

BEFORE THE  
PHILADELPHIA WATER, SEWER AND STORM WATER RATE BOARD

Philadelphia Water Department Proposed Changes in Rates and Charges	2024 TAP-R Reconciliation Proceeding
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**PWD Public Input Hearing Responses**

There were several questions raised by customers who attended the May 10, 2023 Public Input Hearings for which written responses were promised. The responses below are provided by the Philadelphia Water Department (PWD or Department).

**1. PWD Collections and Liens**

Customer expressed concern that additional rate burdens were being placed on customers without collecting revenues from delinquent customers (e.g., through liening properties with delinquent balances and collecting such liens).

**Response:**

The City has statutory rights under the “Lien Law”<sup>1</sup> to use municipal liens as security for the collection of unpaid bills for services provided by the Department. A lien is a legal claim against a property because of a debt owed.

The City automatically files liens with the First Judicial District every quarter when the water debt reaches a threshold of \$1,000 and is more than 90 days old. The lien fees are set by the court and added to the customer’s account.

Decisions on forcing a sheriff’s sale of lien property are made by the Law Department (Tax & Revenue Unit), not the Water Department. The Law Department is currently working to initiate collection actions against delinquent water customers for nonresidential properties.

The City has committed to abstaining from the use of enforcement measures to collect on water liens of TAP customers, as discussed in the Quarterly Reports filed with the Rate Board in January 2024 and April 2024.

<https://www.phila.gov/departments/water-sewer-storm-water-rate-board/about/>

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<sup>1</sup> The Municipal Claims and Tax Lien Act, Act of May 16, 1923, P.L. 207, as amended, 53 P.S. §7101, *et seq.*

<https://www.phila.gov/media/20240123114327/Quarterly-Report-to-Rate-Board-FY24Q2.pdf>

<https://www.phila.gov/media/20240502091259/Quarterly-Report-to-Rate-Board-FY24Q3.pdf>

In other efforts, the City collects water debt through the use of outside collection agencies. As of March reporting data, so far in Fiscal Year 2024, outside collection agencies have recovered approximately \$24 million in water debt.

## **2. TAP Applications**

Customer indicated that current regulations do not address auto-enrollment and appear to authorize only the more traditional customer initiated applications.

### **Response:**

The Department's regulations were recently amended so as to explicitly allow WRB to enroll or recertify a Low-Income Customer into TAP using "Verified Administrative Data." The amended regulations were filed with the Department of Records on March 27, 2024 and became effective (by operation of law) on April 29, 2024.

Information regarding the above amendments can be found on the webpage for the Philadelphia Department of Records. The Department of Records maintains a table showing the "Amendments to the Philadelphia Water Department Regulations: Chapter 2 – Section 206.1 & 206.2"

<https://www.phila.gov/departments/department-of-records/regulations/water-revenue-bureau-updates.pdf>.

## **3. Stormwater Charges**

Customer complained about charges that are being accrued when a property (connected to PWD water system) is vacant.

### **Response:**

All properties in Philadelphia are assessed a monthly stormwater charge. This fee covers the cost the city incurs for managing stormwater. The amount charged for stormwater on a monthly bill depends on the type of property.

Residential properties (structures containing one and no more than four dwelling units) pay a standard flat rate based on the average property size and average impervious area on all residential properties throughout the city. This flat rate is included in monthly water bills and applies to all residential properties, including those that do not have water service.

Non-residential stormwater charges are based on a combination of the Gross Area and Impervious Area of the property. Gross area is the total area with the legal bounds of the property, less any public right of ways. Impervious Area is any area where the surface coverage restricts water absorption, such as roofs or pavements. Each area type incurs a charge (“Gross Area charge” and “Impervious Area charge”) billed in 500 square foot units. The property’s monthly stormwater charge is the sum of the Gross Area charge and Impervious Area charge. The stormwater charge is included in monthly water bills and applies to all non-residential; properties, including those that do not have water service.

#### **4. Conservation by TAP Participants**

Customer indicated that incentives for conservation are important for all customers. He also suggested that this (conservation) was particularly important in connection with TAP, as the program removes price signals given to TAP Participants as their rates are tied to income rather than usage.

#### **Response:**

The Low-Income Conservation Assistance Program (LICAP) is a direct-installation effort designed to assist low-income customers to better manage their water consumption through education, water efficiency measures, and repairs. The implementation of this program benefits its participants by reducing water usage by eliminating expensive water loss. Participants in the LICAP program are high water usage customers enrolled in the department’s Tiered Assistance Program (TAP). Participants may also be referred from partner organizations serving Philadelphia’s low-income residents.

LICAP provides water conservation to approximately 1,500 low-income households each year in Philadelphia. The program starts with a home audit, often reflecting how water infrastructure weaknesses such as running toilets, leaking pipes, and faulty plumbing fixtures. The program includes water usage education for the household and results in an average reduction of 15% in water usage.

#### **5. PWD Outreach; Communications**

Customer indicated she received an email about the current proceeding. Customer indicated that they had received email notifications about prior rate proceedings.

**Response:**

The Department is always working to improve outreach to its customers.

To promote the 2024 TAP-R Public Input Hearing, the Department used paid print advertising, social media, PWD and WRB-owned websites, and email campaigns. In addition, outreach staff distributed flyers at community meetings and events.

PWD Hearing Exhibit 1 (posted at Rate Board website) provides an overview of the Department's outreach and communication efforts for this proceeding.

Regarding email bulletins, the Department contacted 27,742 recipients (18,264 email, 6,478 mobile)

<https://content.govdelivery.com/accounts/PAPHILAWATER/bulletins/3978c39>

The Department contacted 248 Registered Community Organizations

<https://content.govdelivery.com/accounts/PAPHILAWATER/bulletins/3978c39>

The Department also contacted its 221,885 E-billing Contacts:

<https://content.govdelivery.com/accounts/PAPHILAWATER/bulletins/3978984>