

Philadelphia Water, Sewer and Storm Water Rate Board
July 16, 2025, Meeting Notes
In Person (Room 18031, One Parkway Building, 1515 Arch Street)
and by Zoom (Online and Telephone)

Board Members Present

Irwin “Sonny” Popowsky, Chair
Tony Ewing, Vice Chair
Abby Pozefsky, Secretary
McCullough “Mac” Williams III
Debra McCarty

Others Present

Daniel Cantú-Hertzler, Board Counsel
Marlane “Marcy” Chestnut, Hearing Officer
Robert Ballenger
Andre Dasent
Ryan McSherry
Neal Sellers
Keitshawna Williams
Alexandra Athanasiadis
Carl Schultz
Lance Haver
Khadijah George (Zoom Administrator)

Mr. Popowsky called the meeting to order at 3:11 p.m.

1. Mr. Popowsky asked for a motion to approve the minutes from the Board’s meeting of June 11, 2025 as drafted. Mr. Ewing moved to approve the minutes as drafted, and Ms. McCarty seconded the motion. The minutes were approved 5-0.
2. Mr. Popowsky identified the issues in the two pending rate proceedings as whether to accept the recommendations of the Hearing Officer to adopt settlements to approve proposed increased rates and charges commencing September 1, 2025 and September 1, 2026 in the 2025 General Rate Proceeding and commencing September 1, 2025 in the 2025 TAP-R Reconciliation Proceeding. Mr. Popowsky stated that exceptions to the Hearing Officer’s Report in the 2025 General Rate Proceeding were filed by the Philadelphia Large Users Group (hereinafter, “PLUG”) and by two individual participants: Lance Haver and Michael Skiendzielewski. He represented there were no exceptions filed to the Hearing Officer’s Report in the 2025 TAP-R Reconciliation Proceeding. Before asking for a vote in these matters, Mr. Popowsky noted that the members of the Board had all had the opportunity to review the proposed settlements, the Hearing Officer Reports, the exceptions, as well as the formal notices, the testimony, the public comments both in writing and as presented in the public hearings, and the various other documents in the record of both proceedings.
3. Mr. Popowsky stated he would proceed through the issues and ask the Board Members to vote on whether to grant any of the exceptions to the Hearing Officer’s Reports in each of the proceedings and to vote on whether to accept the Hearing Officer’s recommendations to approve the settlements proposed by certain of the Participants in those proceedings.
4. Starting with the 2025 TAP-R Reconciliation Proceeding, Mr. Popowsky indicated the Board had before it the Hearing Officer’s Report which would approve a settlement in that proceeding to establish TAP-R rates for the 12-month period commencing September 1, 2025 at \$3.59 per

mcf for water and \$5.07 per mcf for sewer. He stated this was a reduction from the Water Department's original request of \$3.87 per mcf for water and \$5.67 per mcf for sewer. No exceptions were filed to that recommendation.

5. Mr. Popowsky asked whether there was any discussion among the Board Members with respect to whether to accept the Hearing Officer's recommendation to approve the settlement proposed by the Water Department and the Public Advocate for TAP-R rates commencing September 1, 2025 and to allow the Water Department to file new TAP-R rates and charges at least 10 days in advance of that effective date. There was none. Mr. Popowsky indicated that he believed the settlement was a reasonable one and that it represented a reduction from the Water Department's original request although it was an increase from the then current TAP-R rates. No exceptions were filed. Mr. Popowsky asked for a vote on whether to accept the Hearing Officer's Report to allow the Water Department to file new TAP-R rates and charges. The vote carried 5-0.
6. Mr. Popowsky indicated that—consistent with the Board's votes—the Board would prepare a written draft rate determination for the Board's consideration at the Board's July 23 Meeting.
7. Mr. Popowsky next addressed the 2025 General Rate Proceeding, commencing with the exception filed by PLUG. He indicated that PLUG had excepted to the Hearing Officer's recommendation to deny PLUG's request to reject the Water Department's modifications to regulations regarding the administration, including the eligibility requirements, for the Water Department's charitable discount program. Mr. Popowsky noted that the Hearing Officer concluded that—while the Board may review the rates associated with the charitable discount program—the Board does not have authority over regulations regarding how PWD or the Water Revenue Bureau administers the eligibility provisions for that program. The Hearing Officer had further noted that these proposed regulations had been filed with the City Department of Records and that PLUG could raise its objections at a hearing on the proposed regulations that was scheduled to be held July 21.
8. Mr. Popowsky asked whether there was any further discussion among the Board Members as to PLUG's exception. There was none. Mr. Popowsky indicated he agreed with the Hearing Officer that the Board does not have authority over the rules governing eligibility and other administrative elements of this program. Any challenge to the change in regulations proposed by the Water Department must be filed with the City Department of Records. Mr. Popowsky represented that PLUG had requested a hearing on this matter with the City Department of Records and such hearing was scheduled to occur on July 21. He asked for a vote on PLUG's exception on this issue and the exception was denied 5-0. Mr. Popowsky indicated this determination would be included in the Board's final order.
9. Mr. Popowsky next addressed the exception filed by Mr. Skiendzielewski, which Mr. Popowsky stated did not include any specific objections to the terms of the settlements or the Hearing Officer's Report, but did suggest that a process of selective perception had led to biased decision making and a skewed understanding of reality. Mr. Popowsky asked whether there was any discussion among the board members as to Mr. Skiendzielewski's exception. Mr. Popowsky indicated he disagreed with Mr. Skiendzielewski's characterization of the

process used to develop the Hearing Officer's Report. There was no further discussion. He asked for a vote on Mr. Skiendzielewski's exception on this issue and the exception was denied 5-0.

10. Mr. Popowsky next addressed Mr. Haver's exceptions. He indicated that Mr. Haver objected to the Hearing Officer's recommendation on a number of grounds, stating generally that the practices that have been used to raise water rates in Philadelphia are corrupt; that the Water Department simply requests a greater rate increase than it needs and then agrees in a back room deal to what it really wants; that the Hearing Officer failed to recognize that the Water Department could have voluntarily agreed to a number of the recommendations made by Mr. Haver even if the Rate Board did not have the authority to order them; and that the Settlement allowed the Department to increase rates by an amount that was substantially greater than the recommendation of what Mr. Haver referred to as the Rate Board's own witnesses.
11. Mr. Popowsky asked whether there was any discussion amongst the Board Members as to Mr. Haver's exception.

Ms. McCarty indicated that she thought Mr. Haver's exception was uninformed and did a disservice to the open process that has been conducted, that the misinformation is not helpful to the customers, and she recommended denying the exception.

Mr. Popowsky indicated he disagreed with Mr. Haver's reference to the Public Advocate's expert witnesses as "the Rate Board's own witnesses" as the Board does not present expert testimony in these proceedings and the Board has no input in the positions presented by the Public Advocate's experts in these proceedings. He also indicated that it was not a surprise that the settlement is higher than the Public Advocate's testimony position as this is the nature of a settlement; it is typically a compromise among the parties to a proceeding. Mr. Popowsky agreed with Mr. Haver that the Water Department is free to agree to Mr. Haver's recommendations and noted that the Hearing Officer specifically urged the Water Department to be sensitive to explore these or other suggestions as appropriate, but he stated that the Rate Board does not have the authority to order the Water Department to take such actions. He noted that agreements such as those contained in the settlement of this proceeding are the product of good faith negotiations among the participants which are typically done on a confidential basis unless and until a settlement is reached. Finally, Mr. Popowsky disagreed with Mr. Haver's characterization of the Rate Board's process as corrupt as well as the specific criticisms directed towards the Hearing Officer—Ms. Chestnut—and the Public Advocate's representative: Mr. Ballenger. Mr. Popowsky indicated that—for decades—Ms. Chestnut had "rightly been held in the highest esteem by participants in the utility regulatory process across Pennsylvania" and to his knowledge "no one has ever questioned her honesty and integrity." Mr. Popowsky indicated that Mr. Ballenger and his associates at Community Legal Services had been zealous advocates for Philadelphia consumers for many years. He indicated that in one of the Board's earlier proceedings, Mr. Ballenger appealed the Board's decision that Mr. Ballenger felt was unfair to consumers all the way to the Pennsylvania Supreme Court. Mr. Popowsky added that Community Legal Services is not compensated for those appeals under the City's contract with the Public Advocate. Generally, Mr. Popowsky indicated he believed

the settlements reached by the Participants and approved by the Hearing Officer were reasonable.

Ms. Pozefsky indicated that she applauded the efforts of all those who reached a settlement and she believed it was always better to have the parties agree and to move forward to put the rates in effect with as little animosity as possible. She believed everyone did a “tremendous job” in narrowing the issues and coming to a conclusion and she especially thanked the Hearing Officer in doing her usual “phenomenal” job of organizing matters in the best of all possible ways.

Mr. Popowsky indicated that one of the benefits of a settlement in a case like this is that sometimes the Participants can agree on matters that are not technically within the authority of the Board itself to order. He stated that he believed that was done in this proceeding, and it is a benefit that can be achieved through a good faith settlement. Mr. Popowsky called a vote and Mr. Haver’s exception was denied 5-0.

12. Mr. Popowsky next addressed the Hearing Officer’s Report in the 2025 General Rate Proceeding. He represented that—notwithstanding the rejection of any specific exceptions—the Board must determine whether to accept the Hearing Officer’s recommendations, including approval of the Settlement Petitions; to permit the Department to increase rates on September 1, 2025 and September 1, 2026 in accordance with those Settlements; to allocate those rate increases in accordance with the Tables provided by PWD in support of the Settlements; and to allow the Water Department to file new Rates and Charges at least ten days in advance of those effective dates. He represented that the Settlements (including the effect of the TAP rate increase) would allow the typical monthly residential bill to go up in the first year from \$81.77 to \$89.42 and in the second year to go up from \$89.42 to \$94.31. Mr. Popowsky called a vote on whether to accept the Hearing Officer’s recommendations and the vote carried 5-0.
13. Mr. Popowsky indicated that—consistent with the Board’s votes—the Board would prepare a written draft determination for the Board’s consideration at the Board’s July 23 Meeting.
14. Mr. Popowsky next asked whether there were any matters the Board Members wished to bring before the Board at this time.

Ms. McCarty indicated that she believed the Hearing Officer did an excellent job and she appreciated the Public Advocate and the Water Department in reaching a settlement and in working with PLUG.

Mr. Ewing also expressed his gratitude to all of the Participants. Mr. Popowsky indicated that PLUG joined in the settlement for all of their issues other than the one issue they chose to continue to litigate involving the charity discount.

15. Mr. Popowsky next asked if there were any comments from members of the public.

Mr. Haver asked where he could find the Rate Board’s evaluation of the Public Advocate. Mr. Popowsky responded that there was not a formal evaluation of the Public Advocate.

Mr. Haver criticized the Board for having no written criteria on which to evaluate the Public Advocate and for not seeking the public's opinion on how good a job the Public Advocate was doing in representing their interests. He also criticized the Board for not seeking the opinion of community organizations and elected officials on the performance of the Public Advocate. Finally, Mr. Haver asked how the Board could justify the claim that the Public Advocate represents the public if the Board does not ask the members of the public what they think.

Mr. Popowsky indicated that under the Board's regulations it is required that there be a Public Advocate in general rate proceedings and that this has provided a great service for customers. Ms. McCarty added that this is a very technical process and the public has had ample opportunity to provide their input, which all goes into the Board's decision, and the Hearing Officer made this clear in her Reports. Ms. McCarty also stated that the average customer does not have the time or the wherewithal to go through all the technical issues themselves.

16. Mr. Popowsky asked whether there were any other members of the public who wished to make any comments. There were none.
17. Mr. Popowsky asked whether there were any additional comments from the Hearing Officer, the other Participants, or the Board Members.

Mr. Dasent expressed his gratitude to everyone for going through what he described as an arduous process and coming through it in an amicable way in finding a solution to problems that can be very complicated and very technical. He indicated that he believed they laid a foundation in this case so that rate structure changes or alternatives might be explored in the future. He also acknowledged the progress achieved in a range of customer-related solutions which—although outside the formal remit of the Board—the Public Advocate has nonetheless engaged the Water Department on. Mr. Dasent recognized that the Board's rate proceedings had facilitated these conversations. He believed that they had found a way to work through a complicated set of issues and find reasonable results that will help the Water Department and its customers for a number of years to come.

Ms. Chestnut noted that the entire rate setting process is completely open and transparent on record, and there is no way the public has been shut out. With respect to how the Public Advocate performs its duty, she stated that it is very clear to the public what kind of job has been done by the Public Advocate in terms of representing their interests. She indicated that it was also incorrect to say there have been a series of settlements in these cases and that she believed this was only the second settlement in a General Rate Proceeding since 2016. She noted that the first settlement was not only an excellent settlement in terms of the revenue requirement reduction but that it led to a special proceeding that resulted in a further \$3,000,000 rate revenue reduction. She indicated this would not have been possible without it being a settlement. Finally, she represented that, with respect to the immediate settlement, and as explained in her Report, there were non-rate benefits that were included that the Board could not order by itself but which do provide a tangible benefit for residential and commercial customers.

Mr. Ballenger expressed his gratitude to the Hearing Officer and the Participants. He noted that the Public Advocate continues to receive inquiries from members of the public regarding water rates. To assist, the Public Advocate has established a dedicated phone number and email address, through which they provide information and guidance to help the public better understand the process and how they may be heard. The Public Advocate offers many opportunities for engagement and plays an active role in facilitating public participation.

18. Mr. Popowsky asked whether there were any other comments. There were none.
19. Mr. Popowsky asked for a motion to adjourn the meeting. Ms. McCarty moved to adjourn, and Mr. Ewing seconded the motion, which carried 5-0. The meeting was adjourned at 3:38 p.m.