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IN THE MATTER OF  
THE PHILADELPHIA WATER DEPARTMENT'S  
PROPOSED INCREASE IN RATES  
FOR WATER AND WASTEWATER UTILITY SERVICES

- - -

PUBLIC INPUT HEARING

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Tuesday, July 22, 2008  
6:00 p.m.

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ROXBOROUGH MEMORIAL HOSPITAL  
5800 Ridge Avenue  
Cafeteria Conference Room  
Philadelphia, PA

- - -

BEFORE: HARRIS T. BOCK, ESQ.  
Hearing Officer

- - -

VERITEXT NATIONAL COURT REPORTING COMPANY  
KNIPES COHEN  
1801 Market Street - Suite 1800  
Philadelphia, Pennsylvania 19103

APPEARANCES:

ANDRE C. DASENT, ESQ.  
Counsel to Philadelphia Water Department

COMMUNITY LEGAL SERVICES, INC.  
BY: PHILIP A. BERTOCCHI, ESQ.  
Counsel to Public Advocate

- - -

ALSO PRESENT:

MICHAEL L. GALBRAITH, ESQ.  
The Dispute Resolution Institute

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1           THE HEARING OFFICER: Good evening,  
2           everyone. My name is Harris Bock and I  
3           have been appointed as the Hearing  
4           Officer in connection with the rate  
5           increase that's been sought and filed by  
6           the Philadelphia Water Department.

7           The purpose of this matter tonight  
8           is to hear and obtain for the record  
9           public input so that it can be considered  
10          in connection with the decision to be  
11          made in the overall rate increase.

12          My job is to listen to the input and  
13          to review it and consider it in  
14          connection with my ultimate decision. It  
15          is not my job to answer questions that  
16          may arise with regard to the rate  
17          increase and the opposition to that.

18          We do have representatives here  
19          tonight from the Philadelphia Water  
20          Department as well as from the Consumer  
21          Advocate, Community Legal Services, and  
22          they will be available to answer some of  
23          the questions you may have as to those  
24          types of questions.

25          When we do call on you to speak, we

1 ask that you give your name and your  
2 address so that we have it in our record.  
3 There's a full record that's made of this  
4 proceeding for us to consider and it's  
5 helpful if we have that information in  
6 connection with the process.

7 I would ask that Mr. Dasent on  
8 behalf of the Philadelphia Water  
9 Department make a statement.

10 MR. DASENT: Thank you, Your Honor.

11 Good evening, everyone. Thank you  
12 very much for coming out tonight. My  
13 name is Andre Dasent. I'm counsel for  
14 the Philadelphia Water Department.

15 We're happy to see you because I  
16 think we need a record, as in every  
17 proceeding, to explain to the people that  
18 are deciding this case, the Water  
19 Commissioner and the Hearing Officer,  
20 what the feelings of the public are with  
21 respect to our rate filing.

22 We filed rates in the recent past,  
23 on actually May 5, after giving notice to  
24 City Council earlier than that,  
25 concerning this proposed rate increase.

1 The rate increase is to help us sustain  
2 our operations at the Philadelphia Water  
3 Department and serve some 500,000  
4 customers in the Philadelphia area on a  
5 retail basis as well as deal with all our  
6 regulatory requirements and environmental  
7 requirements that help the region  
8 actually, the City and the metropolitan  
9 area.

10 The Department is requesting an  
11 increase of about 6.9%. This is an  
12 annual increase that is set in four steps  
13 and each step is 6.9% if you average all  
14 of them together. The impact on a  
15 residential customer is about \$3.84  
16 monthly.

17 That, when broken down that way,  
18 seems like a relatively small sum, but at  
19 the same time, when you add that up on a  
20 monthly basis, over a year, and over four  
21 years, you see the incremental increase  
22 is significant enough for people who have  
23 to budget.

24 I always use the test of a family  
25 member who is on limited means, and my

1       90-year-old mother fits that bill. She  
2       is concerned about the rate increase and  
3       we have to explain to her, as I do when I  
4       go home, as well to everyone else here,  
5       what this rate increase is about.

6                It's necessary and because of the  
7       necessity of increasing rates that serve  
8       a very large population, the numbers seem  
9       large, and they are large. I mean, it's  
10      like adding to your budget another six  
11      figures because it's serving some 500,000  
12      customers.

13              In addition to that, there are  
14      regulatory requirements, some of which  
15      are beyond our control, that deal with  
16      flood mitigation, deal with other  
17      environmental requirements, that we have  
18      to meet.

19              We have to meet it to be responsible  
20      stewards of the environment to make sure,  
21      for example, the rivers and what we  
22      discharge into the rivers doesn't make  
23      them an environmentally less safe place  
24      for us in terms of using the water.

25              In terms of treating the water also,

1 the chemicals and other expenses that we  
2 incur, as they escalate, we pass them on  
3 to our customers, but it's necessary to  
4 treat the water to make sure everything  
5 is safe and the environment is safe and  
6 our customers are safe.

7 If you look to this increase and try  
8 to do like a pie chart and figure out  
9 what percentage relates to what, a large  
10 percentage of it has to do with debt  
11 service, the cost of financing the  
12 various projects the Department has.

13 If you look on East River Drive or  
14 around the City and you see some of the  
15 projects that are underway, you can see  
16 there are millions and millions of  
17 dollars and the debt service on that is  
18 paid by our customers.

19 In addition to that, we have  
20 salaries and benefits for quite a few  
21 hundreds and hundreds of employees, less  
22 than 2,000, but a good number of folks,  
23 and those benefits and salaries in the  
24 aggregate are part of the reason that  
25 we're here, because as they get

1 increases, those are passed on to our  
2 customers. They're negotiating a  
3 contract right now, for example, and  
4 those things, as they add up year after  
5 year, also get added into the calculation  
6 of what rates need to be.

7 Materials and supplies, whether  
8 chemicals or fuel or electricity, all the  
9 costs that we have in a household the  
10 Department also has on a vastly larger  
11 scale, plus laboratories and other  
12 services that we provide to make sure the  
13 water is safe and the environment is  
14 safe.

15 I mentioned escalating regulatory  
16 requirements and those, too, are an  
17 increment of what we're asking for.

18 This rate increase is structured to  
19 be as fair as we can be based upon the  
20 needs that we face so that going forward  
21 these next four years you have a utility  
22 that is operating in a sound and sensible  
23 manner.

24 We're not like other utilities in  
25 the sense that we wait until we're in

1           horrible financial shape and then present  
2           you with all the problems that we have.  
3           We try to keep it on an even keel and  
4           also structure the rate increase so in  
5           these four steps that we've asked at  
6           6.9%, it's more affordable than some  
7           increases that you'll see, like, for  
8           example, electric or gas, when they're  
9           asking for greater percentages over,  
10          let's say, a year's time.

11                 So we're hopeful that when you hear  
12          our case and see this brochure, which is  
13          being handed out in the room and is  
14          available to everyone, it will explain  
15          why we need the rate increase and explain  
16          to you also what the Department offers in  
17          the way of services.

18                 We also have with us this evening  
19          our Deputy Water Commissioner, Joe Clare;  
20          our Deputy Water Commissioner for  
21          Operations, Debbie McCarty; our rates  
22          manager, actually the rates director, as  
23          I call him, Joe Palladino; and we have  
24          Jim Aleo also with us. Thank you all for  
25          coming.

1           Also I wanted you to know Water  
2       Revenue is here and our star witness, in  
3       fact, is in the back smiling, and I'm  
4       hopeful that when we have questions, as  
5       we have folks here -- and as I learn  
6       everyone's name, I will mention everyone  
7       by name by the end of this process; and,  
8       Erin, I'm sorry, I also skipped over  
9       you -- but we have a great number of  
10      folks in the room that can help if there  
11      are questions.

12           We're hopeful that over the course  
13      of the evening we can answer whatever  
14      questions and concerns you have and we're  
15      hopeful also that at the end of the day  
16      we will have sort of a reasonable  
17      understanding of each other's positions  
18      and the record also is reflective of that  
19      fact so that the Water Commissioner has  
20      the benefit of all of your input.

21           Thanks very much.

22           THE HEARING OFFICER: Thank you,  
23      Mr. Dasent.

24           As you may know, under the rules and  
25      regulations promulgated by the Water

1 Department, the City has an obligation to  
2 appoint a Consumer Advocate to act on  
3 behalf of the citizenry of the City, and  
4 that person is appointed by the Mayor,  
5 the President of City Council, and the  
6 City Controller jointly. They have  
7 appointed Mr. Bertocci as the Consumer  
8 Advocate and we're going to hear from him  
9 at this point in time.

10 MR. BERTOCCI: Good evening,  
11 everyone. My name is Philip Bertocci.  
12 I'm a lawyer at Community Legal Services  
13 and I and another lawyer at Community  
14 Legal Services who has three children and  
15 is home tonight are representing the  
16 residential customers in this rate  
17 increase request, large rate increase  
18 request, made by the Philadelphia Water  
19 Department. We're happy to have you  
20 here.

21 As you know, there's usually two  
22 sides to every story, and one of the  
23 purposes of these public input hearings  
24 is to inform people and allow people to  
25 inform us of how they see some of the

1 issues that are posed by a rate increase  
2 of this dimension.

3 We're not going to minimize the size  
4 of this rate increase. Mr. Dasent said  
5 it's a large number. Yes, it is. It's  
6 \$318 million, which would be over four  
7 years.

8 In more practical terms, it would  
9 mean that within three years, within  
10 three years, a typical family will be  
11 paying \$180 more a year for water and  
12 sewer charges, \$180 more a year. And you  
13 can break that down on a monthly basis  
14 and all that, but \$180 a year is going to  
15 be what you're going to have to find room  
16 for in your budget for what is essential  
17 to living in any home, you have to have  
18 water and sewer service.

19 We don't think in this case that the  
20 Water Department, despite filing reams of  
21 material to justify its rate increase,  
22 the last bit that you see right there, we  
23 don't think that they have justified this  
24 rate increase.

25 We have a team of consultants, three

1 consultants, accountants and regulatory  
2 experts, looking over the filing and  
3 advising us on different aspects of the  
4 filing. And it's really the burden of  
5 the Water Department to prove that they  
6 need this much money in order to go  
7 forward.

8 They'd like to have it, of course.  
9 Anyone would like to have more money to  
10 run an enterprise. But whether they  
11 actually need it is another thing, and  
12 that's what we're going to be looking  
13 into further.

14 We don't think that the way in which  
15 they have put together their request is  
16 reasonable because it really isn't based  
17 on what are considered to be known and  
18 measurable facts. It's based on  
19 projections on top of projections going  
20 out four or five years.

21 It's as if you were being asked to  
22 say, well, how much are you going to  
23 spend for food in 2010 or 2011. Most of  
24 us don't really know and it's kind of  
25 hard, we can make some kind of guesses,

1 but they're really only guesses.

2 But when you're reaching into  
3 people's pockets for utility service for  
4 a basic necessity, guesses, even educated  
5 guesses, really aren't enough. They have  
6 to be based on more concrete factual data  
7 than the Water Department has presented  
8 in this case.

9 Also, I want to remind everybody  
10 that the standard by which a water rate  
11 case is judged is whether or not the  
12 rates that are going to be introduced are  
13 what's called just and reasonable, and  
14 just and reasonable is kind of abstract.

15 I mean, we all argue about, well,  
16 what's fair? What's reasonable? We all  
17 argue about that. But, nevertheless, the  
18 Federal Constitution and the State  
19 Constitution set that up as a standard  
20 which a water department or any utility  
21 has to meet in order to get increased  
22 rates. They have to show their rates are  
23 just and reasonable.

24 Why is that? Because they're a  
25 monopoly. The only thing that you can do

1 if you don't get water from the Water  
2 Department is go to the local supermarket  
3 and buy your water in gallons and take it  
4 home to use it for drinking and use it  
5 for sanitary purposes. Obviously that's  
6 not a real alternative for most people.

7 So just and reasonable is an  
8 important standard and it's a  
9 constitutional standard and it's a matter  
10 of your rights as citizens.

11 The method that the Water Department  
12 has been using is one that is so based on  
13 projections that it's been found by the  
14 State Public Utility Commission in  
15 another context, for PGW, to be  
16 unreliable, and as a result the Public  
17 Utility Commission recently cut PGW's  
18 \$100 million rate increase by 75%.

19 Well, the Water Department is using  
20 the same methodology and that raises the  
21 question of whether this is the kind of  
22 methodology that can really support a  
23 rate increase of this dimension.

24 The other aspect of a rate increase  
25 being reasonable is whether or not it's

1 fair and the fairness or the justness of  
2 it depends on a lot of things.

3 It requires the person that is going  
4 to set the rates and the recommendations  
5 made by the Hearing Officer here and  
6 ultimately by the Water Commissioner to  
7 balance the interests of customers  
8 against the interests of the utility.

9 You've heard Mr. Dasent say it's  
10 important for us to be able to meet our  
11 expenses, and no one denies that it's  
12 important for them to meet their  
13 expenses. But the question is whether  
14 they aren't asking for more than is  
15 really strictly necessary or shown to be  
16 strictly necessary to meet their  
17 expenses.

18 The balancing for customers also  
19 takes into account -- and, this, again,  
20 is a constitutional standard -- the  
21 service which is provided, the quality of  
22 service that you get from the Water  
23 Department.

24 I don't hear a lot of complaints  
25 about the Water Department's water. The

1 water itself I think most people in  
2 Philadelphia don't criticize. But  
3 service goes to more than simply the  
4 water. It goes to how you're treated  
5 when you come to the Water Revenue Bureau  
6 and when you go down to get a payment  
7 agreement or when you're trying to get  
8 service back on after you've been shut  
9 off or when you're applying for service  
10 as a tenant.

11 People say, "Well, what does the  
12 Water Revenue Bureau have to do with  
13 this?" Well, the fact is in the Water  
14 Department's regulations and in the  
15 governmental scheme the Water Revenue  
16 Bureau is the collection agency for the  
17 Philadelphia Water Department. It's  
18 considered part of the Philadelphia Water  
19 Department as a utility.

20 In fact, even the Water Department  
21 regulation -- you know, lawyers always  
22 have to give you a few regulations --  
23 Regulation 300.2(m) -- keep that in  
24 mind -- says that for rate purposes the  
25 Water Department shall be considered to

1 include the Water Revenue Bureau. So  
2 that when you are here talking about what  
3 the Water Revenue Bureau does, you are  
4 talking about the Water Department and  
5 the quality of service that's being  
6 provided by your municipal utility.

7 Now, we submit that the Water  
8 Revenue Bureau in many ways does not even  
9 follow the regulations that the  
10 Philadelphia Water Department has and  
11 that it is not providing adequate service  
12 to customers in many different contexts,  
13 and if you are here and you want to talk  
14 about particular problems you have with  
15 the Water Revenue Bureau, we encourage  
16 you to do that because that's a very  
17 important fact in this case.

18 When the ultimate decision is made,  
19 when there is the weighing of what is the  
20 interest of customers and what is the  
21 interest of the Company, the people that  
22 are making this decision are required by  
23 the Constitution to weigh those two  
24 things, one against the other; and if  
25 they believe that the service is

1       inadequate, they can take the most  
2       extreme measure of just refusing the rate  
3       increase entirely, or they could say we  
4       think that the rate increase is too big,  
5       it should be smaller, it should be for a  
6       smaller period of time, any number of  
7       things. But they have to weigh these  
8       factors against the quality of service.

9               Well, I've talked enough. We thank  
10       you all for coming out. We will listen  
11       to what you have to say because these  
12       hearings are really for you. We are  
13       really eager to hear what you have to  
14       say.

15               Thank you.

16               THE HEARING OFFICER: Thank you very  
17       much. We appreciate your comments.

18               As I said, we welcome everybody's  
19       comments that they have. This is an  
20       informal setting. Although we do take  
21       your statements down, we want you to feel  
22       comfortable about talking.

23               So whoever wants to speak,  
24       Mr. Dasent is going to take your name and  
25       you will have the opportunity to go

1 ahead.

2 MR. DASENT: Beatrice Lesack wants  
3 to speak first and she is going to give  
4 her name and address and indicate she is  
5 a customer.

6 MS. LESACK: My name is Beatrice  
7 Lesack. I live here in Roxborough. I am  
8 a concerned citizen.

9 When I saw in the paper, the local  
10 paper, the increase of the water will be  
11 30%, I was really surprised. I can give  
12 you some data.

13 Maybe three or two weeks ago it was  
14 in the paper, I don't know if it was the  
15 Philadelphia Inquirer or the local paper,  
16 information on how the water is processed  
17 with all the eight steps one by one. And  
18 I was saying to myself, this is coming  
19 for something, there will be something  
20 that this information is probably in  
21 order that the people be aware. And  
22 later I saw the increase of the price of  
23 the water.

24 You have to be practical. If we  
25 have demand, we need supply. Why I say

1       that? Because maybe last week I receive  
2       the Verizon telephone book and I compare  
3       from the previous one. All right? And I  
4       open pages and the previous one has less  
5       pages than the new one. What does it  
6       mean? There is more people in  
7       Philadelphia. If there is more people,  
8       there will be more demand for water.

9               Now, a household can be four people,  
10       can be six people, or can be more. An  
11       apartment house will be more people, too.

12              Now, the matter is, it is mentioned  
13       that all the salaries, the benefits for  
14       the employees, the executives, the people  
15       who work in the Water Department is  
16       passed to the customers. I wonder, if  
17       the Company doesn't have profits, why we  
18       have to pay everything.

19              I don't imagine that would be the  
20       same as happened with the Delaware Port  
21       Authority. I read an article in the  
22       paper and everything is distributed in  
23       different directions, the money goes  
24       everywhere, and now there will be an  
25       increase, a dollar, for all the people

1           who use the bridge toward Delaware.

2                   Talking about the environment that  
3           he mentioned, I don't know his name, that  
4           it's in order to protect the environment,  
5           I'm sure if you go to the Schuylkill  
6           River for fishing, you don't have the  
7           chance to eat that fish because it's  
8           contaminated. So how can you say that  
9           you protect the environment?

10                   Another thing is why we have to do  
11           these increases, talking about increases,  
12           when already we have increase on gas, we  
13           have increase on gasoline, we have  
14           increase now on water. Everything we  
15           have to pay. Where does the money come  
16           from?

17                   That depends. If you can afford,  
18           you can do it, but if you can't, how are  
19           you going to do it? We have to have some  
20           compassion. We don't have to be selfish  
21           and add money, add more, and they will  
22           pay it. That's not right. What is fair  
23           is fair. What is not fair, we have to  
24           think about before.

25                   And we are not talking about

1       \$50 million. We are talking about  
2       \$300 million that has to come from us and  
3       why it has to be in that way. We have to  
4       consider all these factors because we  
5       have to think about before to do  
6       something.

7               We have to think about the families  
8       who just have money for the food and  
9       maybe they're using public transportation  
10      because they cannot use their cars  
11      because it's cheaper and now they have to  
12      add more by paying for the water and the  
13      increase will be \$180. And I am not sure  
14      if it's per year or it's per month, but  
15      that is not right.

16             I mean, we have to think about  
17      before to do changes, because we have to  
18      not only think about the Company, we do  
19      that and that's it, we dictate and the  
20      rest has to pay the consequences. Always  
21      before to do something, we have to think  
22      on the other side of the story.

23             Now, we were talking recently about  
24      beautification of Philadelphia. What is  
25      the meaning of beautification of

1 Philadelphia? We plant flowers, trees,  
2 shrubs, whatever outside of our houses we  
3 can. But having that we need water to  
4 water them and how we will do that if the  
5 water is high, how it will be.

6 People won't do that and the  
7 beautification program will go like this,  
8 kaput, because there will be no flowers,  
9 there will be no shrubs, there will be no  
10 trees, because people can't afford that.

11 And in a family with four, five  
12 children, when they have to bathe them,  
13 how they will do it? Every other day  
14 they will do it, every two days, because  
15 they have to save the water?

16 And usually at this time with the  
17 heat, families come home from work, they  
18 take another shower before dinner. Now  
19 they have to not do it because the water  
20 will be high, the bill.

21 I mean, there are so many factors  
22 that we have to think about. It's not a  
23 matter to do it and that's it because  
24 people pay the consequences. You have to  
25 realize that.

1           The people who is at the top, they  
2           get all this here, increases in salary,  
3           benefits, employees, everybody. But I  
4           would like to know how much a regular  
5           employee gets and how much an executive  
6           earns and to know, I mean, where the  
7           money goes, because if you read what's  
8           happening at the Port Authority, Delaware  
9           Port Authority, all the money was  
10          distributed among CEOs, executives,  
11          employees.

12          If I remember the article, a regular  
13          toll taker who is in charge of the toll  
14          at the station, he earns \$41,000. I  
15          would like to be in that position. I  
16          wonder how is the salaries at the Water  
17          Department.

18          And that is what I'm saying as my  
19          last request, be conscious, think about  
20          the families right now that are  
21          confronting a difficult situation. If  
22          they have children, they have to bathe  
23          them every day, how that will change the  
24          situation. They will have to bathe every  
25          three days, once a week, once a month in

1 order to save the water.

2 That is my request to you. I hope  
3 you will think about before to make the  
4 final decision. It's not for you. It's  
5 for us, the customers. We are the  
6 customers who are the end. We have to  
7 pay the consequences.

8 Thank you.

9 THE HEARING OFFICER: Thank you very  
10 much. You should know that it's my  
11 responsibility as the Hearing Officer  
12 appointed by the Mayor and by the  
13 President of City Council and the City  
14 Controller to carefully review all of the  
15 revenue and expense issues that are  
16 before us.

17 As the Consumer Advocate said, it's  
18 a balancing act that has to be done in  
19 terms of what's fair to the utility and  
20 what's fair to the people. We have to go  
21 through that and that's the purpose of  
22 these hearings, to try and determine  
23 what's fair with regard to that.

24 The rate increase is going to be  
25 what it's determined to be fair and

1 reasonable given the circumstances of the  
2 case and that's the intent of all the  
3 hearings that we are going to have in the  
4 matter. Thank you.

5 MS. LESACK: When will this increase  
6 begin? Next month? Next year? When  
7 will that be?

8 THE HEARING OFFICER: Probably  
9 projected sometime in November.

10 MS. LESACK: In November, okay.

11 MR. DASENT: If the Hearing Officer  
12 please, because we have a dialogue and a  
13 small group like this, perhaps this would  
14 be a good time to ask Deputy Commissioner  
15 Clare to speak to the impact on a monthly  
16 basis to make sure that all the facts  
17 that were raised or questions that were  
18 raised are addressed at least in part.

19 THE HEARING OFFICER: Certainly.

20 MR. CLARE: Your Honor, thanks.

21 First of all, the Water Department  
22 by law is not able to make a profit. Any  
23 excess money that we do collect or any  
24 shortage that we encounter is reflected  
25 in our fund balance, which is used in

1 future years to offset rates.

2 We are lucky enough right now to  
3 have in excess of \$180 million in our  
4 rate stabilization fund, virtually all of  
5 which of the available funding will be  
6 used to offset rates in the next four  
7 years.

8 The \$180 that Mr. Bertocci talked  
9 about is actually slightly less than  
10 that. It's \$179 and change. But it is  
11 an annual figure and it is at the end of  
12 a four-year period that people will see  
13 the full impact of that. So in the first  
14 year the \$3.84 increase per month is  
15 essentially what they'll pay from  
16 whenever the rate increase is enacted  
17 until July 1.

18 In terms of population in the City,  
19 people should know that from the 1990  
20 census until the most current census, the  
21 City has lost almost 100,000 people.  
22 It's dropped from the third or fourth  
23 largest city in the United States to  
24 sixth.

25 MS. EVASEW: That's because it's

1 more expensive to live here than it is in  
2 Plymouth Meeting and King of Prussia.

3 MR. CLARE: That's actually not  
4 true.

5 MS. EVASEW: Yes, it is. I know two  
6 people.

7 MR. CLARE: Water rates are roughly  
8 double in the suburban areas.

9 MS. EVASEW: Bullshit.

10 MR. CLARE: We have information to  
11 that effect.

12 MS. EVASEW: My son lives in  
13 Plymouth Meeting.

14 MR. CLARE: That's about all I have,  
15 Your Honor. Thank you.

16 MS. LESACK: I have a question.  
17 Your increase will be according to the  
18 amount of water that you use. If you use  
19 more water, you will pay more increase,  
20 correct, or it will be only one increase  
21 that will be \$3 and whatever you  
22 mentioned?

23 MR. CLARE: No. That is for the  
24 typical customer. There are  
25 income-eligible seniors that will pay

1 significantly less than that and there  
2 are obviously high-usage consumers that  
3 will pay more than that.

4 MS. McCARTY: But it is based on  
5 usage. So if you use less water --

6 MS. LESACK: Exactly.

7 MS. McCARTY: -- then you can save  
8 some money.

9 MR. CLARE: By the way, Your Honor,  
10 the typical Water Department employee --  
11 and we have in excess of 2,200 in the  
12 Water Revenue Bureau and the Water  
13 Department -- probably 90 or more percent  
14 of them make less than \$40,000 a year.

15 So there certainly aren't cushy jobs  
16 in the Water Department. They're very  
17 hard-working people. They're all  
18 ratepayers. They all live in the City so  
19 they're all impacted by this rate  
20 increase.

21 THE HEARING OFFICER: Thank you.

22 MR. DASENT: We have another  
23 witness, Mr. Toal, who has to leave, so  
24 I'm asking him to speak next.

25 MR. TOAL: I just had a couple

1 things. I'm from Roxborough as well.

2 THE HEARING OFFICER: Could you  
3 state your address for the record?

4 MR. TOAL: 488 Oriole Street.

5 THE HEARING OFFICER: And your first  
6 name?

7 MR. TOAL: Tom Toal.

8 THE HEARING OFFICER: Thank you.

9 MR. TOAL: I am really here just  
10 echoing what she said basically. With  
11 the Company, I mean, you touched on 90%  
12 make 40 grand, but what about the other  
13 10%; you know what I mean? That's kind  
14 of what everybody is saying.

15 If you're going to tell me I'm going  
16 to pay a rate increase to help the guy  
17 out digging the hole, I don't have a  
18 problem with that. There's a little bit  
19 of justification there. But if the guy  
20 digging the hole makes 40 grand and the  
21 rate increase is to help somebody in that  
22 10%, then it's more of an issue for other  
23 people.

24 Also, why does it have to be locked  
25 in at 30%? Why can't we do this each

1 year? Figure out what you need at one  
2 point, it's going to go up some this  
3 year, we'll see what we do and then go  
4 from there. Why try and pigeon this in  
5 at 30% when it could be better in the  
6 future?

7 I mean, I think that's the main  
8 concern for most of us, as it is for  
9 anybody else, we're all struggling, we  
10 all have kids. That's why I can't stay  
11 for the whole thing. I have to go get my  
12 kids.

13 I just wanted to be heard that 30%  
14 is a big increase. It's a lot of money.  
15 You talk about deferring money and you  
16 don't make a profit and you move it here  
17 and there. That's all well and good, but  
18 you're still moving money. There's still  
19 a lot of money that nobody ever knows  
20 where that goes. So that's a huge  
21 concern.

22 And then to touch on the water, I'm  
23 not going to sit up here and say the  
24 water's terrible, but I wouldn't say the  
25 water's great by any stretch. If there

1 is something here saying my water would  
2 be better, I mean, okay. But it's  
3 marginal, it's fair, it's nothing good  
4 either way.

5 I mean, that's why you see people  
6 drinking the spring water all over the  
7 place, because what comes out of your tap  
8 water is okay, but I guess 80% of the  
9 homeowners probably have filters, too, to  
10 get rid of all the other stuff that comes  
11 through. If you put the filters on,  
12 those things go black pretty quick, and  
13 is it all just part of selling the  
14 filters?

15 But I wouldn't come up here and say  
16 I have a great product of water. I buy  
17 spring water as well because I don't feel  
18 comfortable drinking that much of it.

19 Like I said before, I'm not making  
20 any stories up saying you have bad water  
21 or there's chemicals or this or that, but  
22 I do think it should be noted that if you  
23 are going to give us a better product or  
24 something, if there's going to be  
25 something in there, they should be the

1 bullet points that I would look for,  
2 saying the water would be better, it's  
3 going to help the guys out in the field,  
4 different things like that.

5 That's what most people in the  
6 neighborhood, in this neighborhood, who  
7 work hard, that's what we're kind of  
8 looking for for an answer; not, you know,  
9 locked in for 30%.

10 MR. CLARE: Understood. Your Honor,  
11 just if I could respond --

12 THE HEARING OFFICER: Certainly.

13 MR. CLARE: -- to this gentleman  
14 because he has to leave, the highest  
15 salary in the Water Department right now  
16 is approximately \$135,000. There are  
17 roughly six individuals in the Department  
18 that make in excess of \$100,000. Most of  
19 those are civil servants so their  
20 salaries are set based on a pay plan that  
21 the Personnel Department establishes.

22 What was your other question you  
23 asked about?

24 MS. McCARTY: Having an increase  
25 each year.

1           THE HEARING OFFICER: Commenting on  
2           the quality of the water.

3           MR. CLARE: Oh, in terms of why we  
4           go for a four-year rate increase, this  
5           process itself costs in excess of a  
6           million dollars, an astounding number.  
7           Just the ads to bring people here tonight  
8           and to advertise the hearings cost in  
9           excess of \$100,000. So this is a very,  
10          very expensive process. And we doubt  
11          that the people here would be much  
12          interested in paying that every year.

13          Also, our investors who loan us the  
14          bulk of what we need to keep the utility  
15          healthy, which is to replace our pipe, to  
16          keep our plants fixed, to keep the water  
17          safe, we owe in excess of \$1.7 billion to  
18          private investors, and they loan us money  
19          based on our ability to repay, and that  
20          ability to repay is established based on  
21          the certainty of our rates going into the  
22          future. So our investors really want to  
23          see a credible rate plan; not a one-year  
24          look into the future.

25          Debbie McCarty, our Deputy

1 Commissioner of Operations, can tell you  
2 a little more about our water quality and  
3 our taste and odor, which we are an  
4 award-winning utility in terms of both  
5 the quality of our water, which is six  
6 times better than the federal standard,  
7 and quality of taste and odor, which is  
8 more to taste I think, you know, to  
9 people's own liking.

10 MS. McCARTY: Well, I'm actually  
11 really sorry to hear that you don't drink  
12 our water because it's a bargain. You  
13 pay a fraction of a penny per gallon for  
14 tap water compared to what folks pay for  
15 bottled water. And the environmentalist  
16 in me says that you are paying for fuel  
17 for the bottles, so it's not as good for  
18 the environment. But that's kind of the  
19 environmentalist in me.

20 The Water Department Deputy  
21 Commissioner will tell you your water is  
22 better than or as good as any bottled  
23 water you can purchase because we test it  
24 pretty much constantly and we have to  
25 meet a higher standard than what comes in

1 a bottle that needs to meet Food & Drug  
2 Administration standards.

3 The bottlers, the folks that bottle  
4 that water and process that water, a lot  
5 of them come from Philadelphia tap water,  
6 believe it or not. Both Pepsi and  
7 Coca-Cola take our water and then they  
8 process it and take out everything  
9 basically and then put in their little  
10 mix of minerals and things that they want  
11 to add to it.

12 But we have to test constantly  
13 essentially and meet EPA standards, a  
14 higher standard than bottled water needs  
15 to meet.

16 If you have a taste and odor  
17 problem, we need to hear from you, we  
18 want to hear from you, because it's  
19 something we need and want to address.

20 MR. TOAL: Right. I'm not saying  
21 that my water tastes terrible. I'm just  
22 saying sometimes it's a little cloudier  
23 than normal. It doesn't look as clear as  
24 the spring water sometimes. Maybe that's  
25 some of the mineral you said they take

1 out.

2 MS. McCARTY: Well, cloudiness, that  
3 happens a lot in the wintertime, when the  
4 water is really cold. And when you get  
5 it, especially at your kitchen sink maybe  
6 through the aerator, that happens a lot.

7 MR. TOAL: That's what I'm saying.

8 MS. McCARTY: And that has nothing  
9 to do with quality. That's just the  
10 coldness. That's the temperature.  
11 That's temperature-related and air. It  
12 has nothing to do with what is or isn't  
13 in it.

14 MR. TOAL: Well, then that's  
15 something that should be specified  
16 because that's what I'm saying, I never  
17 said the water was bad. I don't only  
18 drink spring water. I mix it a little  
19 bit because sometimes it looks cloudy.

20 Like I said, I'm not saying your  
21 product's bad by any stretch because  
22 obviously you have to have a product that  
23 meets the standards.

24 MS. McCARTY: Well, as Mr. Clare  
25 said, we actually exceed. We are a part

1 of what is called the Partnership for  
2 Safe Water, which we are in an elite  
3 class in the country. There are other  
4 utilities that do the same.

5 But we treat to even a lower  
6 turbidity level of three times less than  
7 what we have to just because the quality  
8 is very important and we want to give the  
9 best product to our ratepayers; not only  
10 what comes out of the tap, but when you  
11 flush the toilet and it goes away and we  
12 clean it up so what goes into the  
13 Delaware River is as clean as it can be.

14 MR. TOAL: Right.

15 MS. McCARTY: So drink tap water.  
16 We all do and we are all ratepayers,  
17 also.

18 MR. BERTOCCI: Turbidity means?

19 MS. McCARTY: I'm sorry; the  
20 cloudiness. Turbidity is cloudiness of  
21 the water, how clear it is, how much you  
22 can see.

23 THE HEARING OFFICER: Mr. Clare,  
24 there was a comment with regard to other  
25 jurisdictions. I thought that you had

1 data --

2 MR. CLARE: That's actually in the  
3 handout.

4 THE HEARING OFFICER: Why don't you  
5 cite that for us so we have it of record?

6 MR. CLARE: Sure. I mean, we  
7 obviously can't do all jurisdictions and,  
8 to be honest, there probably are certain  
9 jurisdictions in the area that charge  
10 less than us. But in terms of  
11 reference --

12 THE HEARING OFFICER: Is there a  
13 page number there?

14 MR. CLARE: I didn't number this.

15 MS. McCARTY: It's in the middle.  
16 It looks like this.

17 MR. CLARE: It's actually Page 12.  
18 But we're currently about \$20 a month for  
19 water. Doylestown is \$30. Pennsylvania  
20 America Water is \$41. Aqua Pennsylvania,  
21 who is one of the big purveyors, they're  
22 \$45. So we're towards the low end of the  
23 pack in terms of water.

24 In terms of wastewater, Doylestown's  
25 \$49.76. Our proposed rate is in the area

1 of \$18. So we're also very competitive  
2 in terms of sewer.

3 The stormwater part of our bill most  
4 people pay as part of their real estate  
5 taxes and --

6 MS. McCARTY: Not in Philadelphia;  
7 in the suburbs.

8 MR. CLARE: -- so when people say I  
9 pay less for water, they typically in the  
10 suburbs have a separate water purveyor, a  
11 separate wastewater purveyor, and their  
12 stormwater is built into their real  
13 estate tax bill. So we provide  
14 stormwater as part of our overall bill.  
15 That's about \$12 a month.

16 THE HEARING OFFICER: Thank you.

17 MS. LESACK: But there's also  
18 another point that not only the domestic  
19 consumer has to pay more money for the  
20 water, what about hospitals, schools,  
21 restaurants?

22 When they wash the dishes in the  
23 restaurant and they use the water that  
24 they usually use but now they have to pay  
25 more, the implication will be that they

1       have to raise the prices on the food they  
2       sell.

3               Hospitals also, if they have to pay  
4       more for the water, then whatever they  
5       expend has to be passed to the patient  
6       because the bills will be higher because  
7       everything has to be covered. It passes  
8       from one hand to another hand.

9               I read also an article, perhaps it  
10       was last year, it was a poll about around  
11       the country where was the best water  
12       around the country, and I'm sorry to tell  
13       you, but Philly was not one of the best.  
14       Perhaps you know and you are aware about  
15       that. We cannot say that Philadelphia  
16       water is the best.

17              MR. CLARE: Well, actually, that's  
18       all relative to who's doing the tasting.  
19       There were a number of studies where  
20       Philadelphia scored very, very highly on  
21       their taste-testing. But it's a matter  
22       of preference.

23              MS. McCARTY: Also, there's a whole  
24       science behind doing these sorts of taste  
25       tests and there aren't any standards for

1       them.  So it's hard with a taste test to  
2       say.  Like Mr. Clare said, it's a  
3       preference.

4               THE HEARING OFFICER:  We're going to  
5       take all those considerations that you  
6       said into account.

7               MS. LESACK:  Another thing is so  
8       many things around the area happen.  In  
9       Roxborough especially, many times I saw  
10      the trucks from the Water Department  
11      fixing or doing things like we have some  
12      kind of fortune that they have to dig  
13      for, because I consider rather than fix a  
14      pipe, they should be changed for a new  
15      one because eventually it will be rusty  
16      again and you have to do the job again.

17              MR. DASENT:  One of the things that  
18      we're doing right now is the capital  
19      improvement program, which is a part of  
20      the rate increase, so you are, in fact,  
21      suggesting that that's one of the  
22      elements of the rate increase that is  
23      justified.

24              But Mrs. Margo Evasew would like to  
25      speak also.

1           MS. EVASEW: All right. The  
2           question I have is: The increase you're  
3           basing on is your service charge, not the  
4           usage of the water; is that right?

5           MR. CLARE: Actually, both  
6           components of the bill are going up.

7           MS. EVASEW: On both sides?

8           MR. CLARE: Correct.

9           MS. EVASEW: My water bill is  
10          between \$4 and \$6, but your service  
11          charge is \$21 and some cents.

12          MR. CLARE: Correct.

13          MS. EVASEW: So if you want to make  
14          more money, you should base it on the  
15          usage of the water. If you're retired  
16          and you're unemployed, why the hell are  
17          you going to even use water at all? I  
18          don't.

19          MR. DASENT: There are many  
20          components or several components to the  
21          bill, you have sewer, water, and  
22          stormwater, and the stormwater portion of  
23          it is not triggered by your usage but by  
24          the fact that you are hooked up to the  
25          system. So there are a lot of elements

1 to the bill.

2 MS. EVASEW: Well, I've been  
3 thinking about unhooking from the system,  
4 but then you'd still pay the service  
5 charge if you unhooked it.

6 MR. CLARE: No.

7 MS. McCARTY: No. If you didn't  
8 want to be a customer, you could go down  
9 to the Municipal Services Building and  
10 get a discontinuance, I think it's \$100,  
11 and you can be disconnected and you get  
12 no water and sewer service.

13 MS. EVASEW: Well, guess what? I'll  
14 just blow up the house.

15 THE HEARING OFFICER: Any  
16 other comments?

17 MR. DASENT: There are no other  
18 witnesses on our list as of this point.

19 THE HEARING OFFICER: Does anybody  
20 else wish to say anything?

21 MR. DASENT: Perhaps if we take a  
22 brief recess --

23 THE HEARING OFFICER: That would be  
24 good.

25 MR. DASENT: -- if there are others

1           that are late in arriving, we can make  
2           sure we get to those.

3           THE HEARING OFFICER: We will take a  
4           ten-minute recess.

5                                 - - -

6           (Whereupon there was a recess in the  
7           hearing.)

8                                 - - -

9           THE HEARING OFFICER: I am going to  
10          reconvene the hearing and ask for  
11          everyone's attention.

12          Mr. Dasent, do you have another  
13          witness?

14          MR. DASENT: I am hoping that  
15          Mrs. Mullins might be coming forward. I  
16          think she's a little reluctant because  
17          public speaking is hard, but she's  
18          speaking for a lot of people so I think  
19          in a moment she will come up and talk to  
20          you. I told her that I've known you for  
21          like 30 years and that you're a very good  
22          person.

23          MS. MULLINS: And that you don't  
24          bite.

25          MR. DASENT: You don't bite,

1 exactly.

2 THE HEARING OFFICER: And I'm  
3 good-looking, too.

4 MS. MULLINS: He said he's  
5 good-looking, too.

6 THE HEARING OFFICER: You can sit  
7 right there. You don't have to stand up.  
8 You can sit and relax and just be  
9 comfortable. Tell us what you feel.  
10 It's important.

11 MS. MULLINS: Why are we having this  
12 water rate increase?

13 MR. DASENT: Well, state your name  
14 and address.

15 MS. MULLINS: My name is Sandra A.  
16 Mullins. I live at 2336 North Gratz  
17 Street, Philadelphia 19132.

18 THE HEARING OFFICER: I think the  
19 question as stated is what's the reason  
20 for the rate increase and we had a little  
21 comment to answer that before, but why  
22 don't you summarize that, Mr. Dasent?

23 MR. DASENT: Well, we are having a  
24 6.9% increase over four years. It's in  
25 steps of four increments. But when you

1 add it all together, people have  
2 indicated that it's a fairly large sum of  
3 money.

4 We need the money to make sure we  
5 can afford to pay our employees the  
6 benefits and salaries, pay our debt  
7 service because we have construction  
8 projects. When you have a large  
9 infrastructure, plants all around the  
10 City, then you need to be able to sort of  
11 pay for the construction costs of adding  
12 plants or refurbishing plants.

13 In addition to that, you have  
14 maintenance and materials and chemicals  
15 and electricity and fuel, all the things  
16 that you see in a household multiplied  
17 exponentially because it's serving  
18 500,000 customers.

19 Now, Mr. Bertocci has indicated  
20 before you came into the room that it's  
21 still too high.

22 MS. MULLINS: It is too high, truly,  
23 because my paycheck is not going up  
24 anymore, but the water bill is going up  
25 tremendously. Even the service charge

1 has gone up to 21, almost 22 dollars  
2 before they even pump any water into my  
3 house.

4 MR. DASENT: Now, I indicated  
5 previously, \$3.84 isn't a huge amount of  
6 money in terms of the services that we  
7 provide, and that's the incremental cost  
8 each month during this four-year period  
9 for increased rates.

10 So what we're trying to do is make  
11 sure that we can pay our bills so we can  
12 provide better service, meet  
13 environmental requirements, and do the  
14 things I think you want us to do as a  
15 utility, but at the same time we  
16 understand that cost is an important  
17 factor.

18 MR. BERTOCCI: When he says  
19 "incremental," if I may add, that covers  
20 the fact that every year it goes up  
21 approximately \$4 more a month for this  
22 whole period. So "incremental" is kind  
23 of a short word which covers a lot of  
24 increases.

25 THE HEARING OFFICER: Why don't you

1 identify yourself, who you are? --  
2 because she may think you're one of the  
3 bad boys from the Water Department.

4 MR. BERTOCCI: I'm the Public  
5 Advocate. I'm the Mr. Bertocci that he  
6 referred to.

7 So that I think you have to look at  
8 this really over three years because  
9 within three years from now you will be  
10 paying the highest rate in this rate  
11 increase and that will amount to \$185  
12 more a year for a typical household,  
13 which I agree with you that that's a lot  
14 of money.

15 MS. MULLINS: That's a lot of money.

16 MR. BERTOCCI: And that's a good  
17 reason for you to come out here and  
18 register that fact.

19 MS. MULLINS: It's a lot of money.  
20 It's truly a lot of money. And I see a  
21 lot of water trucks sitting around doing  
22 nothing, so what are they doing? Are  
23 they sucking up my money or are they  
24 working?

25 THE HEARING OFFICER: I'm the

1       Hearing Officer and it's my  
2       responsibility to listen to all the  
3       evidence and then make my decision.

4                If one of the representatives of the  
5       Water Department wants to speak to that,  
6       that would be helpful.

7                MS. MULLINS: Thank you.

8                MS. McCARTY: I mean, when you see  
9       trucks sitting around, if you would  
10       please call, you can call 685-6300, which  
11       is in the phone book also --

12               MS. MULLINS: Right.

13               MS. McCARTY: -- with the vehicle  
14       number. It's a six-digit number. You  
15       don't need a license plate. It's on the  
16       front, it's on the side of the vehicle.  
17       It's a six-digit number.

18                The newer vehicles might be 080047,  
19       something like that, or 06. That just  
20       tells me what year it is. But if you  
21       call us, we will investigate.

22                You can also call the Commissioner's  
23       office at 215 -- you can call me directly  
24       actually at 215 --

25                MS. MULLINS: I'm going to take it.

1           MS. McCARTY: Here, I will give you  
2           a business card. But for everybody else,  
3           215-685-6102. If you see any of our  
4           employees doing something you don't think  
5           they should be doing, we take that very  
6           seriously, or not doing anything, I mean,  
7           that's a problem.

8           MS. MULLINS: Don't they have  
9           supervisors? Where are the supervisors  
10          when they're sitting underneath a bridge  
11          with their legs propped up sucking up my  
12          money?

13          MS. McCARTY: Well, that's a  
14          problem, that's a problem. But what I do  
15          know sometimes is it might not look like  
16          they're doing what they're supposed to be  
17          doing. They may well be having to wait  
18          for materials to come on site. They  
19          maybe get there before the other folks  
20          get there.

21          MS. MULLINS: This is like 1 or  
22          2 o'clock in the afternoon, so what are  
23          they doing?

24          MS. McCARTY: Well, I'm not sure.  
25          If you call me and you give me the

1 location and the vehicle number, I  
2 promise you, we look into every  
3 complaint, look into every one of them,  
4 and we take that very seriously, because  
5 our people need to be working because all  
6 of us in here pay our water bills, me,  
7 everybody else, and we need to keep them  
8 low.

9 MS. MULLINS: Yes, you do.

10 MS. McCARTY: So we look into it all  
11 the time.

12 MS. MULLINS: Thank you.

13 MS. McCARTY: And people sometimes  
14 get in trouble and sometimes they're  
15 doing exactly what they're supposed to be  
16 doing. So it works both ways. But we  
17 will look into it.

18 MS. MULLINS: And they didn't even  
19 bother about letting us know about the  
20 service charge. I had no idea until I  
21 looked at my water bill and my service  
22 charge was \$21 and some cents.

23 And they don't publicize these  
24 meetings too well because I just happened  
25 to be reading the Metro -- an old Metro,

1 not today's Metro, an old Metro -- to  
2 find out today that this meeting was  
3 here. So you will see me again on the  
4 24th because I'll make sure I'm there.

5 THE HEARING OFFICER: I'm looking  
6 forward to it.

7 MS. MULLINS: Thank you.

8 MR. CLARE: I think just for  
9 everybody's edification, we cover in the  
10 service charge largely the fixed costs of  
11 operating the Department. So there  
12 you'll see your billing and collection  
13 costs; your stormwater charge right now,  
14 which is fairly significant; you know,  
15 mainly the administrative costs of  
16 operating the Department, because those  
17 have to be spread over all users.

18 What's in the usage charge typically  
19 is the cost of producing the water, the  
20 electricity, the chemicals, the pumping  
21 charges, the labor charges that relate to  
22 that.

23 So, unfortunately, we're a very  
24 large utility with a shrinking rate base  
25 and as a result our fixed charges tend to

1       escalate at roughly the rate of  
2       inflation, but the number of people that  
3       have to pay that charge steadily  
4       decreases over time by about 2% a year.

5               So if the cost didn't escalate at  
6       all, just because of that constant  
7       decline in the number of consumers, that  
8       charge would increase. But as the  
9       consumers decrease and the costs  
10      increase, the service charge increases at  
11      a faster rate.

12             MS. MULLINS: So why is it  
13      decreasing? For what reason is the  
14      consumers decreasing? Is it that they're  
15      moving out of the City?

16             MR. CLARE: Yes, primarily.

17             MR. DASENT: They're moving out.

18             MR. CLARE: We have roughly 100,000  
19      people less today than we had in 1990.  
20      We're a shrinking city. We're struggling  
21      now to stay the same. But, you know,  
22      over the past 15, 20 years the City has  
23      lost numerous residents, and that's  
24      important for everything. It's important  
25      on the tax side as well. So it's

1 important that the City stay healthy.

2 MS. McCARTY: Tell your friends and  
3 family, Philly's a good place, move into  
4 the City.

5 MS. MULLINS: I'm about ready to  
6 move out. The water bill is going up and  
7 up and up. Come on now. I'm the only  
8 one in my household and my water bill is  
9 30-some dollars a month every month. Two  
10 months ago I paid twice because the  
11 computer messed up. By the time I got  
12 home from work from paying the water  
13 bill, I had another one waiting for me.  
14 I should have brought it. I'll bring it  
15 the next time with me.

16 MR. DASENT: Thank you very much.

17 MS. McCARTY: You're 2336 North  
18 Gratz Street?

19 MS. MULLINS: Yes.

20 MS. McCARTY: We'll look into it and  
21 we'll have an answer for you the next  
22 time.

23 MS. MULLINS: I paid it.

24 MS. McCARTY: But you should get a  
25 credit.

1           MS. MULLINS: I did. I went to the  
2 office on 22nd Street and sat there and  
3 waited.

4           MS. McCARTY: 22nd?

5           MS. WATSON: Somerset.

6           MS. McCARTY: Oh, okay.

7           MR. DASENT: Thank you very much.

8           MS. MULLINS: Thank you.

9           THE HEARING OFFICER: Anybody else  
10 have any further comments?

11          MS. SAYRE: I wanted to say  
12 something.

13          THE HEARING OFFICER: Well, okay.  
14 Identify yourself, please.

15          MS. SAYRE: My name is Catherine  
16 Sayre and I live at 4382 Fleming Street,  
17 Roxborough, and I just wanted to say that  
18 it would make us water customers feel a  
19 lot better if we had more projects like  
20 Saylor's Grove, where they made like a  
21 wetlands area where some of the water  
22 gets filtered naturally, and it seems  
23 like that's a positive thing that has  
24 some permanence.

25          We're having a lot of problems

1 especially in this area where every tiny  
2 lot is being developed and there are no  
3 yards. The entire lot is consumed by the  
4 home and there is usually concrete paving  
5 all around the home. So all the water  
6 that was once going into the ground and  
7 being filtered and going into the water  
8 table or whatever is now just rushing  
9 down the streets going into the sewer and  
10 pouring out wherever it goes.

11 What I would like to see happen is  
12 some kind of plan so some of this problem  
13 with runoff and the water just being  
14 virtually wasted and causing all kinds of  
15 environmental problems going into the  
16 rivers, the streams, and everything else,  
17 I would like to see a plan to abate that  
18 problem, because it is the Water  
19 Department and the sewers and the storm  
20 drains and all of that that conducts the  
21 water. That's the system. And I don't  
22 really see much happening to improve  
23 things.

24 So there are parts of the City that  
25 are actually gaining in population and

1       they're being overdeveloped and the  
2       environment is suffering as a result of  
3       it.  There's probably places where maybe  
4       the water is going into vacant lots, but  
5       not in this area.  It is a very hilly  
6       area.  I live on the Manayunk Wall, which  
7       is a very steep street, and when there's  
8       a lot of rain, the water rushes down the  
9       street, it even goes onto my sidewalk,  
10      it's that much water.

11             So if there was a plan, if the plan  
12      was publicized, I think that would make  
13      people feel like progress is being made.  
14      As of now I just see like you're  
15      maintaining the sewers, you're fixing  
16      things when they break and replacing  
17      pipe, but there isn't really a master  
18      plan for dealing with this water runoff  
19      problem.

20             MR. DASENT:  Actually, there is, and  
21      perhaps Deputy Commissioner McCarty can  
22      give you an idea of what our plans are.

23             MS. McCARTY:  We are actually  
24      formulating a lot of plans to deal with  
25      the stormwater.  This section of the

1 City, Roxborough, is a separate sewerred  
2 area, so as you point out, your  
3 stormwater goes into an inlet, into a  
4 pipe, that goes to some receiving stream,  
5 like maybe the Schuylkill, it could be  
6 the Wissahickon, wherever, and other  
7 parts of the City where it's just one  
8 pipe or what's called a combined sewer,  
9 where the water and wastewater all go  
10 into one pipe, and that hopefully gets to  
11 a sewage treatment plant, although some  
12 of it, when it's raining, goes into a  
13 body of water also, a waterway.

14 But we are looking at many things to  
15 address the stormwater runoff issues.  
16 Part of it is right now, if you develop  
17 anything above 15,000 square feet of  
18 earth disturbance or greater, you have to  
19 hold the first inch of rain that comes on  
20 your property, which is the majority of  
21 rain events in the City, and do something  
22 with that water, hold it or infiltrate it  
23 into the ground.

24 Green roofs are something that we  
25 encourage developers to use, which has

1 many benefits in addition to the water.  
2 It helps with global warming a little bit  
3 and is a resource for heating your  
4 property and cooling your property.

5 Saylor's Grove is a pilot program in  
6 a way to look and see how that will help  
7 us with some infiltration of sewage into  
8 the stormwater and help clean that up  
9 before it goes to the -- oh, what is it?  
10 It's not the Wissahickon. I can't  
11 remember the name of the creek; I'm  
12 sorry.

13 MR. CLARE: Monoshone.

14 MS. McCARTY: Monoshone, thank you.  
15 How could I forget the Monoshone?

16 We are also working on a long-term  
17 control plan for how we manage combined  
18 sewer overflows throughout the combined  
19 sewer system, but it includes the  
20 separate sewered areas, too, and looking  
21 at how we manage runoff from properties  
22 and looking at streetscapes, guiding  
23 water from the streets into an area that  
24 will hold the water or maybe even  
25 infiltrate it into the ground if

1 possible.

2 It's difficult in areas that are  
3 congested. Parts of Manayunk are very  
4 congested and you don't want that water  
5 that goes into the ground to end up in  
6 someone's basement. So there's a lot of  
7 things we have to balance and look at.

8 But, actually, it may not be  
9 apparent to the average customer, but we  
10 do do a lot in the areas that you are  
11 referencing. Our Office of Watershed,  
12 that's one of their missions, is to  
13 manage stormwater management, as well as  
14 source water protection, which is very  
15 important to us also.

16 MS. SAYRE: I just have one more  
17 thing, just to follow up on that. Are  
18 you at all working with zoning? --  
19 because some of it has a lot to do with  
20 the zoning, how much you can pave, how  
21 big of a building that you are allowed to  
22 build on a small lot. It just does not  
23 make sense to me in just eyeballing it  
24 how much you're allowed to pave --

25 MS. McCARTY: Well, and --

1 MS. SAYRE: -- on a building lot.

2 MS. McCARTY: -- I've heard this  
3 issue addressed before and I have been at  
4 quite a few meetings -- actually in this  
5 hospital; not always in this room,  
6 though -- and that is a recurring theme  
7 for especially this community, but other  
8 parts of the City, too.

9 The Mayor has said that he wants a  
10 more holistic approach to how things get  
11 done and developed and so the City  
12 Planning is going to be more involved.  
13 They're very concerned about the greening  
14 of Philadelphia and we work very closely  
15 with City Planning on development.

16 We're one of the stops that  
17 developers have to make in that whole  
18 complicated process of building in the  
19 City of Philadelphia. Whether it's just  
20 merely they're going to connect to the  
21 sewer, if there's capacity in the sewer  
22 to connect to, or if it's greater than  
23 15,000 square feet, they have to go  
24 through a whole process where we look at  
25 the conceptual plans, the technical

1 plans, make sure that they are doing what  
2 they need to with the runoff from their  
3 property.

4 MS. SAYRE: But that concerns like  
5 larger projects and I see a lot of just  
6 singles and twins that are really causing  
7 quite a problem, I mean, as far as the  
8 numbers of what's happening.

9 MS. McCARTY: Well, and we have to  
10 work together with the Planning  
11 Commission. I mean, they're a piece of  
12 that puzzle, as well as Zoning I think  
13 and your Councilperson. I'm not trying  
14 to push you off on anybody, but I don't  
15 know that it's one agency that can help  
16 solve this. I think it's a coalition of  
17 agencies.

18 When I get back to the office  
19 tomorrow, I'll make sure our folks that  
20 work with Planning, I think they already  
21 know about it, but I will remind them of  
22 the issue.

23 MS. SAYRE: All right. Thank you.

24 THE HEARING OFFICER: Maybe you  
25 ought to tell a little bit more about the

1 plan for the rate structure with regard  
2 to lots that aren't customers who you are  
3 asking to pay to take care of some of  
4 that stormwater.

5 MR. DASENT: Well, that's certainly  
6 going to come up in the second part of  
7 this case. Mr. Clare is probably better  
8 suited to explain the intricacies of  
9 what's going on with the stormwater  
10 reform.

11 But we are trying to structure our  
12 charges so that the larger parcels with  
13 the greater runoff potential are paying  
14 their fair share of stormwater costs.

15 But, Joe, you are better suited to  
16 speak to this.

17 MR. CLARE: Well, part of the second  
18 phase of this rate increase addresses a  
19 proposal to change the way we charge for  
20 stormwater. So basically all  
21 nonresidential properties would be billed  
22 on the characteristics of their property,  
23 both gross area and impervious area.

24 MR. BERTOCCI: Impervious means?

25 MR. CLARE: Impervious means the

1 ability of water to permeate through the  
2 soil.

3 MR. BERTOCCI: Sink in you mean, you  
4 mean sink into the soil; right, Joe?

5 MR. CLARE: Right.

6 So for nonresidential parcels, the  
7 more paved area they have, the more roof  
8 area they have, and the more gross area  
9 they have, the larger their stormwater  
10 charge is going to be.

11 So where typically a strip mall or a  
12 car dealer would have a very small  
13 stormwater charge based on his water  
14 meter currently, perhaps he might have a  
15 residential water meter so maybe he's  
16 paying \$12, the same as you, you might  
17 have a car dealer with 10 acres paying  
18 \$12 a month for stormwater, we intend to  
19 charge him whatever his gross area and  
20 impervious area generate in terms of  
21 stormwater and hope to incentivize all of  
22 those property owners to make  
23 arrangements to deal with as much  
24 stormwater on their parcels as they can.

25 That's actually part of our

1 long-term control plan to deal with our  
2 federal requirement to minimize  
3 discharges of sewage to rivers and  
4 streams.

5 MS. McCARTY: And you can use green  
6 roofs, there's pervious paving. Those of  
7 you who have been to Morris Arboretum,  
8 the parking lot like up high that's kind  
9 of brown, that's pervious paving. So not  
10 that you would go to the arboretum when  
11 it's raining, but I actually have, and  
12 the water really does infiltrate into  
13 this and you don't have the runoff that  
14 you see on other parking lots.

15 The simple explanation is this is  
16 pervious. If I spilled water on this, it  
17 would sink right in. This is impervious.

18 MS. LESACK: I have something to add  
19 about that topic. If we plant more  
20 plants, if we plant more trees, more  
21 flowers, more shrubs near the house,  
22 outside near to the sidewalk, when the  
23 water comes, rather than go into the  
24 street and into the manholes that the  
25 water is collected, there will be less

1 chance to have erosion because the water  
2 is caught in there.

3 MS. McCARTY: You are exactly right,  
4 and that's one of the things we're doing.  
5 We're working with Fairmount Park. I  
6 mentioned that we're trying to work with  
7 a lot of departments/agencies. That's  
8 one of the things.

9 I mean, the Fairmount Park's  
10 mission, as per the Mayor, is to plant  
11 more trees, and we are working with them  
12 on how we can do that, because as you  
13 exactly say, with deciduous trees with a  
14 lot of leaves on them, when it rains,  
15 they'll hold onto a lot of water and keep  
16 that from getting into the storm sewers,  
17 whether it's separate or combined, and  
18 that slows the flow. So that's one of  
19 the tools in our toolbox, if you will, to  
20 help with this runoff issue.

21 MS. LESACK: Another thing that you  
22 can do, when the water goes into the  
23 street and has to feed into the manholes  
24 that goes through the sewer, perhaps you  
25 can put a net that will protect the soda

1       cans, paper, or whatever is in the street  
2       that goes into the sewer enough that for  
3       you it's more work. You have to work  
4       more in order to clean up that water.  
5       You have to do that because it seems to  
6       me right now you don't have that.

7               MS. McCARTY: Well, actually, what  
8       you don't see below the street is we have  
9       what is called a trap inlet. We use trap  
10      inlets, unlike many other cities that are  
11      kind of in trouble.

12             What that means is instead of seeing  
13      that you capture that debris, the trash,  
14      above the street level, we actually catch  
15      it in the inlet. So it's caught there  
16      and we have inlet cleaning trucks that go  
17      around the City and pull the grate off or  
18      pull the manhole cover off and clean that  
19      trash out. And that trash is captured  
20      right there. So it doesn't get into the  
21      sewer or the pipe that gets to the  
22      waterway or to our treatment plant. We  
23      capture it there.

24             Now, it's always helpful if people  
25      don't throw trash in those inlets in the

1 streets, but we do trap it.

2 MS. LESACK: Because maybe a couple  
3 of years ago we used to have on Henry  
4 Avenue big flooding after a big rain that  
5 the cars, they have to pass very slowly  
6 because it was not working properly. I  
7 don't see it no more.

8 MS. McCARTY: What's the  
9 intersection?

10 MS. LESACK: Henry Avenue exactly.

11 MS. McCARTY: I mean, can you give  
12 me a hundred block or an address?

13 MS. LESACK: Exactly I don't know,  
14 but that was after you pass Roxborough  
15 Street, yeah.

16 MS. SAYRE: Roxborough Avenue.

17 MS. LESACK: There used to be big  
18 flooding. Cars would have to go very  
19 slow.

20 THE HEARING OFFICER: But you said  
21 it's better now?

22 MS. LESACK: It's better now. But  
23 we should avoid that because it's  
24 dangerous for the drivers, for the people  
25 who pass by, and something's wrong that

1       it is not working there the way it's  
2       supposed to.

3               MS. McCARTY: Well, when you see  
4       that, and it might not just be there but  
5       if you see it again there, please call  
6       685-6300 because we'll send a crew out  
7       when it's raining.

8               MS. LESACK: Maybe you can give me  
9       your business card, too, and I will call  
10      you. Sure, I will call you.

11              MS. McCARTY: Yes. Something like  
12      that, though, I mean, I'm not always in  
13      my office, although it feels like it.

14              MS. LESACK: You see, when I want to  
15      call you, you are not in your office.

16              MS. McCARTY: You can call me at the  
17      office. But what I'm trying to tell you  
18      is that that number is answered 24 hours  
19      a day; my number isn't.

20              MS. MULLINS: What number is that?

21              MS. McCARTY: So I'll write the  
22      other number on here for you.

23              MS. LESACK: But let me tell you, we  
24      have to talk about the truth. When you  
25      call any office in City Hall, you have to

1 reach them at 8 o'clock in the morning,  
2 because if you call later, they put you  
3 on hold and you will be forever waiting  
4 for somebody to answer.

5 THE HEARING OFFICER: The number  
6 they are giving you is not for City Hall.  
7 It's for the Water Department directly.

8 MS. LESACK: Okay.

9 THE HEARING OFFICER: Hopefully you  
10 will get a quicker response there.

11 MS. LESACK: All right. Thank you,  
12 Officer.

13 THE HEARING OFFICER: Okay. We're  
14 going to conclude tonight. Again, thank  
15 you all for coming. We appreciate it a  
16 lot. It's meaningful to us. It's  
17 certainly important to me as the  
18 decision-maker in this matter to hear  
19 from the people and hear the problems  
20 that you have. Your comments will  
21 certainly be carefully considered in  
22 connection with this matter.

23 We have other hearings upcoming. If  
24 you have friends or relatives, please  
25 invite them to come. We would be pleased

1 to have them.

2 MS. LESACK: One more thing that I  
3 want to add. This is the last thing.

4 THE HEARING OFFICER: Like a  
5 lawyer's last thing?

6 MS. LESACK: If we plant trees, we  
7 can put a logo in each tree that will  
8 say, "If you take care of me, I will take  
9 care of you."

10 THE HEARING OFFICER: Okay. This  
11 hearing is adjourned. Thank you.

12 - - -

13 (Whereupon the hearing adjourned at  
14 7:30 p.m.)

15 - - -

16 Reported By: Susan Marie Migatz, RMR, CRR

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