



## Legislation Text

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Authorizing the Committee on Transportation and Public Utilities to hold hearings to examine the Philadelphia Water Department request to increase water, sewer and stormwater rates and charges and its impact on the citizens of Philadelphia.

WHEREAS, On January 24, 2023, the Philadelphia Water Department filed advance notice with the Philadelphia Water, Sewer and Storm Water Rate Board of its request to increase water, sewer and stormwater rates and charges over two successive years; and

WHEREAS, The Department also filed its proposed Annual TAP-R Reconciliation. This annual reconciliation provides an adjustment to recover costs associated with the Tiered Assistance Program (TAP); and

WHEREAS, The request is for a 20 percent increase over two years for residential ratepayers. Under this plan, residents would see a 12 percent increase beginning September 2023. In total, the department would expect to raise an additional \$144 million in revenue if this plan is approved; and

WHEREAS, The Water Department reported that beginning in September 2023, for the average ratepayer who is not enrolled in an assistance program, the new rate would mean an additional monthly cost of approximately \$8, for an average monthly bill of about \$77.50. In 2024 rates would rise to an average monthly bill of approximately \$84. Currently, a typical residential bill is \$69.31 per month; and

WHEREAS, The increase in rates will significantly impact many Philadelphians who have experienced increased financial burdens over the past few years. Record inflation rates, increasing cost of food, and the 2022 property reassessment has created hardships for many families; and

WHEREAS, The Department has not been immune to these negative financial trends and has the need for additional resources to pay increasing costs for operations and for upgrades, repairs, improvements, maintenance activities, and more. These increasing costs are driving the Department's request for higher rates; and

WHEREAS, Despite the need for revenue, a 20 percent water bill increase will have a negative impact on low-income Philadelphians who are already struggling to get by, as well as middle-class families who are often ineligible for assistance programs; and

WHEREAS, A public hearing is necessary to review the proposed rate increase plan and to explore options to mitigate the need to pass all of these costs onto residents; and

WHEREAS, Other options could be explored to address the Department's need for additional revenue. One option could be to utilize funds the City received from the American Rescue Plan, a plan which specifically authorized municipalities to use funding to support water infrastructure needs. Philadelphia also had a \$779 million fund balance at the end of the last fiscal year, and set aside \$40 million in an Inflation Reserve Fund to address operating and capital cost increases; and

WHEREAS, While the Department has faced challenges that have made it difficult to implement investments in critical infrastructure improvements, or to pay for personnel and supplies, we cannot continue to raise costs on our residents when we have other potential options; now, therefore, be it

RESOLVED, THAT THE COUNCIL OF THE CITY OF PHILADELPHIA, Hereby authorizes the Committee on Transportation and Public Utilities to hold hearings to examine the Philadelphia Water Department request to increase water, sewer and stormwater rates and charges and its impact on the citizens of Philadelphia.