reduced to \$378.89 Million as a result of the  
20 funding provided by the carryforward resulting from project delays.

21 C. The capital improvement program is growing due to the growing program costs.  
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23 **RESPONSE PROVIDED BY:** Philadelphia Water Department  
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1 **PA-VIII-10.** REFERENCE THE CONSTRUCTION CATEGORIES PRESENTED IN TABLE  
2 1 OF PWD STATEMENT 3. PLEASE IDENTIFY THE CATEGORIES UNDER  
3 WHICH THE (I) THE GREEN CITY, CLEAN WATERS PROGRAM; (II) THE  
4 DRINKING WATER REVITALIZATION PLAN; AND (III) THE RENEWAL  
5 AND REPLACEMENT OF OTHER OLDER INFRASTRUCTURE FALL.  
6

7 **RESPONSE:**

- 8 (I) Green Cities/ Clean Waters is budgeted in Wastewater collector System/CSO/Flood  
9 Relief and in the Improvements to Water & Wastewater Facilities.  
10 (II) The Water Revitalization Plan is budgeted in Improvements to Water & Wastewater  
11 Facilities and in Water Conveyance System.  
12 (III) The renewal & replacement of other older infrastructure is budgeted in  
13 Improvements to Water & Wastewater Facilities, in Wastewater Collector  
14 System/CSO/Flood Relief, as well as in Water Conveyance System  
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16 **RESPONSE PROVIDED BY:** Philadelphia Water Department  
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1 **PA-VIII-11.** ON PAGE 9, LINE 24 OF PWD STATEMENT 3, THE PANEL STATES THAT  
2 THE LTCP (GREEN CITY, CLEAN WATERS PROGRAM) PROPOSED  
3 EXPENDITURES IN THE FY 2024 TO FY 2029 IS \$999 MILLION. PLEASE  
4 SEPARATELY IDENTIFY THE AMOUNTS RELATED TO THIS PROGRAM  
5 FOR FY 2024 AND FY 2025.  
6

7 **RESPONSE:**

8 These are budget appropriations and not projected expenses. The proposed budget for the  
9 LTCP (Green City/Clean Waters Program) for FY 2024 is \$136M and for FY 2025 it is  
10 \$148M.  
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12 **RESPONSE PROVIDED BY:** Philadelphia Water Department  
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1 **PA-VIII-12.** WITH RESPECT TO THE DRINKING WATER REVITALIZATION  
2 PROGRAM, PLEASE SEPARATELY IDENTIFY THE AMOUNTS INCLUDED  
3 IN THE FY 2024 AND FY 2025 CONSTRUCTION BUDGET FOR:

- 4 A. THE REPLACEMENT OF THE CURRENT CLEAR WELL BASIN AT  
5 THE BAXTER WATER TREATMENT PLANT.  
6 B. THE REHABILITATION OF THE LARDNER'S POINT FINISHED  
7 WATER PUMP STATION.  
8 C. CONSTRUCTING AN ADDITIONAL SCHUYLKILL RIVER CROSSING.

9  
10 **RESPONSE:**

11 Construction related costs included in the Capital Budget are as follows:

- 12 A. FY 2023 - \$125 Million  
13 B. FY 2024 - \$60 Million; FY 2025 - \$60 Million  
14 C. FY 2025 - \$141 Million

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16 **RESPONSE PROVIDED BY:** Philadelphia Water Department  
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1 **PA-VIII-13.** PLEASE PROVIDE RELEVANT DOCUMENTS, STUDIES OR REPORTS  
2 THAT DISCUSS AND EXPLAIN THE PURPOSE AND REASON FOR THE  
3 WATER REVITALIZATION PROJECT.  
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5 **RESPONSE:**

6 See response to PA-IV-13.  
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8 **RESPONSE PROVIDED BY:** Philadelphia Water Department  
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1 **PA-VIII-14.** ON PAGE 16, LINE 15, OF PWD STATEMENT 3, THE PANEL STATES  
2 THAT PWD EXPECTS MOST OF THE FUNDING FOR ITS CAPITAL  
3 IMPROVEMENT PROGRAM TO BE IN THE FORM OF NEW BORROWING  
4 FINANCED THROUGH REVENUE BONDS.

5 A. BESIDES THE NEW REVENUE BONDS, PLEASE IDENTIFY ALL  
6 OTHER SOURCES OF FUNDING THAT PWD RECEIVES FOR  
7 CAPITAL IMPROVEMENTS.

8 B. IS IT CORRECT THAT THE REPAYMENT AND SERVICING OF ANY  
9 NEW BONDS IS DERIVED SOLELY FROM THE WATER AND  
10 WASTEWATER RATES?  
11

12 **RESPONSE:**

13 A. Please refer to Table C-8 of Schedule BV-1. Other sources of capital improvement  
14 program support include: WIFIA Loans, PENNVEST Loans, Capital Account  
15 Deposit, transfers from the Residual Fund, and interest income on the Construction  
16 Fund.

17 B. Repayment and servicing of any new revenue bonds is derived solely from Project  
18 Revenues as defined by the General Ordinance. Refer to page II-A-10 of PWD  
19 Exhibit 5.  
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21 **RESPONSE PROVIDED BY:** Philadelphia Water Department  
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1 **PA-VIII-15.** PLEASE EXPLAIN HOW THE CITY OF PHILADELPHIA-OWNED  
2 PROPERTIES ARE CHARGED AND PAY FOR WATER, WASTEWATER  
3 AND STORMWATER SERVICES.  
4

5 **RESPONSE:**

6 With the exception of Water Department owned facilities, City of Philadelphia-owned  
7 properties are charged for all water, wastewater and stormwater services. Invoices are paid  
8 via interfund transfer.  
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10 **RESPONSE PROVIDED BY:** Philadelphia Water Department  
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1 **PA-VIII-16.** PLEASE PROVIDE ANY REPORTS, ANALYSIS, STUDIES, WHITEPAPERS  
2 IN POSSESSION OF PWD THAT DISCUSS, EXPLAIN OR EXAMINE HOW  
3 MUNICIPALITIES, WHO DO NOT OWN WASTEWATER UTILITIES,  
4 FINANCE AND FUND STORMWATER AND WASTEWATER  
5 INFRASTRUCTURE.  
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7 **RESPONSE:**

8 After reasonable investigation, no reports have been identified that capture the information  
9 requested.  
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11 **RESPONSE PROVIDED BY:** Philadelphia Water Department  
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1 **PA-VIII-17.** PLEASE IDENTIFY AND EXPLAIN WHETHER PWD HAS CONSIDERED  
2 ANY ALTERNATIVES TO DEBT FINANCING TO FUND STORMWATER  
3 AND WASTEWATER INFRASTRUCTURE. IF SO, PLEASE PROVIDE THE  
4 ALTERNATIVES IDENTIFIED AND ANY SUPPORTING  
5 DOCUMENTATION.

6  
7 **RESPONSE:**

8 Please see responses to PA-VIII-3 and PA-VIII-5.  
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10 **RESPONSE PROVIDED BY:** Philadelphia Water Department  
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1 **PA-VIII-18.** REFERENCE PWD STATEMENT 2A, FY 23 SUMMARY & FIVE-YEAR  
2 FINANCIAL PROJECTION PLAN, FINANCIAL POLICIES, OUTSTANDING  
3 DEBT.

4 A. PLEASE FULLY EXPLAIN WHY FY 2023 TOTAL DEBT SERVICE IS  
5 AT APPROXIMATELY \$100,000,000 BUT IS PROJECTED TO  
6 INCREASE TO ABOVE \$200,000,000 IN THE FOLLOWING YEARS.

7 B. PLEASE FULLY EXPLAIN WHY THE TOTAL DEBT SERVICE  
8 VALUES IN THIS CHART DO NOT MATCH THE VALUES IN  
9 SCHEDULE BV-1, TABLE C-1 FOR TOTAL SENIOR DEBT SERVICE.  
10

11 **RESPONSE:**

12 A. PWD Statement 2A, PDF page 53 provides a graph of the Outstanding Debt  
13 (Service) of PWD including a value of nearly \$100 million for FY 2023 and a value  
14 just in excess of \$200 million for FY 2024. The notes to the graph state that the  
15 outstanding debt is “as of December 31, 2022.” December 31, 2022 is halfway  
16 through FY 2023. As of such mid-point in FY 2023, approximately half of the debt  
17 service due in the entirety of FY 2023 has already been paid. The amount of nearly  
18 \$100 million in debt service due in FY 2023 represents only the amount of debt  
19 service remaining to be paid in the second half of FY 2023.  
20

21 B. The debt service chart in PWD Statement 2A, PDF page 53 provides senior debt  
22 service as of December 31, 2022. As stated in above response A, the FY 2023 debt  
23 service in the chart represents only half of the full year of debt service. The table in  
24 Schedule BV-1 (PWD Statement 7), Table C-1 (specifically Line 24, “Total Senior  
25 Debt Service”) (i) reflects the full FY 2023 Senior Debt Service (not merely a half of  
26 the FY) and (ii) reflects in FYs 2024 and later, the existing senior debt service plus  
27 additional revenue bond debt service, WIFIA and PENNVEST debt service that has  
28



1 not yet been issued but is presumed to be issued for purposes of the projection  
2 provided. That is why the “values” in the two sources differ.  
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4 **RESPONSE PROVIDED BY:** Philadelphia Water Department, Acacia Financial Group, Inc.,  
5 PFM Financial Advisors, LLC, and Black & Veatch Management Consulting, LLC  
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1 **PA-VIII-19.** PLEASE UPDATE THE TABLE ON PAGE 9 OF PWD REBUTTAL  
2 STATEMENT NO. 2 IN THE 2022-2023 FY PROCEEDING FOR FY 2024.  
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4 **RESPONSE:**

5 The Impervious Area Credit Projections for FY 2024 are shown below. These values can  
6 also be found in PWD Statement 7 Schedule BV-2 Appendix H – Table 1 Stormwater  
7 Credit Projections.

	<b>IA Credits (thousand square feet)</b>	<b>Percent of Total</b>
Impervious Area Reduction Practices	5,057	4.06%
GA/IA Management Practices	93,930	75.34%
SMIP/GARP	25,683	20.60%
Total	124,670	100.00%

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16 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC  
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1 **PA-VIII-20.** REFERENCE TABLE W-10. PLEASE EXPLAIN IN DETAIL HOW THE  
2 MAXIMUM DAY, MAXIMUM HOUR, AND WHOLESALE DIRECT  
3 ALLOCATION FACTORS WERE DETERMINED. INCLUDE SUPPORTING  
4 CALCULATIONS IN EXCEL FORMAT.

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6 **RESPONSE:**

7 Please note that the current rate filing does not include a Table W-10. This response  
8 assumes that the question intends to reference Table 4-5 from Schedule BV-2.

9  
10 Refer to Sections 4.5 and 4.6 of Schedule BV-2 (pages 4-8 to 4-15).

11  
12 The Excel version of maximum day, maximum hour and wholesale direct allocation  
13 factors are included in the model provided to the Public Advocate and presented in PWD  
14 Exhibit 6. Refer to the following workpapers:

- 15 • Maximum Day Allocation Factor: WCOS23\_24, Wpltallo-3 (page 844)
- 16 • Maximum Hour Allocation Factor: WCOS23\_24, Wpltallo-3 (page 845)
- 17 • Wholesale Direct Allocations: WCOS23\_24, WOMAllo-17 and WOMAllo-18  
18 (pages 873 and 874).

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20 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC  
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1 **PA-VIII-21.** PLEASE IDENTIFY THE NUMBER OF RAIN BARRELS ON CUSTOMER  
2 PROPERTIES IN PLACE AS OF DECEMBER OF THE LAST 3 YEARS THAT  
3 WERE INSTALLED BY PWD, BROKEN DOWN BY ZIP CODE IF  
4 AVAILABLE.

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6 **RESPONSE:**

7 Please refer to Response Attachment PA-VIII-21.  
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9 **RESPONSE PROVIDED BY:** Philadelphia Water Department  
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