

1
2 COUNCIL OF THE CITY OF PHILADELPHIA
3 COMMITTEE ON TRANSPORTATION AND
4 PUBLIC UTILITIES

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6 Room 400, City Hall
Philadelphia, Pennsylvania
7 Tuesday, June 16, 2009
10:10 a.m.

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9
10 PRESENT:

11 COUNCILMAN CURTIS JONES, JR., CHAIR
COUNCILWOMAN JANNIE BLACKWELL
12 COUNCILMAN WILLIAM GREENLEE
COUNCILMAN BRIAN J. O'NEILL

13
14 RESOLUTION 080959 - Resolution authorizing
15 Council's Committee on Transportation and
Public Utilities in anticipation of the
16 incoming federal administration's commitment
to invest in urban infrastructure building
17 initiatives, to conduct an independent
investigation of the Water Department...

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2 COUNCILMAN JONES: Good
3 morning. The City Council Committee on
4 Transportation and Public Utilities is
5 now in a public hearing to hear testimony
6 on Resolution No. 080959.

7 In attendance with me to my
8 left is Vice-Chair, Councilman Bill
9 Greenlee, and to my right, Councilwoman
10 Jannie Blackwell.

11 Can the Clerk please read the
12 title of the resolution.

13 THE CLERK: Resolution 080959,
14 authorizing Council's Committee on
15 Transportation and Public Utilities in
16 anticipation of the incoming federal
17 administration's commitment to invest in
18 urban infrastructure building
19 initiatives, to conduct an independent
20 investigation of the Water Department, so
21 that the City will be prepared to
22 effectively utilize any additional
23 funding streams in the most efficient and
24 strategic manner and pursuant to Chapters
25 13-100 and 13-200 of The Philadelphia

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2 Code.

3 COUNCILMAN JONES: Before we
4 begin the hearings today, I would like to
5 acknowledge the service of a civil
6 servant, a Water Department employee,
7 Loretta Palmer, who was shot in the foot
8 yesterday morning while doing a job in
9 North Philadelphia. While her injuries
10 were not life threatening, they were
11 serious. And it just goes to show that
12 our commitment to delivering service to
13 the City of Philadelphia, there is no
14 such thing as a non-dangerous assignment.
15 Every danger exists for people that work
16 out in the public. And we wish her a
17 speedy recovery, and our prayers and
18 hearts are with her.

19 In 1957, the City of
20 Philadelphia amended the City Code to
21 mandate an independent examination of the
22 Water Department once every four years.
23 It's been a while since we've done that
24 and it's certainly been a minute, but
25 it's almost ten years since we last

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2 conducted that kind of examination.

3 Today, the Committee will begin the task
4 and recommit ourselves to implementing
5 that mandate.

6 We believe firmly that our
7 efforts here have far-reaching benefits
8 to the City of Philadelphia. First, it
9 will be consistent with the national
10 policy of fixing America's crumbling
11 infrastructure.

12 Second, it will make a bold
13 statement about our keen intentions to
14 protect our environment and indeed one of
15 our most precious resources, which is
16 water.

17 Third, it will create an
18 opportunity for economic development and,
19 more specifically, create the opportunity
20 for jobs - jobs stemming from the
21 improvement of our infrastructure, jobs
22 that can expand the middle class and give
23 many of our graduates a chance for new
24 and exciting careers as we start talking
25 about the expansion of the green

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2 revolution.

3 On February 17th, 2009, Obama
4 signed the American Recovery and
5 Reinvestment Act, a \$787 billion plan to
6 create jobs, revitalize the economy and
7 make significant improvements through the
8 nation's infrastructure. The City of
9 Philadelphia is committed to pursuing all
10 funds for which we are eligible in using
11 this unique opportunity to assist
12 citizens during this economic crisis and
13 these times that we face in our city and
14 making an investment in the City of
15 Philadelphia's green future.

16 Perhaps one of the greatest
17 needs of infrastructure funds is to
18 improve the infrastructure that provides
19 us one of our most valuable resources, a
20 natural resource, it's called water, and
21 to produce that product and take -- at
22 times the City takes that product for
23 granted, and virtually around the country
24 they do the same. Yet, while water is
25 generally and the quality of our water in

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2 Philadelphia is generally good, the City
3 system of delivery of water is
4 deteriorating.

5 Our Water Department is one of
6 the first in the nation to ever publicly
7 deliver water to citizens. Our Water
8 Department has done a great job, but is
9 facing a decaying infrastructure where
10 its pipes are almost 100 years old, and
11 in some parts of the City, some of that
12 infrastructure is actually wooden.

13 What problems does that cause?
14 First, it increases the amount of water
15 main breaks in the City of Philadelphia.
16 We have sinkholes in the City of
17 Philadelphia that are causing a problem
18 both for water delivery but for daily
19 maintenance of life, daily operations of
20 business that get addressed and get
21 addressed efficiently, but can always use
22 improvement.

23 Second, with our water mains
24 and the rate of breakage, this causes us
25 to waste water in a time where we should

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2 be trying to find common ways to improve
3 that service delivery and systems around
4 the country. It is not uncommon for
5 there to be 20 percent leakage in our
6 systems, and we can do better.

7 Now, let us be absolutely
8 clear. The Water Department is doing a
9 good job, but we can improve and we can
10 use this as an opportunity to create jobs
11 for small businesses and employment in
12 our neighborhoods. With today's session,
13 we begin and embark upon a bold process
14 to comprehensively look at the Water
15 Department's operation, both on the
16 capital side and its internal process.
17 Among other things, we hope to work with
18 the Water Department, closely with the
19 Water Department, to develop and
20 prioritize projects that can provide
21 stimulus to both the City of Philadelphia
22 but also our neighborhoods.

23 With that as a backdrop, I'd
24 like us to begin our hearings today.
25 With that as a goal, I'd like us to

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2 remember that this is an asset that has
3 the potential to do innovative things,
4 not just things that we've always known
5 and done. And today I think we'll hear a
6 lot of that from the testimony that we
7 have lined up. And can we begin with our
8 first set of panelists.

9 THE CLERK: The Philadelphia
10 Water Department.

11 COUNCILMAN JONES: Thank you.

12 (Witnesses approached witness
13 table.)

14 COMMISSIONER BRUNWASSER: Good
15 morning --

16 COUNCILMAN JONES: Good
17 morning.

18 COMMISSIONER BRUNWASSER: --
19 Councilman Jones and members of the City
20 Council's Committee on Transportation and
21 Public Utilities. I am Bernard
22 Brunwasser, Water Commissioner, appearing
23 before you today to testify on Resolution
24 No. 080959 regarding an independent
25 investigation of the Water Department so

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2 that the City will be prepared to
3 effectively utilize any additional
4 funding streams in the most efficient and
5 strategic manner and pursuant to Chapters
6 13-100 and 13-200 of The Philadelphia
7 Code.

8 Before I go on, I want to
9 introduce on my right our Deputy
10 Commissioner for Operations, Ms. Debra
11 McCarty, and on my left, our Division
12 Head for Public Affairs, Joanne Dahme,
13 and they will be among the many folks
14 that assist me in answering your
15 questions today. The Water Department is
16 very complex, does many things in many
17 different areas and it's hard to be an
18 expert on all of them.

19 As you know, the Philadelphia
20 Water Department, besides being a large
21 City operating department, is a municipal
22 utility serving the citizens of
23 Philadelphia and the region by providing
24 integrated water, wastewater and storm
25 water services. Our primary mission is

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2 to operate and maintain the
3 infrastructure necessary to provide
4 high-quality, affordable drinking water
5 to protect the public health; to provide
6 an adequate and reliable water supply for
7 all residential business and public
8 needs; and to sustain and enhance the
9 region's watersheds and quality of life
10 by managing wastewater and storm water
11 effectively.

12 Part of our history, the Water
13 Department, as presently constituted, was
14 established by the City pursuant to the
15 Charter with the power and duty to
16 operate, maintain, repair and improve the
17 City's water and wastewater systems. The
18 Charter requires the Water Department to
19 fix and regulate rates and charges for
20 supplying water and the wastewater
21 treatment service in accordance with
22 standards established by City Council.
23 Such standards must enable the City to
24 realize from rates and charges an amount
25 at least equal to operating expenses and

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2 debt service charges on any debt incurred
3 or to be incurred for the water and
4 wastewater systems, and proportionate
5 charges for all services performed for
6 the Water Department by all officers,
7 departments, boards or commissions of the
8 City. The Charter also authorizes the
9 Water Department, with the authorization
10 of City Council, to enter into contracts
11 for supplying water service and sewer and
12 sewage disposal service to users outside
13 the limits of the City.

14 The operations of the Water
15 Department are accounted for in the Water
16 Fund, which is an enterprise fund of the
17 City, a convention established pursuant
18 to the Charter for the purpose of
19 accounting for the assets, liabilities,
20 revenues, expenses and rate covenant
21 compliance on a legally enacted basis for
22 the water and wastewater systems.

23 The Water and Wastewater Funds
24 are funds required by the general
25 ordinance to be established and

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2 maintained with the fiscal agent for so
3 long as the bonds are outstanding for the
4 purpose of segregating bond proceeds and
5 project revenues from other funds of the
6 City not held exclusively for Water
7 Department purposes.

8 The City's Department of
9 Revenue performs all functions related to
10 meter reading, customer accounts and
11 collections for the Water Department
12 through the Water Revenue Bureau. The
13 Department of Revenue and the Water
14 Revenue Bureau are under the direction of
15 the Director of Finance, the City's chief
16 financial officer. Audits of all City
17 departments, including the Water
18 Department, are performed annually by the
19 Office of the City Controller. The Law
20 Department of the City, headed by the
21 City Solicitor, handles all legal matters
22 affecting the Water Department.

23 In addition to review
24 internally within the City by the Budget
25 Bureau and the Mayor's Office, the City

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2 Council has annual review of the Water
3 Department's operating budget, capital
4 budget, capital program and Five-Year
5 Financial Plan. The Department is also
6 regulated by federal, state and regional
7 agencies, most notably the Environmental
8 Protection Agency, or the EPA, the
9 Pennsylvania Department of Environmental
10 Protection, also known as PADEP, and the
11 Delaware River Basin Commission, also
12 known as DRBC.

13 Each time the Department seeks
14 to raise or refinance capital through the
15 issuance of revenue bonds or to borrow
16 funds through the state's revolving loan
17 fund for water and sewer infrastructure,
18 known as Pennvest, it subjects itself to
19 a comprehensive study of the condition of
20 its infrastructure and its financial
21 feasibility to repay the bonds or the
22 borrowing. This Bond Engineering Report,
23 which is required by the First Class
24 Revenue Bond -- City Revenue Bond Act of
25 1972, is prepared by a nationally

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2 recognized independent engineering firm
3 whose reports are trusted by the
4 investment community.

5 Finally, when the Water
6 Department seeks to adjust its water and
7 sewer charges, it holds both formal and
8 informal hearings administered by an
9 independent hearing officer, jointly
10 appointed by the Mayor, the President of
11 City Council and the City Controller.
12 The Department goes far beyond what is
13 normally done by other publicly owned
14 non-profit water and wastewater utilities
15 in this state or in the region, as we are
16 obliged to fund many of our opposition
17 attorneys, witnesses and experts to lay
18 out the case against the Water
19 Department's rate filing. This
20 comprehensive process results in the
21 review of many thousands of pages of
22 reports, memoranda, letters, exhibits and
23 other documents that shed light on the
24 Department's work and decision-making.
25 Department officials deliver testimony

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2 and offer themselves for

3 cross-examination. Court stenographers

4 prepare the transcripts. Attorneys,

5 opposition attorneys, take part in both

6 the formal and informal discovery and

7 aggressively take part in this full

8 adjudicatory process.

9 As you can see, the Water

10 Department has a good deal of both

11 internal and external oversight.

12 Now, more importantly, talking

13 about our drinking water. Our drinking

14 water is safer than ever, substantially

15 better than what state and federal

16 regulations require. In Fiscal Year '09,

17 the period of Philadelphia's drinking

18 water, as measured by the industry

19 standard of turbidity, was better than

20 EPA regulations by 83 percent. Actually,

21 six times better than what EPA

22 regulations require, and also 50 percent

23 better than the most stringent industry

24 standards contained in the Partnership

25 for Safe Water, a voluntary program

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2 between the EPA and the drinking water
3 industry. These levels of achievement
4 have been recognized by the Partnership,
5 awarding the Water Department the Ten
6 Year Director's Award at the Annual
7 Conference of the American Water Works
8 Association in San Diego that's taking
9 place right now.

10 The Water Department is also
11 treating wastewater to award-winning
12 levels, overseeing the cleanest water
13 environment in more than 150 years, and
14 making progress in protecting our
15 watersheds to keep our streams and rivers
16 clean. This year the Southeast and
17 Southwest Water Pollution Control Plants
18 will receive Platinum Awards. One has
19 nine consecutive years of perfect
20 regulatory compliance and the other one
21 has six years of perfect regulatory
22 compliance, and they're receiving these
23 awards from the National Association of
24 Clean Water Agencies, also known as
25 NACWA. The Northeast Plant will receive

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2 a Gold Award for perfect compliance in
3 Calendar Year 2007 -- excuse me; 2008,
4 its fourth year in a row with perfect
5 compliance.

6 In terms of rates, the Water
7 Department continues to have some of the
8 lowest rates in the region for water,
9 wastewater and even storm water services.

10 As shown on the table in my written
11 testimony, the Water Department's rates
12 are less than half charged by most
13 neighboring investor-owned utilities.
14 Actually, the two largest utilities that
15 surround Philadelphia are Aqua
16 Pennsylvania and Pennsylvania American
17 Water, and when you just look at the
18 water bill itself, it's more than double
19 what we pay inside Philadelphia.

20 The Water Department has not
21 been immune to the national economic
22 turmoil. Problems in the credit and debt
23 markets, difficulty with collections and
24 cost increases and energy and chemicals
25 have conspired to create extremely tight

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2 financial conditions for the Water

3 Department. In Fiscal 2009, the Water

4 Department has needed to drastically

5 scale back discretionary spending and

6 delay some large capital expenditures in

7 order to keep the budget in line with its

8 rate plan and required bond covenants.

9 In February 2009, the Water

10 Department submitted five applications to

11 Pennvest, the state revolving loan fund

12 for water and sewer infrastructure, and

13 we placed these five applications in for

14 grants and/or loans, and they were

15 considered in the April Board meeting of

16 Pennvest. Four of the applications,

17 totalling \$210.2 million, were for

18 traditional water and sewer

19 infrastructure repair, replacement and

20 upgrades. One project, totalling \$30

21 million, was for green infrastructure

22 projects, primarily related to flood

23 control and combined sewer overflow, or

24 CSO, mitigation. On April 20th, 2009,

25 three of the traditional water and sewer

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2 applications, totalling almost \$185
3 million, were approved for funding
4 through low-interest loans of just over
5 one percent during the construction
6 period and for the first five years of
7 amortization and about 2.1 percent for
8 the remaining 15 years. These are total
9 20-year loans. In addition, the green
10 infrastructure application was approved
11 for funding through a low-interest loan
12 on the same terms.

13 The Department did not
14 originally anticipate the funding of
15 these projects through additional
16 borrowings. Additional debt service for
17 these loans had been included in the
18 Department's Fiscal Year 2010 budget, the
19 Department's five-year plan projections
20 and the Engineering Report. The
21 Department has gratefully accepted all of
22 the funding offered.

23 The Water Department remains
24 committed to providing utility services
25 consistent with the highest level of

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2 customer service as set forth in the
3 City's Strategic Plan. This would not be
4 possible without the Water Department's
5 dedicated and professional staff, many of
6 whom hold leadership positions in the
7 American Water Works Association, the
8 National Association of Clean Water
9 Agencies, Eastern Meter Management
10 Association, Partnership for the Delaware
11 Estuary, Coastal Zone Management Steering
12 Committee for Pennsylvania, Water
13 Environment Federation, Pennsylvania
14 Department of Environmental Protection
15 Water Advisory Council and the
16 Pennsylvania section of the American
17 Water Works Association.

18 We look forward to continued
19 partnership with City Council toward
20 further improvement in Fiscal 2010 and
21 the years ahead.

22 Councilman, you have struck a
23 nerve with us and we agree that we should
24 enter a strong partnership with City
25 Council over the next -- well, from here

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2 on out, because it's clear that the
3 Philadelphia Water Department will be
4 spending considerable amounts of capital
5 for the foreseeable future in order for
6 us to meet the federal regulations that
7 are coming down the road for us,
8 particularly when they involve combined
9 sewer overflows and storm water
10 management. And I have a short -- and
11 I'll try to make it short --
12 presentation, slide presentation, which
13 may answer some of the outstanding
14 questions, and I'll go through them
15 rather quickly and take questions
16 afterwards, if you'd like.

17 COUNCILMAN JONES: Before you
18 do, I'd like to acknowledge the presence
19 of Councilman Brian O'Neill, who has
20 joined the Committee, and thank him for
21 attending.

22 Also, in that presentation, is
23 it going to talk a little bit about the
24 history of the Water Department and how
25 the --

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2 COMMISSIONER BRUNWASSER:

3 Certainly, a little bit. You know, we're
4 the first water utility, true water
5 utility, in the United States. We began
6 in 1801.

7 COUNCILMAN JONES: So proceed.

8 COMMISSIONER BRUNWASSER: Sure.

9 It was highly successful, and I hope you
10 have some hard copies there, which make
11 it a little easier to see. We put this
12 together relatively quickly, as you know,
13 Councilman, but we think we have hit most
14 of the topics in the resolution.

15 So we were the first Water
16 Department in America to supply an entire
17 city with drinking water, and that goes
18 back to 1801. That's where some of the
19 wooden water mains probably originated.

20 Also, some years later, I guess
21 about 140-some years ago, it became clear
22 that the City of Philadelphia would have
23 to protect its drinking water sources,
24 which was mainly the Schuylkill River in
25 those days, and so it was decided that

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2 the City would buy up property along both
3 banks of the Schuylkill River, and this
4 became known as Fairmount Park. And the
5 Fairmount Park Commission was formed, I
6 believe, 142 years ago, and its major
7 function was to protect the drinking
8 water resources of the City of
9 Philadelphia.

10 So the Water Department and the
11 Park have always had this close
12 relationship, which continues to this
13 very day and, in fact, is probably going
14 to be increased, because we see the Park,
15 parkland, as partnering with us and
16 helping us to handle some of the storm
17 water and runoff from City streets. And
18 we became a model for many of the water
19 departments in the country.

20 One of the things that we have
21 done with our history is to put that
22 history into the Fairmount Water Works
23 Interpretive Center down below the Art
24 Museum. And the Fairmount Water Works, I
25 think everybody -- many people are

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2 familiar with the restaurant, but we have
3 a wonderful Interpretive Center right
4 next to it in the home of the old Water
5 Works, which dates back to the early
6 1800's. This was an engineering feat and
7 it was associated with the building of
8 the Fairmount Dam, which was the longest
9 dam in the world at the time it was built
10 in the 1800's, and people came and
11 marveled at how the Water Department in
12 the City of Philadelphia was able to take
13 water, pump it up to the reservoir, which
14 now has the Art Museum on it, and then
15 use that water to deliver water to a
16 quickly growing City of Philadelphia.
17 And these things are at the Fairmount
18 Water Works, and I urge everyone who has
19 a chance to go down and see it. I had
20 even my son, who is quite a critic, was
21 very pleased when he went through there,
22 and took some of his friends later.

23 So education is very important
24 to us, and this Interpretive Center let's
25 us reach out and get the young people to

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2 understand how important water is, and,
3 in turn, they can teach their parents and
4 grandparents how important it is to keep
5 trash out of inlets and so forth. So
6 this is very important to us.

7 Historically, as you may know,
8 the water in Philadelphia was kind of a
9 disgrace. It was allowed to deteriorate
10 over many decades back into 1930s and
11 1940s and -- well, you hear the term
12 "Schuylkill punch," et cetera, and
13 meanwhile, finally with the Charter in
14 1951, the framers of the Charter decided
15 let's make -- we have to professionalize
16 the organization. Let's give it its own
17 commissioner. Let's pull it out of the
18 Department of Public Works, which it was
19 part of at the time, and let's let the
20 Department determine rates based on what
21 is -- what they believe from an
22 engineering and scientific standpoint is
23 necessary for us to have good drinking
24 water, and our water has continuously
25 improved since that time.

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2 The next shot is a very recent
3 article showing how our education system
4 works out there at the Water Works, and
5 they're showing these folks in the
6 picture how water is actually monitored
7 there. You may be familiar that we have
8 just opened up a new rebuilt fish ladder
9 on the -- or fish throughway, fish way,
10 we now call it, on the west side of the
11 Fairmount Dam and that allows fish in the
12 lower Schuylkill to go back up river to
13 spawn, which is their natural habitat,
14 their natural spawning area. And we did
15 that with a lot of money from the federal
16 government through our federal
17 delegation. We're very grateful for
18 that. And that just opened up a couple
19 of weeks ago, and we have education on
20 that side of the river now as well.

21 The next slide is basically a
22 statement of our mission and obviously --
23 the obvious we know, but we are also here
24 to promote economic development of the
25 City. We understand that we have some

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2 influence in that area, and we want to do
3 what we can, and we do -- we have
4 expanded our role over the past ten years
5 to be an environmental steward of our
6 rivers and our environment. So we
7 started an Office of Watersheds about ten
8 years ago, and the folks in that office -
9 the scientists, engineers and technicians
10 that are part of that Office of
11 Watersheds - have applied a holistic
12 approach to both the water and the
13 wastewater side of our utility and have
14 helped the natural stewards of our
15 environment. Some of our -- the people
16 that work at the wastewater treatment
17 plants and the people that work at the
18 three water plants, they've given them an
19 assist and furthered the quality of life
20 in Philadelphia and the quality of
21 health.

22 And, again, the next slide just
23 basically shows us the customer service
24 that we provide, maintenance of hydrants,
25 storm water management, and we monitor

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2 industrial pre-treatment. We have an
3 industrial waste surcharge. We charge
4 industry that puts in too much -- very
5 strong sewage. They get surcharged,
6 because they're making higher demands on
7 our system, and that's been around for
8 almost 40 years.

9 The next slide is just one to
10 kind of show you where many of our
11 facilities are. And we try to be good
12 neighbors, because we're in the
13 neighborhoods as well as just at our six
14 plants and Center City. So we try to be
15 good neighbors. We try to take care of
16 our grounds, and we're friendly with most
17 of the folks in our midst.

18 These are some of the details
19 of the water system. It's incredibly
20 large. We have the three plants. We
21 pump approximately 250 million gallons a
22 day of water. And we have much greater
23 capacity than that, because our water
24 system was designed in the 1950s and the
25 three water plants were built in the

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2 1960s. We've done a really good job of
3 keeping those plants in top condition and
4 modernizing them as the years have gone
5 by, but they are sized larger than what
6 we would normally think we would need
7 because they were designed in the 1950s
8 when we thought that as many as two and a
9 half million people would be living in
10 Philadelphia. I don't think anyone
11 foresaw the size of the population going
12 down as it has and also the industry
13 leaving.

14 COUNCILMAN JONES:

15 Commissioner, I've had advantage of
16 having numerous conversations with you.
17 Could you touch on under that the
18 potential as using the commodity and
19 selling the commodity and its excess
20 capacity to produce fresh water?

21 COMMISSIONER BRUNWASSER:

22 Right. That's a good point. We have to
23 partner with others outside of our
24 borders for the sale of water. We have
25 the franchise in Philadelphia, of course,

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2 and we wholesale water to Aqua

3 Pennsylvania and to Bucks County Water

4 and Sewer Authority.

5 We would love to sell more. We

6 are going to have to operate, though,

7 with some of the utilities bordering

8 Philadelphia in order to push water

9 further away from our borders, and we

10 have in fact looked at New Jersey in

11 years past. We were the cheapest option

12 for them, but politically that was not

13 going to happen. We have looked at

14 Delaware, and New Castle County, Delaware

15 came looking for supplies of water. They

16 had 30 options that they were studying

17 and we became one of the very top, if not

18 the top, but, again, this is difficult.

19 What will happen if we are

20 successful, if we can partner with an

21 Aqua or a Bucks County Water or some

22 other provider in the suburbs to wheel

23 water north, west, south, whichever

24 direction, we'll be very happy to supply

25 them. They will have a plentiful supply

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2 of top-quality water from Philadelphia,
3 and we hope that this will come to pass.

4 Obviously everybody in the
5 suburbs has water sources right now.
6 Some of those in the suburbs have
7 groundwater sources, and groundwater, as
8 you know, has been deteriorating at
9 times, and during periods of drought,
10 there can be intrusion. Groundwater
11 supplies near rivers can have salt water
12 intrusion at times. I mean, there's all
13 sorts of potential for us, but we will be
14 aggressive, any opportunity that shows
15 itself.

16 COUNCILMAN JONES: So, in other
17 words, from a non-engineering layperson's
18 perspective, we have the capacity to
19 exceed what our demand is in Philly?

20 COMMISSIONER BRUNWASSER: Yes.

21 COUNCILMAN JONES: We currently
22 have relationships with the surrounding
23 counties to supply them water, but also
24 process some of their wastewater?

25 COMMISSIONER BRUNWASSER: Yes.

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2 Yes.

3 COUNCILMAN JONES: And with the
4 potential in the future of piggybacking
5 through the infrastructure already
6 developed by some of our counterparts in
7 surrounding counties to send it further
8 west, further south --

9 COMMISSIONER BRUNWASSER:
10 Exactly.

11 COUNCILMAN JONES: -- to
12 markets who don't want to invest in the
13 infrastructure to produce it themselves?

14 COMMISSIONER BRUNWASSER:
15 Right. If the far suburbs continue to
16 grow and depending on what kind of
17 sources they have out there, we certainly
18 have the capability of partnering with
19 one of the two water companies that we
20 deal with or others to provide good
21 Philadelphia water all the way through.

22 Now, typically what will happen
23 is, our water will supplant our partner's
24 water in a certain area and the partner
25 will push out their water further. So

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2 that's the way -- there's some
3 similarities with other utilities, like
4 electric, but the water has -- water
5 isn't going to go too far or then it
6 becomes too expensive to buy.

7 COUNCILMAN JONES: I guess one
8 of the outcomes this Committee might like
9 to see, not necessarily in today or
10 tomorrow but in longer-term planning, to
11 look at what it would take to actually
12 take advantage of that market
13 opportunity.

14 The other thing -- you
15 mentioned other challenges because our
16 fluoridation versus non-fluoridation used
17 in other municipalities, mixing that
18 water can cause some potential for
19 problems and working that out chemically
20 is a challenge before us.

21 COMMISSIONER BRUNWASSER:
22 Right. Right. As a matter of fact, the
23 fluoride is one of those things, and Aqua
24 Pennsylvania does buy fluoridated water
25 from Philadelphia and does use it. But

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2 there are certain differences in
3 qualities of water and pH that makes
4 mixing -- but these are all overcomeable.
5 These are not the difficult issues for
6 us. It really is a matter of do they
7 have the need for water. And we
8 certainly have the supply.

9 It's a shame. So many parts of
10 the United States, especially in the
11 Southwest, as you know, and the South are
12 having very, very difficult times with
13 water supply, and here I joke around
14 sometimes and say we're the Saudi Arabia
15 of water.

16 COUNCILMAN JONES: That's a
17 good point.

18 COMMISSIONER BRUNWASSER: But
19 it's here and we'd love to sell it and
20 spread our capital costs over a larger
21 and larger base, and we certainly are
22 looking at any opportunity.

23 COUNCILMAN JONES: I don't want
24 to jump around on your presentation, but
25 while we are here, we provide this

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2 valuable service to our colleagues in the
3 surrounding counties, but we are limited
4 as to what we can charge them based on
5 what governing body, if you could explain
6 that for the record?

7 COMMISSIONER BRUNWASSER: Well,
8 as you know, we're not overseen by the
9 PUC, but what we do as a utility and as a
10 utility that belongs to all of these
11 other agencies - American Water Works
12 Association, the Water Environment
13 Federation - we're guided by
14 cost-of-service rates or that kind of
15 program whereby we charge our full cost
16 of service, which means depreciation on
17 capital, debt service, of course, and
18 then we are permitted to charge a
19 management fee over on top of that total
20 recovery of cost to us. In other words,
21 that's something in it for us.

22 Now, remember, one of the
23 benefits is simply that we have now -- we
24 have these big plants and we are
25 spreading that capital cost over now not

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2 only Philadelphians but also

3 suburbanites, but we have to have a

4 system whereby our rates can stand up in

5 court as being fair and equitable to all

6 customers. And so we've adopted

7 cost-of-service rates inside City

8 customers and outside City customers.

9 The outside City customers, however, have

10 to pay a fee on top of -- a management

11 fee on top of all costs to the

12 Department. The minimum charge that we

13 have out there for a management fee is

14 ten percent. We have now begun to

15 increase that fee by several percentage

16 points, and, again, these are governed by

17 contracts, many long-term contracts. And

18 we do get pushback from some of our

19 township customers when we increase their

20 rates, and sometimes they want to appeal

21 them to arbitration or even to court, we

22 have to have the -- we have to have -- we

23 have to be on solid ground so that we do

24 not lose the appeals and that the appeals

25 are always upheld by our reviewers. This

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2 is a way to do it. We use cost of
3 service, which is recognized by the
4 industry as being the best way to go in
5 these matters.

6 COUNCILMAN JONES: I'm going to
7 let you finish your presentation, but I
8 understand their concern about not
9 allowing us to become the OPEC of water
10 and forcing the counties into an
11 unmanageable situation by us increasing
12 their cost of providing water. However,
13 conversely, as we look at deficits, as we
14 look at increased costs to deliver the
15 same service, they have to be fair to us
16 to make sure that we are at least
17 recouping our costs and not going in a
18 hole for their ongoing municipal
19 operations.

20 COMMISSIONER BRUNWASSER:

21 Right. Absolutely. So we have to be in
22 a position where we can honestly say that
23 the inside City customers are not
24 subsidizing the suburbs and the suburban
25 customers are not subsidizing the inside

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2 City customers. That is kind of the
3 standard that we operate under, and it's
4 done well for us in the sense that we
5 have not had appeals that have been
6 upheld against us.

7 So these are -- we've skipped
8 ahead a little bit. We have three large
9 water treatment plants, again. These
10 were, again, designed in the '50s and
11 built in the '60s primarily, and they are
12 the jewel of our utility.

13 Pumping stations, we have a
14 number of water pumping stations also
15 around the City. And, you know, both the
16 water system and the sewer system are
17 based on gravity. We use gravity to its
18 utmost to help us move water and sewage
19 through our system so that we don't have
20 to expend tremendous amounts on
21 electricity. And water is held by
22 pressure in the pipes as well. But these
23 are our water pumping stations.

24 Now we'll move to the waste and
25 storm water part of the utility, three

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2 award-winning wastewater plants as well,
3 and we service a great many people on the
4 wastewater side, more so than on the
5 water side. All of the townships,
6 communities that touch Pennsylvania -- I
7 mean, excuse me, in Pennsylvania that
8 touch Philadelphia's borders are our
9 customers, and we don't have much excess
10 capacity on the wastewater side because
11 those plants were designed after the
12 Clean Water Act in the late '70s and the
13 early '80s and built, and by that time,
14 we already took note of a declining
15 population inside of our borders. So
16 those plants, we don't have great
17 capacity left in those particular plants.
18 We're going to -- we can certainly do
19 some capital improvement to gain
20 additional capacity, if necessary.

21 COUNCILMAN JONES: So as our
22 suburban counterparts in some cases
23 expand population, that has an impact on
24 our ability to process increased
25 development --

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2 COMMISSIONER BRUNWASSER:

3 Exactly.

4 COUNCILMAN JONES: -- waste and
5 supply them on the supply side of the
6 water?

7 COMMISSIONER BRUNWASSER:

8 Exactly. We have been in situations
9 where the contracts that some of the
10 townships signed have gotten old. They
11 were exceeding their capacity, and we
12 have -- we don't want them to exceed
13 their capacity, and if they do, we do
14 have rates that will punish them for
15 that. So they have to come in and redo
16 the contract, and we stopped development
17 in some of the suburbs at times when we
18 were not getting the cooperation that we
19 wanted.

20 COUNCILMAN JONES: Certainly
21 that is not our intention --

22 COMMISSIONER BRUNWASSER: No,
23 not at all.

24 COUNCILMAN JONES: -- to stop
25 progress in a recession. We want to

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2 build our way out of it, but also we want
3 to be justly compensated for the services
4 that we provide.

5 COMMISSIONER BRUNWASSER:

6 Exactly. Exactly.

7 So here are our three
8 wastewater treatment plants. They're
9 kind of at the bottom. Philadelphia is
10 at the bottom of all of these drainage
11 areas in Southeastern Pennsylvania and so
12 these are sort of natural places for the
13 wastewater treatment plants to be.

14 We also have a number of
15 wastewater pumping stations to get the
16 sewage up to high points so that gravity
17 can do the rest.

18 Our wastewater service area, as
19 you can see, is very large and extends
20 into areas in Pennsylvania that are not
21 highly populated.

22 We're very in tune with asset
23 management and water accountability. We
24 have driven down our unaccounted for
25 water. Any distribution system, water

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2 distribution system, has leaks. As you
3 know, a lot of the problems that we have
4 are -- I mean, these are all underground
5 and not always obvious to us. The water
6 main break is kind of a surprise and it
7 generally is surprise, and we get about
8 700 or 800 of those surprises each year,
9 but we actually have a better record than
10 the national average.

11 I think if we move to the next
12 chart, we aggressively began replacing
13 our water mains in the early '90s, and
14 because of that, we are now, even though
15 we may be one of the oldest, if not, the
16 oldest system in the country, we actually
17 are doing quite a bit better than the
18 national average, which is 270 water main
19 breaks per thousand miles of water main,
20 and we have been running in the 230 per
21 thousand miles of pipe. So for us, with
22 over 3,000 miles of water main, we will
23 on a typical year have 700 main breaks.

24 Now, this kind of data varies
25 very much, as you might imagine, with

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2 where you're located. Someone in
3 southern Florida or Arizona is not going
4 to have as many water main breaks as we
5 have since they don't experience the
6 freezing/thawing temperatures that we
7 have here. So we're in that temperate
8 zone where between, let's say, December
9 1st and March 15th we've got a lot of
10 days where the temperature goes above or
11 below freezing. And since water expands
12 when it freezes, if there's any flaw, any
13 cracks in our pipes, that's when we often
14 find out about it in the wintertime. We
15 can have as many as 20 main breaks at any
16 given time. Fortunately, most of them
17 are not in those big 48-inch water
18 transmission pipes. When those break,
19 everybody knows about it.

20 COUNCILMAN JONES: What is your
21 average mileage of main replacement
22 annually?

23 COMMISSIONER BRUNWASSER: We do
24 have that chart, and I think we've been
25 running about -- the 13-year average is

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2 19.4 miles, as shown at the bottom of
3 this chart.

4 COUNCILMAN JONES: Is that done
5 primarily in-house or is it contracted
6 out?

7 COMMISSIONER BRUNWASSER: The
8 actual replacement of water mains is
9 basically done contracted out. Some of
10 our own forces do some of the other
11 fixes.

12 COUNCILMAN JONES: What would
13 that represent by way of dollars in
14 contract opportunities, roughly?

15 COMMISSIONER BRUNWASSER:
16 Roughly, we have in our capital budget
17 approximately \$25 million a year for
18 water main replacement and a like amount
19 for sewer main replacement. The sewer
20 mains you do not get as much miles for
21 the dollars, because when you think about
22 a water/sewer system, the sewer pipe is
23 the one on the bottom in the deepest
24 hole, the deepest part of the trench, and
25 the pipe is large, especially those

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2 sewer -- the sewer pipes that have to
3 handle -- they handle the storm water as
4 well. So they're large pipe, deep
5 trenches, and so they have to be --
6 gravity is something we also have to take
7 into account. This is -- so you get
8 maybe ten miles of sewer pipe as opposed
9 to maybe -- well, it's almost like a
10 three-to-one ratio. I think a rule of
11 thumb that we use is for one mile of
12 water main, it costs us about \$1 million
13 to replace one mile of water main on
14 average. Sewer main, you're talking
15 about \$3 million per mile on average.
16 And, again, these averages change with
17 the size of the pipe you're really
18 dealing with.

19 COUNCILMAN JONES: It's some of
20 the strangest things that people don't
21 write about what you get to do as a
22 Councilman. I actually watched your
23 repair work on Allegheny Avenue, which is
24 about a mile from its high point to where
25 it comes out on the river, and I actually

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2 went down into the main, which is an
3 interesting proposition, to say the
4 least.

5 My question becomes, did I
6 understand you to say you do about 25
7 million in main and about 25 million in
8 sewer repair annually for a combination
9 of about \$50 million?

10 COMMISSIONER BRUNWASSER: Yes.
11 That's historically what we've been
12 doing, and, of course, that was a step up
13 from what we had done up until the early
14 1990s. Fortunately for us, our water
15 mains and our sewer mains, our
16 infrastructure, although we grapple with
17 the aging system that we have, they're in
18 reasonably good shape. We are not -- and
19 the reason they're in reasonably good
20 shape is, beginning in the 1990s, we
21 really focused on our infrastructure.

22 COUNCILMAN JONES: I'm going to
23 recognize Councilman Greenlee. One quick
24 question. It seems to me just
25 commonsense logic that these types of

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2 pipe repair and replacement, \$50 million,
3 would have been shovel-ready projects
4 available for the stimulus package. What
5 was our position as a municipality in
6 offering projects like this for the
7 stimulus dollars? And then I'll
8 recognize my colleague, Councilman
9 Greenlee.

10 COMMISSIONER BRUNWASSER: Well,
11 we were told -- we were approached by
12 Pennvest initially, because in the early
13 days, we knew a stimulus package was
14 going to be -- was being put together by
15 President Obama and the Administration,
16 and we didn't know at that time whether
17 funds would be directly sent to the
18 cities. I know Mayor Nutter certainly
19 was one of the mayors that was hoping for
20 the money to come directly, since the
21 cities are the ones that really know
22 where the money is needed.

23 But anyway, as far as water and
24 sewer infrastructure projects, the
25 federal government decided to use the

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2 state revolving loan funds, which in
3 Pennsylvania means Pennvest, and the
4 reason they did that is because they're
5 already set up to distribute both federal
6 money and their own money. And so this
7 was a way of vetting the federal dollars.
8 And so when we met with Pennvest, we were
9 told because it's stimulus money, we want
10 shovel-ready projects. We happen to have
11 a lot of shovel-ready projects. That
12 means plans and specs were already --
13 were almost ready for bid.

14 COUNCILMAN JONES: What was
15 your estimate of that availability by way
16 of dollar amount in contract
17 opportunities that could have been put on
18 the table and just shovel ready?

19 COMMISSIONER BRUNWASSER: Well,
20 we had approximately -- we were only
21 going to -- we didn't know we should put
22 in for all of them, but we were told,
23 Well, put in for all of them. We were
24 shocked with the results. But what we
25 did is, we put in for about \$240 million

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2 of shovel-ready contracts.

3 COUNCILMAN JONES: Two hundred
4 and forty million, which would then be
5 replacement of mains?

6 COMMISSIONER BRUNWASSER: Yes.

7 COUNCILMAN JONES: Sewers?

8 COMMISSIONER BRUNWASSER: Yes,
9 because we design these all the time.

10 COUNCILMAN JONES: So you
11 already had a pipeline?

12 COMMISSIONER BRUNWASSER: Yes.
13 Yes.

14 COUNCILMAN JONES: So what was
15 the response? How much did we get?

16 COMMISSIONER BRUNWASSER: We
17 received overall 215 million of our 241
18 million, I believe, request, which
19 knocked our socks off. We did not expect
20 this.

21 Now, the difference is, these
22 are low-interest loans and they are
23 administered exactly like Pennvest loans
24 have been in the past. The true stimulus
25 dollars that attach to this \$215 million

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2 only amounts to \$200,000.

3 COUNCILMAN JONES: Say that
4 again.

5 COMMISSIONER BRUNWASSER:
6 Technically, \$200,000 of stimulus money
7 is part of the \$215 million loans from
8 Pennvest. Almost the entire amount is
9 actually Pennvest loan money.

10 COUNCILMAN JONES: I'm going to
11 let -- I'm going to digest that a minute.

12 COUNCILMAN GREENLEE: Thank
13 you, Mr. Chairman.

14 Good morning, everyone.

15 COMMISSIONER BRUNWASSER: Good
16 morning.

17 COUNCILMAN GREENLEE: Just to
18 get back a little bit on the basic, on
19 the water and sewer main replacements.
20 Are most of that based on problems that
21 arise when you decide which ones --

22 COMMISSIONER BRUNWASSER: Yes.

23 COUNCILMAN GREENLEE: -- or a
24 lot of it is just age? Do you check to
25 see how long --

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2 COMMISSIONER BRUNWASSER: It's
3 a combination. We aggressively check our
4 system. On the sewer side, we typically
5 actually inspect maybe 1,200 to 1,500
6 miles of sewer each year. And we had a
7 major sewer assessment program just
8 recently, and we've continued that.
9 Fortunately for us and almost
10 surprisingly, our sewer system was in
11 much better condition than we had
12 anticipated. These brick sewers that
13 were built 100 or more years ago have
14 held up beautifully in many cases.

15 COUNCILMAN GREENLEE: They were
16 built to stay.

17 COMMISSIONER BRUNWASSER: But,
18 yes. We have a point system internally
19 that we've used for many years to
20 determine -- it's a combination of age,
21 combination of material that was used,
22 combination of main breaks that we've
23 experienced, maybe small main breaks, and
24 other things that -- a few other things
25 that give us a point system for how to

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2 rank the next group of water mains or the
3 next group of sewer mains to be replaced.

4 So it's served us quite well.

5 COUNCILMAN GREENLEE: Do you
6 have to change that much given -- is
7 there any increase in breaks recently
8 given the age and any of that or does it
9 stay about the same?

10 COMMISSIONER BRUNWASSER: The
11 biggest single factor that affects the
12 number seems to be the temperature of the
13 water inside the pipe. When the
14 temperature of the water inside the pipe,
15 in the sewer pipe -- or excuse me; water
16 main approaches 40 degrees, we see quite
17 an uptick, and it makes some of the pipes
18 a little more brittle. If there's a flaw
19 already, it tends to expand. And that's
20 kind of the way we operate.

21 Sometimes a pipe that's 115
22 years old is perfectly fine and has an
23 excellent history. There are a lot of
24 determining factors. Soil condition is
25 another. Stray electric currents is

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2 another, and also truck traffic on some
3 roads are also a factor.

4 COUNCILMAN GREENLEE: I
5 remember years ago somebody from the
6 Water Department saying at a hearing many
7 years ago that, in a sense, everybody
8 just hopes that a lot of these just don't
9 break at one time, it could be a big
10 problem. But it doesn't seem to have
11 changed that much over the years from
12 what you're saying.

13 COMMISSIONER BRUNWASSER: We
14 have our forces -- we have seen
15 improvement, as the chart will show you.
16 We were above 270 some years back, and we
17 drove it down really by becoming very
18 aggressive.

19 COUNCILMAN GREENLEE: Okay.

20 COMMISSIONER BRUNWASSER:
21 Again, it's hard to dig up 20 miles of
22 street in the City. It's hard on folks
23 and neighborhoods, but fortunately, if we
24 put it in properly with -- we use the
25 best materials we can get, because that's

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2 the cheapest thing -- that's the best
3 thing to do. In the long run, the
4 cheapest thing to do. We use ductile
5 iron. And if that pipe goes in the
6 ground without getting bumped or cracked
7 or whatever, that pipe might be in there
8 indefinitely. And that's the way we're
9 managing it, because we don't have the
10 kind of money to replace, let's say, one
11 and a half percent of our stock per year.
12 That would be just too expensive --

13 COUNCILMAN GREENLEE: Too much
14 to handle.

15 COMMISSIONER BRUNWASSER: -- in
16 Philadelphia.

17 So I think all of these things
18 are in balance. All of these things that
19 we do are balanced between what's
20 affordable to the citizens and what we
21 should be doing. If we had all the money
22 in the world, we'd love to do more,
23 but...

24 COUNCILMAN GREENLEE: I got
25 you. All right. Thank you.

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2 Thank you, Mr. Chairman.

3 COUNCILMAN JONES: Thank you.

4 What I want to do is summarize
5 the rest of your testimony, because
6 you've agreed to be around for different
7 portions of this, and we've segregated
8 this out to hit different -- because you
9 are such a major department and major
10 resource in the City of Philadelphia, we
11 broke it out, and I want to usurp the
12 schedule to allow Mr. Shabazz from
13 Overbrook Environmental to come up and
14 testify and get his needed testimony in.

15 One other quick question while
16 he makes his way up, you mention on the
17 stimulus money only 200,000. That does
18 not include the 30 million for rainwater
19 runoff?

20 COMMISSIONER BRUNWASSER: Yeah.
21 The green actually --

22 COUNCILMAN JONES: Can you put
23 that on the record?

24 COMMISSIONER BRUNWASSER: Yeah.
25 The green is entirely Pennvest loan

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2 funds, which actually is a benefit to us,
3 because stimulus money projects have a
4 tremendously fast timetable, and with the
5 green projects, since we don't have a
6 long history of doing green projects in
7 the City by the Water Department, we
8 would like to take enough time to make
9 sure we design a proper program for us
10 here that will do the most benefit for us
11 and give us the most bang for the buck.

12 COUNCILMAN JONES: Well, thank
13 you, and I'd like you to stick around. I
14 want to get the other testimony in, and
15 then we're going to call on you to
16 proceed again, and I appreciate your
17 patience.

18 THE CLERK: Our next witness is
19 Jerome Shabazz, Overbrook Environmental
20 Center. Will Mr. Shabazz and those
21 accompanying him please take the witness
22 stand. Thank you.

23 (Witnesses approached witness
24 table.)

25 MR. SHABAZZ: Good morning,

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2 Councilman.

3 COUNCILMAN JONES: Good
4 morning.

5 MR. SHABAZZ: I want to thank
6 you for this --

7 COUNCILMAN JONES: State your
8 name for the record.

9 MR. SHABAZZ: Jerome Shabazz.
10 Todd Woodward, Susan Maxman Partners
11 Architecture.

12 I want to thank you for this
13 invitation to speak today at this hearing
14 regarding innovation water projects,
15 community education in Philadelphia.

16 Again, my name is Jerome Shabazz. I'm
17 the Executive Director of JASTECH
18 Development Services, Inc. I am here
19 with architect Todd Woodward of SMP
20 Architects in Philadelphia.

21 JASTECH is an acronym for
22 Juveniles Active in Science and
23 Technology. JASTECH was established in
24 1998. It's an all-volunteer,
25 not-for-profit, 501(c)(3) organization

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2 dedicated to fulfilling four principal
3 objectives. One, to improve public
4 health; to promote workforce development;
5 to enhance literacy; and to restore and
6 conserve the built and natural
7 environments.

8 In 2002, JASTECH established
9 the Overbrook Environmental Education
10 Center, also known as the OEEC, to
11 promote its environmental objectives.
12 The OEEC was initially tasked with
13 developing an academic curriculum that
14 promotes environmental awareness and
15 stewardship for urban communities. Its
16 programming was designed to promote
17 student and community involvement in the
18 environment.

19 In the spring 2002, under the
20 stewardship of Overbrook High School's
21 principal, Ms. Yvonne Jones, and their
22 Service-Learning Coordinator, Ms. Lillian
23 Robinson, Overbrook High's Environmental
24 Education Service-Learning Program
25 adopted the OEEC curriculum.

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2 The goal of this curriculum was
3 envisioned to promote active student
4 participation and improved academic
5 performance. Within months of engaging
6 in our programming, students at Overbrook
7 were buzzing with activity and a sense of
8 renewed purpose towards environmental
9 education. Their English teachers were
10 teaching their students how to journal on
11 environmental issues. Their math
12 teachers were helping students calculate
13 rain flow. Science teachers were
14 examining the rich environmental
15 footprint of the Overbrook area.

16 And for all of this time, our
17 students were working within their
18 classrooms and never really had a chance
19 to go out of the classroom to explore the
20 richness of the environment. As a
21 result, the high school, Overbrook High
22 School, students were engaged to both
23 physically and mentally leave the four
24 walls of their school to think about
25 their environment and to develop

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2 solutions for the environment surrounding
3 the school. And this for them was a
4 novel idea, that they would go into the
5 environment to learn about the
6 environment.

7 It was at this point in the
8 curriculum that we began to engage
9 community partners. Agencies such as the
10 Pennsylvania Department of Environmental
11 Protection and the Philadelphia Water
12 Department were an invaluable resource of
13 information and talent.

14 Our students were able to visit
15 water and wastewater treatment plant
16 facilities. They participated in
17 labeling programs where they labeled
18 storm water catch basins. They cleaned
19 neighborhood creek embankments such as
20 the Indian Creek at Morris Park and more.
21 In short, the success with our program
22 was in part made possible because of our
23 partnerships. The Philadelphia Water
24 Department was a great community partner,
25 with talented and engaged employees such

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2 as Glen Abrams, Drew Brown and Laureen
3 Boles, all who presented a wealth of
4 educational and service-learning projects
5 to our students.

6 After supporting 95 students
7 over the course of 24 months at the
8 Overbrook High School, administrators
9 were convinced that their students
10 benefited from both the visual and
11 participatory learning style that was
12 offered in the OEEC program. The results
13 were impressive and were reflected by
14 improved grades and renewed student
15 performance. Our working theme became
16 "Students Learn By Doing."

17 As such, we built on the
18 success at Overbrook High School and
19 JASTECH obtained control over a
20 dilapidated 45,000 square foot
21 brownfields facility at 6130 to 6150
22 Lancaster Avenue, which is in the 4th
23 Councilmanic District. This site used to
24 be a former A&P Market and Philadelphia
25 Building Supply Center. The site would

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2 become the new home of the Overbrook
3 Environmental Education Facility.

4 All phases of the Center's
5 restoration became a learning opportunity
6 for our students. Issues related to
7 environmental justice, brownfield
8 remediation, storm water management,
9 community restoration and renewable
10 energy were all embodied in our new
11 curriculum development. And, again, our
12 community partners became an essential
13 part of our developmental success. In
14 this instance, we partnered with agencies
15 such as the PA Department of
16 Environmental Protection, Coastal Zone
17 Management, EPA, Fairmount Park, Penn
18 State University's Extension Services,
19 the City's Brownfield Redevelopment and
20 Watersheds Departments, and a very key
21 partner for us was the American Institute
22 of Architecture's Community Design
23 Collaborative. All of our partners
24 provided essential design support to
25 develop this facility.

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2 In addition to our community
3 partners, JASTECH was able to assemble an
4 excellent design team with background in
5 renewable energy, conservation and
6 sustainability development. Our lead
7 architect, who is with us today, Todd
8 Woodward of SMP Architects; our landscape
9 architect, Tavis Dockwiller from Viridian
10 Landscape Studio; our civil engineer, FX
11 Browne; and construction managers, Turner
12 Construction, were all an essential part
13 of developing our environmental center.

14 The excellence of the OEEC
15 design is that it is both a physical
16 demonstration site of environmental best
17 management practices and an educational
18 curriculum.

19 The OEEC project provides for
20 the public an active model of pollution
21 controls and storm water management
22 processes as they work. Students enjoy
23 and benefit from the urban environmental
24 educational laboratory, and the community
25 can witness in a simplified way the

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2 progressive environmental concepts and
3 practices exhibited at the site.

4 The Philadelphia Water
5 Department was also helpful in
6 identifying regional issues related to
7 storm water management. Our storm water
8 management at the OEEC systems as a
9 result are designed to use bioretention
10 basins, swales, green roof systems and
11 pervious surfaces to manage our site's
12 storm water.

13 Through the use of porous
14 pavers and asphalt in the parking and
15 courtyard areas, reduced rainwater flows
16 prevent rainwater runoff into the
17 municipal combined sanitary sewers.

18 In addition, the reduction of
19 rainwater on Lancaster Avenue's combined
20 sewers in turn reduces non-source point
21 pollution while slowly returning storm
22 water back to its aquifers, creeks and
23 streams. The basins filters pollutants
24 and traps them in the pavement stone
25 course, cools storm water temperature and

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2 demonstrates technologies that can be
3 used on new sites and site retrofits
4 throughout urban areas.

5 The implementation of our
6 bioretention systems is designed to
7 demonstrate environmental best practices.
8 And our environmentally responsible
9 design, in time, will permit healing of
10 the aquatic ecosystems of the tidal
11 Schuylkill River. As storm water
12 disappears into the pavement rather than
13 off of it, the OEEC demonstrates passive
14 environmental remediation in an urban
15 setting.

16 To date, the Overbrook
17 Environmental Education Center currently
18 harvests and collects hundreds of
19 thousands of gallons of storm water on
20 its site. This reduces the burden on our
21 city's combined sewers, the need for
22 superficial irrigation, and supports
23 indigenous plant growth. The OEEC has
24 served over 600 school students from six
25 area schools and it is in walking

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2 distance of over 5,000 school-age
3 students.

4 The essence and purpose of this
5 testimony is to support the role of the
6 Philadelphia Water Department as a
7 partner in supporting urban
8 sustainability. Their talent, expertise
9 and resources are essential and should be
10 expanded as a part of support for
11 non-profits and community groups who are
12 moving towards making Philadelphia one of
13 the greenest cities in the United States.

14 Thank you very much, and I
15 would like to defer to our architect for
16 questions.

17 COUNCILMAN JONES: Can I also
18 ask Ms. Sandra Glenn from American Cities
19 to join you so we can combine this?
20 Because I'm going to ask the same
21 question over, and rather than ask it
22 twice, I can ask it one time and the
23 panel can respond.

24 (Witness approached witness
25 table.)

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2 MR. WOODWARD: I guess I would
3 only add to --

4 COUNCILMAN JONES: State your
5 name again.

6 MR. WOODWARD: Oh, I'm sorry.
7 Todd Woodward.

8 I would only add to Jerome's
9 comments. The idea that one of the
10 things that's truly innovative here I
11 think is the connections that Jerome and
12 his group see between things, the idea
13 that storm water management is connected
14 to other environmental issues, that
15 environmental issues are connected to
16 education, that education and the
17 environment are connected to economic
18 development. I think that sense of
19 connection between things that sometimes
20 we see as independent is one of the
21 strengths of his program. And that's
22 really the only thing I'd like to add to
23 that.

24 COUNCILMAN JONES: I'm going to
25 hold my questions. I'm going to allow

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2 Ms. Glenn, if you wood, to provide
3 testimony, and then I have -- I kind of
4 know what you guys do, so, therefore,
5 when I ask the question, it can be
6 answered by either of you.

7 Ms. Glenn.

8 MS. DUNGEE GLENN: Thank you,
9 Councilman, and good morning.

10 COUNCILMAN JONES: Good
11 morning.

12 MS. DUNGEE GLENN: Good
13 morning, Councilman.

14 Before starting, first of all,
15 let me just introduce myself. My name is
16 Sandra Dungee Glenn and I'm President and
17 CEO of the American Cities Foundation. I
18 do have formal testimony, Councilman, I
19 would like to present.

20 Before starting my formal
21 remarks, though, I would like to extend
22 wishes for a speedy recovery to a
23 Philadelphia Water Department employee,
24 Loretta Palmer, who was injured while on
25 the job yesterday. Very few of us

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2 realize the tremendous service that these
3 workers do, often under very dangerous
4 conditions. I had the pleasure as one of
5 my first jobs to be a health and safety
6 trainer with PhilaPOSH, Philadelphia Area
7 Project on Occupational Safety and
8 Health, and I did health and safety
9 training for members of Local 394 of
10 AFSCME. So I understand the tremendous
11 service that they do and I want to thank
12 them for that and other members of the
13 Water Department.

14 I want to thank you,
15 Councilman, and members of your Committee
16 for the invitation to speak on issues
17 related to the Philadelphia Water
18 Department, particularly the issues of
19 storm water management, green
20 infrastructure and the opportunity to
21 create employment and revenue for
22 Philadelphia residents and businesses.

23 Since 1992, American Cities
24 Foundation, or ACF, has worked to improve
25 the quality of life for urban children,

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2 youth and families through systemic
3 change. Our programs connect specific
4 constituencies to initiatives designed to
5 revitalize and uplift urban communities.
6 These initiatives include youth and adult
7 workforce development, small business
8 development and environmental
9 conservation.

10 In 2004, ACF created Project
11 NEAT, Neighborhood Environmental Action
12 Team, a program designed to educate
13 residents in West, North and Southwest
14 Philadelphia about storm water best
15 management practices through the
16 implementation of physical improvement
17 demonstration projects conducted in our
18 targeted areas. Such projects included
19 tree plantings, debris removal, rain
20 barrel installation, and community
21 outreach surveys and educational forums.
22 Many were conducted in partnership with
23 the Philadelphia Water Department and
24 with JASTECH, and one example of our work
25 and partnerships is around the Mill Creek

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2 Farms, which you may have read about
3 recently, and we are very hopeful that
4 the issues related to the control and use
5 of the land that the Mill Creek Farms is
6 currently on, which is, again, a good
7 example of storm water management, are
8 resolved so that that community farm can
9 continue and can grow.

10 To deliver these services,
11 Project NEAT included a green-collar job
12 training and job placement program for
13 low-income men and women, many of whom
14 were ex-offenders. These community
15 residents were the front-line workforce
16 known as the NEAT Teams for all hands-on
17 environmental efforts and direct services
18 conducted by ACF.

19 In 2008, we expanded Project
20 NEAT to include Dr. Raquel Pinderhughes'
21 Pathway Out of Poverty Green Collar
22 Workforce Training and Development
23 strategy, which targets individuals with
24 significant barriers to employment.
25 Dr. Pinderhughes defines green-collar

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jobs as blue-collar jobs or manual labor
jobs that directly improve environmental
quality. Using the Pinderhughes model,
ACF's Pathway Out of Poverty Work Group
enhanced Project NEAT's green-collar
workforce training program by creating
more formal and stronger ties to
employers and labor unions, providing job
readiness skill building, environmental
literacy training, and developing core
competencies in five green-collar job
training areas, including landscaping,
vacant land management and tree planting.

In May 2009, 25 participants
with barriers to employment completed
Project NEAT's first green-collar
workforce training cohort using this
enhanced job training and are currently
being placed in jobs.

With this backdrop, ACF sees
your review of the Philadelphia Water
Department's proposed investment in
infrastructure and storm water management
as very timely.

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2 As stated in your authorizing
3 resolution, President Obama's
4 Administration has made investment in
5 urban infrastructure a priority under the
6 American Recovery and Reinvestment Act.
7 Further, Green Works Philadelphia targets
8 storm water management as a strategy to
9 create healthier neighborhoods by, quote,
10 "planting thousands of new street trees,
11 increasing the amount of green and open
12 space, using pervious pavement on parking
13 lots and playgrounds, building green
14 roofs and distributing rainwater
15 collection barrels to homeowners." The
16 Philadelphia Water Department recognizes
17 these low-impact development strategies
18 as storm water best management practices
19 and encourages their incorporation in
20 land maintenance and redevelopment
21 strategies. ACF supports the Water
22 Department's Green City program and its
23 planned investment in green
24 infrastructure as a way to lessen the
25 strain on our sewer system and protect

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2 our rivers and streams. Our past
3 experience tells us that currently
4 unemployed Philadelphians can be prepared
5 to work on many of these projects.

6 These investments create a
7 unique opportunity to, one, support a
8 "pathways out of poverty" workforce
9 development model connecting youth and
10 adults with barriers to employment to job
11 training and entry-level jobs at livable
12 wages; two, provide increased
13 opportunities for disadvantaged
14 businesses to contract on public and
15 private-sector projects; and, three,
16 enhance the quality of life, conserve
17 energy and raise property values in
18 low-income neighborhoods through green
19 infrastructure.

20 ACF strongly urges City Council
21 to ensure that the Philadelphia Water
22 Department develops regulations and
23 processes that require the investment of
24 public and stimulus dollars in a way that
25 yields improvements in water quality,

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2 infrastructure and social equity.

3 Through the thoughtful and
4 intentional design of RFPs, contracting,
5 subcontracting and hiring protocols, the
6 Water Department capital investments can
7 create a pipeline for workers prepared
8 for jobs with contractors in storm water
9 management and land care projects; can
10 provide contracting and subcontracting
11 opportunities for Philadelphia-based MBEs
12 and WBEs in the design and construction
13 of these infrastructure projects; and can
14 advance the City of Philadelphia's goals
15 to double the number of low- and
16 high-skill jobs in the growing arena of
17 conservation and sustainability.

18 I thank you again for providing
19 this forum, and we look forward to
20 working with you on this important
21 endeavor.

22 COUNCILMAN JONES: Thank you.

23 Panelists -- and the reason why
24 I bunched you together is, I happen to
25 have the advantage as Chair having talked

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2 to all of you and kind of have a sense of
3 what your mission statements are and what
4 your contributions have been, and my
5 questions will be as follows:

6 In commonsense language,
7 everybody has been waiting for this green
8 revolution, and I kind of see that it
9 kind of connects with some strategic
10 partners such as the Water Department,
11 such as what you do within your
12 respective organizations, the unions, the
13 contractors to create what I will call a
14 real stimulus for real people that are
15 looking for this work.

16 Define for me what a rain
17 garden, a retention basin can mean by way
18 of a job description for people in this
19 green-collar revolution.

20 MR. SHABAZZ: Well, what we are
21 looking at is ultimately trying to reduce
22 our dependency on fuels that are not
23 renewable, and as such, in order to
24 mitigate our dependency on fuels, fossil
25 fuels in particular, there are a variety

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2 of best practices that can be used that
3 will enable us to go into that direction.

4 As it relates to storm water,
5 on the simplest and most passive means by
6 which you can improve water quality is
7 through retention on site as opposed to
8 the rainwater running off into municipal
9 systems.

10 COUNCILMAN JONES: They cited
11 90 percent of our pollution comes from
12 that rainwater runoff.

13 MR. SHABAZZ: And as such,
14 encouraging more pervious surfacing
15 within the City is a very simple idea.
16 In so doing, jobs can be created around
17 the idea of establishing pervious
18 services, of installing rainwater
19 barrels, rain barrels, so that you can
20 collect storm water, cisterns so that you
21 can collect storm water and, more
22 importantly, the educational
23 infrastructure that allows people to
24 understand that water is a resource and
25 there's value in such.

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2 MS. DUNGEE GLENN: I would just
3 add that one of the things we found, for
4 example, by participating on the tree
5 plantings just as one example. I think
6 we were able to work together in
7 partnership with a number of groups and
8 planted over a thousand trees in roughly
9 three years that we ran our Project NEAT.
10 Each tree required, because we live in
11 concrete neighborhoods with pavements,
12 concrete cuts, where you physically had
13 to go with these -- and I'm not the
14 expert, but the heavy-duty machinery that
15 we trained our workers to use, and we
16 gave them the OSHA training so they could
17 do that safely, to remove the concrete,
18 move that out, physically plant the
19 trees. That is a -- if you do that over
20 and over and over again -- and the Mayor
21 has plans for planting, I believe,
22 30,000, a very large number of trees over
23 the next five to ten years. Each of them
24 are going to require manual labor, if you
25 will, to get that done.

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2 We have thousands of acres of
3 vacant land that need to be maintained,
4 again, for better retention of storm
5 water, but they have to be maintained,
6 grass has to be cut, shrubs have to be
7 pulled up, and they can be replanted with
8 certain types of plants that make them
9 even better retainers. That, too,
10 landscaping, land care type jobs, are the
11 result of that.

12 So there are thousands of
13 opportunities around this City, not just
14 through the stimulus but really just
15 through good practices, that really
16 become viable jobs, easily trained for
17 that are going to need to be sustained
18 for the foreseeable future.

19 COUNCILMAN JONES:

20 Vice-President Biden -- and I'll let you
21 respond. Vice-President Biden in an
22 example of just using one window produced
23 in the United States showed all of the
24 jobs that were created, from the chemist,
25 to the glazer, to the installer, to the

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2 person who provided the rubber around the
3 rim of the frame of the -- and showed all
4 of these jobs and how it could be an
5 economic development stimulus. And I'm
6 wondering when we start talking about a
7 rain garden, you're talking about someone
8 who has to know something about plumbing,
9 someone who has probably some brick mason
10 skills, someone who has to know about
11 botany, somebody who has to know about
12 water and chemical and what kinds of
13 plants will absorb certain types of
14 chemicals. So all of these skill sets
15 are combined into someone that can be a
16 high school graduate and work towards
17 maintaining, installing and developing
18 designs for these rain gardens. And I'm
19 just excited about what that can mean to
20 a high school student that might even be
21 trained to be able to maintain these
22 things for decades in the future. And
23 that's, I guess --

24 MR. WOODWARD: Actually, that's
25 in line with the kind of thing that I was

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2 going to say, that a lot of the work
3 involved in creating a rain garden is not
4 all that different from creating another
5 landscape or another kind of garden.
6 It's just about how you do it, what
7 plants you select. The mix of soils
8 might be slightly different, but the work
9 is not difficult to train for or
10 difficult to sort of shift to if you've
11 been doing traditional, quote,
12 landscaping work in the past. So the
13 design might be different, but I think
14 the actual work involved in installing is
15 very similar and also not difficult to
16 train for.

17 COUNCILMAN JONES: So, I mean,
18 are you working with the Water Department
19 to create these type of pathways that --
20 eventually it's my understanding -- and
21 they'll speak to that later -- that we
22 are going to be seeing these beautiful
23 rain gardens in Philadelphia's green
24 future. The question becomes, is there a
25 connection with the public schools or the

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2 parochial schools that says to a young
3 person in ninth grade that if you take
4 the following courses in botany and
5 general plumbing, that at some point
6 you're going to wind up in a union hall
7 or you're going to wind up in a
8 contracting situation or as an employee
9 of the Water Department? Is there a
10 pathway for those skill sets and is
11 there, at the end of the rainbow, a
12 subcontracting opportunity being
13 developed from your vantage point as
14 concerned folk in the green revolution?

15 MR. SHABAZZ: Well, the short
16 answer, from our vantage point, that we
17 can do better. We can create better
18 pathways. There are schools in the
19 Philadelphia school system that have
20 academies that focus on very specific
21 outcomes for their students. We should
22 have a water quality academy. There
23 should be a school that specifically
24 focuses on water quality and landscaping
25 and the kind of best practices that

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2 relate to retaining and protecting storm
3 water.

4 However, as an existing
5 low-hanging fruit type of response, we
6 can upgrade the level of actual
7 in-classroom participation with
8 information related to these subjects. I
9 think that's something that we can
10 encourage right away.

11 COUNCILMAN JONES: All right.

12 MS. DUNGEE GLENN: Councilman,
13 if I may add, I think that was one of the
14 things we were hoping that through your
15 hearings and through the testimony that
16 you're gathering, you might help us to
17 encourage and then sometimes be the
18 facilitator. We look forward to
19 opportunities to talk with the
20 Commissioner and members of the Water
21 Department about what a workforce
22 development pipeline might look like as
23 well as educational development, but I
24 think that thinking through those
25 strategies and thinking through these

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2 pending investments and how they may be
3 used to demonstrate that is how Council
4 could help us think about what does a
5 model look like and do we now take this
6 opportunity with these large investments
7 being made to test it out, if you would.
8 And so that may be -- that's hopefully
9 one of the things that may come out of
10 this gathering.

11 COUNCILMAN JONES: That's a
12 part of the reason why we're doing this,
13 but I was pleasantly surprised when I met
14 with the Water Department about their
15 eagerness to actually do this. One of
16 the challenges before them is creating a
17 pipeline of skilled tradespersons to
18 fulfill jobs now but also into the
19 future.

20 So we're excited about it, but
21 the kind of -- being excited and being
22 action oriented is two different things,
23 and one of the parts of the reasons for
24 hearings like this is to get us on track
25 so that we work together and kind of

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2 establish a record that we have

3 intentions of doing so.

4 So I thank you for your
5 testimony.

6 MS. DUNGEE GLENN: Thank you.

7 MR. SHABAZZ: Thank you.

8 COUNCILMAN JONES: Can you
9 introduce the next panel, please.

10 THE CLERK: Would the
11 representative from Bond Construction and
12 Lynne Williams from the African American
13 Chamber of Commerce please take the
14 witness stand.

15 (Witnesses approached witness
16 table.

17 COUNCILMAN JONES: Thank you so
18 much for your patience. Can you state
19 your name for the record.

20 MS. WILLIAMS: Thank you as
21 well. My name is Lynne Williams, the
22 Program Manager from the African American
23 Chamber of Commerce. Thank you so much,
24 Councilman, and your committee for asking
25 us to testify.

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2 MR. DERRY: I'm Joe Derry from
3 Bond Construction, and I'm pleased to be
4 here, Mr. Chairman.

5 COUNCILMAN JONES: Thank you.

6 Proceed with your testimony.

7 MS. WILLIAMS: Thank you. The
8 African American Chamber of Commerce
9 would like to thank the members of
10 Council and again Councilman Curtis Jones
11 for the opportunity to testify on behalf
12 of the small businesses in our city. As
13 you know, the Chamber for 16 years has
14 historically advocated for small
15 businesses in every industry. Today,
16 with the inception of green and its
17 opportunities for WBE/MBE/DBE inclusion,
18 we have stepped up our informational and
19 educational pathway through networking
20 events, workshops and in the addition of
21 weekly e-blasts for our members, as well
22 as beginning a young entrepreneur
23 training program.

24 The Philadelphia Water
25 Department for the last 200 years has

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2 provided services to our residents,
3 industries and protected our resources
4 with a safe and abundant supply of water
5 to their customers, large and small.
6 However, time has evolved and the need to
7 upgrade and provide a new and innovative
8 way to offer services has come through
9 the ARRA Act of 2009. The Chamber
10 encourages economic development and
11 operational fortitude with a focus on job
12 creation that will last economically for
13 our small businesses for the next 200
14 years.

15 There has been much discussion
16 on the need to go green.

17 Environmentally, the Philadelphia Water
18 Department is the greatest asset to
19 partake of the stimulus dollars. The
20 need for new infrastructure that will
21 promote and create jobs and offer tax
22 credits specifically for small businesses
23 will induce economic stability and
24 generate revenue for our city and the
25 region.

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2 The development of partnerships
3 with residents and small businesses who
4 often reside in their local communities
5 provides an opportunity to collaborate on
6 issues that affect their bottom line and
7 enable them to put food on their table.

8 The stimulus act of 2009 gives small
9 businesses an opportunity to participate
10 in history. With suggested modifications
11 and a low-cost investment for some,
12 businesses will become environmentally
13 friendly and realize over time less money
14 going out.

15 The goal of the new government
16 spending is to create new jobs, with
17 heavy focus on renewable energy. Many
18 small businesses in industries such as
19 transportation and renewable energy are
20 the kind of businesses that will benefit
21 from the stimulus act of 2009. In
22 addition, to name a few jobs where our
23 small businesses will have an impact
24 environmentally are stream cleanup, water
25 quality monitoring, restoration projects,

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2 storm drains and parks, as has been
3 previously mentioned. The trillions of
4 dollars offered by our government will
5 enable that development and the creation
6 of jobs for many MBE, MBE and DBE
7 certified contractors and subcontractors
8 in our region. I know I have made this
9 statement many times before to those of
10 you that have heard me speak. However,
11 let it be known the City of Philadelphia
12 has certified, ready-to-work contractors
13 waiting for the call from PWD. We have
14 professional service providers with
15 proven track records that are tax-paying,
16 revenue-building, long-term business
17 owners in our city ready to go to work.

18 Businesses will be able to sell
19 green products and offer green services
20 through expense reduction and tax breaks.
21 Expenses can be reduced by implementing
22 green or sustainable business practices.
23 PWD will benefit from utilizing small
24 businesses as consultants and private
25 contractors who are experienced,

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2 trainable and can design, engineer,
3 manufacture, distribute, market, install
4 or service devices, repair and/or replace
5 old water mains and pollution control
6 facilities.

7 Environmentally, we need to
8 take conscious measures to reduce the
9 negative impact on our communities by
10 creating an infrastructure to overhaul
11 our antiquated water systems, although I
12 did hear the Commissioner say that we're
13 on point. We understand not all small
14 businesses will be in a position to
15 benefit from this opportunity. However,
16 the fact is, the 2009 stimulus act does
17 exist and it is real.

18 Depending upon whether you are
19 a provider and/or user in these economic
20 times, the benefits of job creation and
21 its long-term impact is gaining momentum
22 with the impetus originating at the
23 highest level of our country's
24 government. With the legislative acts,
25 this new green economy is expected to

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2 boom with revenues projected at more than
3 \$4 trillion by the year 2030. Aside from
4 the obvious economic benefits, the social
5 implication that enables small businesses
6 to benefit from revenue generation and
7 job creation will have an impact for many
8 years to come.

9 Additionally, with increased
10 profitability comes an opportunity to do
11 what they have not done before, and, that
12 is, delving into products and services
13 for renewable energy and modifying their
14 own business infrastructure. While these
15 steps will not guarantee success, it will
16 increase their chances to be in the
17 running. A suggestion for those
18 interested can be the establishment of
19 more watersheds, some of which are
20 already set up in surrounding
21 municipalities. It is an effort that
22 connects residents, businesses and
23 government as neighbors and active
24 stewards to protect, enhance and restore
25 the beneficial uses of our waterways.

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2 This is proven to be a vested initiative
3 in the planning of our environmental
4 future and for our communities.

5 The African American Chamber
6 will participate actively to ensure
7 qualified contractors and subcontractors
8 are given a fair opportunity to apply
9 when the time comes, for our small
10 businesses can take advantage of the
11 stimulus money. We would also like to be
12 able to be the local oversight agency to
13 ensure their participation and compliance
14 is maintained and accurate records are
15 kept.

16 We thank you for this
17 opportunity, and, once again, we are
18 there for you to help.

19 COUNCILMAN JONES: Thank you so
20 much.

21 Mr. Bond.

22 MR. DERRY: Yes. My name is
23 Joe Derry. I'm with Bond Construction.
24 I have been actively involved in
25 construction in and outside of the City

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2 of Philadelphia for approximately the
3 last 40 years. I think when I first
4 started, Mr. Baxter was the Commissioner
5 of Water and --

6 COUNCILMAN JONES: Can you move
7 the mike to you.

8 MR. DERRY: Very good. Thank
9 you.

10 I have not done a lot of work
11 with the Water Department. I have been
12 involved in buildings that have tied into
13 the water system as well as the storm
14 source.

15 Some of my background prior to
16 coming to Bond, I was the Founder and
17 Chairman of Parametric Construction
18 Management Company, and engineering and
19 construction. We worked pretty much over
20 the East Coast of the United States. In
21 Atlanta, we provided a survey for the
22 City of Atlanta for their Chattahoochee
23 River Control Project, where they did
24 orthographic surveys and mapping of the
25 city's five water basins, and we did the

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2 surveys for the ground control for that
3 mapping.

4 For the United States Corps of
5 Engineers, we surveyed the Mississippi
6 River, from Louisiana all the way up into
7 Arkansas, some 900 miles of Mississippi
8 River crossings -- cross sections.

9 In West Africa, we designed and
10 built an earth dam on the Niger River,
11 which was used to impound border -- they
12 have a rainy season that goes from about
13 June 1st to the 1st of October, which
14 generates about 128 to 130 inches of
15 water over that period of time, and we --
16 the purpose of the dam was to capture the
17 rainwater and extend the rice growing
18 season by five months. That was done.
19 It was about nine meters high and about
20 1,200 meters long, and it impounded a lot
21 of water, but we did do that about 14, 15
22 years ago.

23 I am very much interested in
24 the Water Department's program with the
25 stimulus money, and we think that there's

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2 a tremendous opportunity to upgrade both
3 the sanitary and wastewater and domestic
4 water program, and we look forward to
5 working with the City in that effort.

6 Thank you very much.

7 COUNCILMAN JONES: Thank you
8 for your testimony. I have a few
9 questions.

10 As head of the African American
11 Chamber of Commerce, have a lot of your
12 members done business with the Water
13 Department?

14 MS. WILLIAMS: No, we have not.
15 We do have a list of -- as you know, we
16 have a member database, and we have just
17 recently been given the opportunity to
18 segment those industries out. And to
19 date, we have engineers, we have
20 landscapers, we have some of the small
21 businesses that are ready to go. But to
22 answer your question, again, no, we have
23 not.

24 COUNCILMAN JONES: Well, I
25 would like to challenge all of us to do a

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2 better job of that kind of communication
3 and the Water Department.

4 Do you get regular
5 communications from them about job
6 opportunities?

7 MS. WILLIAMS: We do not.

8 COUNCILMAN JONES: We want to
9 improve upon our ability to do that.

10 Do you work with the EEO?

11 MS. WILLIAMS: Yes, we do.

12 COUNCILMAN JONES: And have
13 they made mention to you about
14 opportunities within the Water
15 Department?

16 MS. WILLIAMS: No, they have
17 not.

18 COUNCILMAN JONES: We are -- I
19 can assure you one thing for sure and two
20 for certain: That communication process
21 will improve.

22 MS. WILLIAMS: Thank you.

23 COUNCILMAN JONES: We're going
24 to make it a kind of outcome of this
25 hearing to pull together a working group

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2 that ensures that.

3 In your opinion, have the
4 number of members within your Chamber
5 grown by way of that green-collar
6 opportunity? Are there more members
7 trying to establish themselves in that
8 field of endeavor?

9 MS. WILLIAMS: Yes, it has.
10 And also they're inquiring a lot about
11 the LEED's training that is available,
12 and I understand that there is a waiting
13 list. So we have at least four that is
14 on that waiting list now to have that
15 training. In addition, we've worked with
16 OEO to ensure that our members that are
17 interested are eligible and that their
18 certifications, they're insured. We're
19 working with Mr. Jerry Valerie with
20 contract support and Jaymar Insurance to
21 make sure they're insured and bonded so
22 they're ready to go.

23 COUNCILMAN JONES: Will you
24 provide the Chair, myself, with a list of
25 the green-collar firms that are really

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2 interested like yourself in doing that
3 type of work, and in particular with the
4 Water Department, so we can make sure
5 that happens? And I would encourage a
6 subcommittee developed to meet regularly
7 with the Water Department.

8 We are talking about
9 significant amounts of works, significant
10 amounts of new innovative types of work
11 that the benefit to your members is
12 advanced knowledge of the types of
13 opportunities that they make themselves
14 available and breaking down some of the
15 old barriers to doing business with that.
16 And I think one of the reasons, one of
17 the worthwhile reasons, of having a
18 hearing like this is to encourage that
19 kind of dialogue.

20 MS. WILLIAMS: Thank you. I'll
21 see that they get my cards.

22 COUNCILMAN JONES: I'd like to
23 touch on -- you talked about irrigation
24 that provided an extension to the rice
25 growers. Can you talk about that? And

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2 is there a potential application for
3 rainwater runoff diversion for kinds of
4 non-traditional crops being grown urbanly
5 in the City of Philadelphia?

6 MR. DERRY: I'm not too up to
7 date on urban farming now, other than I
8 have heard of fish farming, but I don't
9 know too much about urban farming.

10 The agricultural experience we
11 had was primarily in West Africa. It
12 goes from a very high level of rainfall
13 to zero for six months, and in that
14 instance, the -- in the particular
15 project we did for AID, the purpose was
16 to extend the rice growing season out of
17 the rainy season into the dry season,
18 which we were able to do.

19 As that might apply here, in
20 areas where they currently use
21 irrigation, if you have the elevation
22 differentials to impound water, it
23 certainly could be used, but I'm not too
24 familiar with what area that might
25 include. I cannot see it in an urban

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2 setting, however.

3 COUNCILMAN JONES: One of the
4 things good cities that are establishing
5 themselves as green cities, the urban
6 garden is one of the aspects that they do
7 it by way of less miles traveled from
8 your food source to the table.

9 MR. DERRY: That's very true.
10 I think the big thing I see is the
11 wastewater use in the urban garden
12 setting, which eliminates the amount of
13 rainwater that has to be processed. I
14 think that's the largest thing I can see
15 that it does provide.

16 COUNCILMAN JONES: The other
17 thing that I would encourage and we're
18 going to hear more testimony on this is,
19 one of the challenges that a lot of new
20 businesses have by way of the Water
21 Department's increased need to reduce
22 rainwater runoff is providing systems
23 that can catch water and be reused also
24 for the greening of their landscaping,
25 and designing systems that can capture

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2 that water and allowing less of a
3 reliance on tap water and spring during
4 the summer is one innovative way that you
5 can provide that service to the private
6 sector.

7 As they start to submit plans
8 and get permits based on rainwater
9 runoff, that's an innovation that you and
10 your members should kind of work with the
11 Water Department to get a better sense of
12 what their specs, what their expectations
13 of the private companies that are
14 providing these services but asking for
15 permits. You can design those systems.
16 And this is a cutting-edge industry,
17 cottage industry, that will be developed,
18 and the sooner that information gets to
19 your members, the quicker they can gear
20 up, tool up to satisfy that demand.

21 MS. WILLIAMS: Yes. Thank you.

22 COUNCILMAN JONES: All right.

23 I want to thank you both for your
24 testimony.

25 MS. WILLIAMS: Thank you,

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2 Councilman.

3 MR. DERRY: Thank you.

4 COUNCILMAN JONES: I want to
5 enter into the record that the Asian
6 American Chamber of Commerce has
7 submitted written testimony, and I want
8 to acknowledge Local 690 here of the
9 Plumbers Union and their President, John
10 Kane.

11 Would you please stand and be
12 recognized.

13 (Applause.)

14 COUNCILMAN JONES: I would like
15 to also state for the record this isn't
16 the first time the Plumbers Union have
17 come out in force. I hope nobody gets a
18 leak today, because we'd be in trouble.
19 But I would also like to say that they've
20 been going to local schools, trade
21 schools, to look at how we can connect up
22 within the public school system and
23 create these pipelines of job
24 opportunities. So I really appreciate
25 their support and concern for this

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2 important public policy issue.

3 Can the Clerk recognize the
4 next panel and group to submit testimony,
5 please.

6 THE CLERK: We have Mr. Peter
7 Wernsdorfer, Integrated Water Resources
8 Consults.

9 (Witness approached witness
10 table.)

11 COUNCILMAN JONES: Thank you,
12 and would you state your name for the
13 record, please.

14 MR. WERNSDORFER: Yes, sir,
15 Mr. Chairman. My name is Peter
16 Wernsdorfer. I'm with Integrated Water
17 Resources Consultants in Schnecksville.
18 I'm also a principal in Municipal Energy
19 Enterprises in Scranton.

20 If I might keep my remarks
21 brief today. I may hear at the behest of
22 Rob Stewart, who I notice has abandoned
23 me to go make sure his batteries in his
24 toys are available for our next
25 assignment. But I do appreciate the

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2 opportunity to speak to you.

3 We're a small consultancy in
4 the Lehigh Valley. In the last several
5 years, we've completed strategic plans
6 for a number of utilities, notably the
7 Bethlehem Water Authority; a systems
8 analysis and operations plan for a
9 municipal biosolids composting operation
10 in Springfield, Massachusetts; and
11 contributed to the efforts in the Lehigh
12 Valley that are directed at
13 regionalization of our water agencies.
14 We're 600,000 people. We have 42
15 separate water agencies, and Renew Lehigh
16 Valley, which is one of the organizations
17 and in fact the one I am assisting, can
18 tell you that over the next 10 to 12
19 years, we could probably save about \$60
20 million a year in charges if we were able
21 to consolidate a number of our
22 activities.

23 But I'm here mostly to talk
24 about innovation in terms of water
25 agencies. And in my previous roles in

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2 municipal government and in private
3 industry and utility management, I've
4 been at the forefront of what most people
5 would call innovative services, and
6 mostly it's about water conservation.

7 I've been involved in water conservation
8 since I was an undergraduate at the
9 University of Arizona in my hometown of
10 Tucson, but I've been working in trying
11 to do a lot of these things that are
12 involved in innovation itself, and I'm
13 not sure exactly how everybody defines
14 that. In fact, it can be defined in so
15 many ways in the water resources arena
16 that it's sometimes extremely difficult
17 to sort out what people want and what
18 they mean by it and what they want to do
19 with it.

20 If the innovation is
21 organizational, it usually involves
22 redefining roles and responsibilities and
23 eliminating bureaucracy and hierarchy to
24 make an organization function better.
25 The elimination of silos is the common

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2 hackneyed phrase that we use, but it
3 still remains true to a certain extent.

4 If it's operational, it usually
5 means implementation of technology,
6 gathering data and using them to design
7 and improve system -- implement system
8 improvements. But it's very seldom that
9 people think in terms of innovation as,
10 especially of water resources, as it
11 relates to neighborhood revitalization
12 and community development. And that
13 specifically is what Mr. Stewart and I
14 are talking about. It is, in my opinion,
15 inextricably linked and it's time it got
16 some attention.

17 There's a lot of discussion
18 today about rain gardens, other features,
19 those sort of things that come to that,
20 but water resources can be tied very
21 effectively to revitalization efforts,
22 and the long-term effects of doing so
23 have some significantly positive impacts
24 on the quality of life in urban
25 neighborhoods.

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2 In the -- I believe I submitted
3 a slide presentation to Ms. Bricklin
4 yesterday via e-mail. It's somewhere
5 lost in cyberspace, but in that
6 presentation, there is copious
7 information about street beautification
8 using storm water as a resource instead
9 of treating it as a waste product or an
10 undesirable product of development. And
11 it's exciting for people involved in the
12 water services arena to see that
13 happening. But what the slides will tell
14 you, especially in terms of improving
15 streetscapes, it gives you some nice
16 visuals. It tells you about those sort
17 of things, but what it doesn't tell you
18 is that the significant long-term impact
19 that it has, traffic-calming measures in
20 neighborhoods where there are significant
21 amount of kids and/or pedestrian traffic
22 or both, and understandably in family
23 neighborhoods, presence of children.
24 That's something that parents are
25 concerned about. And it meshes well with

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2 what we do in the public works arena too
3 and in water services, because it allows
4 you to do traffic calming that's
5 appropriate to the situation.

6 There's also increased
7 treatment of storm water flow, potential
8 for appropriate groundwater recharge,
9 irrigation of landscaping and the
10 associated reductions in air and heat
11 pollution in the urban environment.

12 There's a reason the Mayor's
13 target is to plant 30,000 trees. Trees
14 in an urban environment, grassy areas,
15 lead to improved management of water and
16 they lead to better air quality and they
17 improve the public health. And it's
18 not -- all of those things go to the
19 basis of what we're trying to do, which
20 is improve the environment, but they also
21 lend themselves to why we consider a
22 higher and more practical use of
23 resources, and that's about smart growth.
24 And smart growth gets thrown around in
25 the suburbs and in the country like it's

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2 a term that people use derisively and
3 it's about controlling urban sprawl, but
4 smart growth is also about making cities
5 greener and more desirable places to
6 live.

7 Now, where water resources fits
8 into that is, it offers some of the
9 greatest opportunities for innovation,
10 for community development and energy
11 sustainability in an urban environment.
12 If you don't have to pump water, you
13 don't have to pay for the power to turn
14 the pump, and it's a significant
15 improvement to anybody's budget line. If
16 you look at any municipality in the
17 United States, their biggest contribution
18 in terms of budget numbers and where
19 dollars get used up are commonly found in
20 water and wastewater plants. So it's
21 something that really fits in with that.

22 I think it's -- and it's also
23 appropriate to include this in a
24 discussion that you might be having about
25 smart growth, and I heard some -- there's

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2 been some very good testimony today. I
3 think there's obviously some very smart
4 people working on this. I'd encourage
5 you to continue the efforts that the
6 neighborhoods have already begun and to
7 expand it when and where you can. And I
8 know there are many facets to innovation
9 and water resources, and certainly some
10 of it has already taken place in the
11 water resources arena right here in the
12 City. You have some very smart people
13 that work in the Water Department. I do
14 know of some of them, and there's a lot
15 of good minds there.

16 But active public involvement
17 at all levels I think is probably the key
18 to success, because I think that an
19 informed public and an educated public is
20 going to make decisions that are the best
21 for them. And if you can do that and you
22 can follow some of the educational
23 measures that people have talked about
24 this morning, I think you're on to
25 something.

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2 Anyway, I wanted to keep my
3 remarks brief. Rob told me two minutes.
4 I tried to fit that in there. But thanks
5 again for inviting me, and if you have
6 any questions, I'd be happy to take them.

7 COUNCILMAN JONES: Thank you
8 for your testimony, and, yes, I do.

9 A couple of things you
10 mentioned about breaking down silos and
11 that it's not traditional for a big
12 utility like this to be thought of in the
13 sense of neighborhood economic
14 development. As we start specifically
15 talking about catch basins and rain
16 gardens, what do you see as the economic
17 development potential for these things
18 and what will the impact be by way of
19 that development?

20 MR. WERNSDORFER: Well, I think
21 the first thing is it's -- can I say it's
22 part of an effort to relocalize your
23 infrastructure and your efforts directed
24 at your infrastructure? First of all,
25 the design of the systems requires some

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2 engineering, some landscape architect --

3 COUNCILMAN JONES: What are
4 some of the best practice? I know we
5 don't have your slide show. Are they
6 elaborate? Are they big? Are they
7 beautiful?

8 MR. WERNSDORFER: A lot of them
9 are small efforts in terms of the big
10 picture. Like streetscaping, using
11 inlets and outlets and islands and
12 chicanes and using grassy -- enlarging
13 vegetation strips and putting in trees
14 and those sort of things are some of the
15 very basic ones.

16 Rain gardens are some of --
17 which are, in theory, simple things to
18 do, but because there's a significant
19 number of soil/plant/water relationships
20 that are involved in that, they are
21 relatively complex scientifically, but
22 easy to install.

23 COUNCILMAN JONES: If you were
24 looking at a city and said, Ah, that's
25 the city that has the best practices for

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2 this, who would you point to?

3 MR. WERNSDORFER: I'm from
4 Tucson. I don't like to say too much
5 good about Phoenix, but they've done a
6 good job with this, and they're mostly --
7 it started in the American west, it
8 started in the western cities, because
9 they're so pressed for water itself.
10 It's not like it's abundant and it falls
11 out of the sky. So whatever you have,
12 you tend to try to conserve.

13 Now, conserve in the East
14 versus the West means two different
15 things. In the West it means use every
16 available drop of water you can wisely,
17 and in the East it means build abundant
18 reservoirs and supplies and those sort of
19 things, which I think we have.

20 But they began it with
21 xeriscaping and having to put in and
22 switching landscaping. Las Vegas is not
23 a good example of anything that you might
24 do with water resources, because they
25 have an abundance of it from the Colorado

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2 River, but other western cities have done
3 things like they've eliminated vegetation
4 strips with grass and they've installed
5 lower-used water -- lower water-using
6 plants, cactus, native species and those
7 sort of things. So there really are a
8 lot of examples.

9 COUNCILMAN JONES: Closer to
10 the East Coast, what would be a closer
11 example? We're not going to use cactus,
12 for example, so --

13 MR. WERNSDORFER: Obviously.

14 COUNCILMAN JONES: Who can we
15 look to as a good example, or are we in
16 fact on the cutting edge of this?

17 MR. WERNSDORFER: I would say
18 that if you begin this, you are amongst
19 the first, yes, absolutely.

20 COUNCILMAN JONES: It's okay
21 for Philadelphia to be first.

22 MR. WERNSDORFER: It's good to
23 be on the edge and the leading edge, but
24 not the bleeding edge. And so I think a
25 lot of the bleeding has probably been

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2 done and there are some significant
3 opportunities for you.

4 COUNCILMAN JONES: Thank you
5 very much.

6 MR. WERNSDORFER: You're
7 welcome. Thank you for inviting me.

8 THE CLERK: Lance Haver, Office
9 of Consumer Affairs, Rich Giordano and
10 Phil Bertocci.

11 COUNCILMAN JONES: And after
12 that we're going to call the Water
13 Department up just to kind of catch up on
14 some of the different aspects of things
15 that have been talked about.

16 (Witnesses approached witness
17 table.)

18 COUNCILMAN JONES: Could you be
19 seated. State your name for the record
20 in whatever order you'd like.

21 MR. HAVER: Councilman, my name
22 is Lance Haver. I just bumped into two
23 water consumers. We're wondering if they
24 could have a moment just to tell you
25 their story. Could they come forward

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2 just for --

3 COUNCILMAN JONES: Absolutely.

4 It's a public hearing.

5 MR. HAVER: Excuse me.

6 COUNCILMAN JONES: I think I
7 know what part of town they're from. So
8 definitely.

9 (Witnesses approached witness
10 table.)

11 MS. ROSENBERG: My name is
12 Pauline Rosenberg. Thanks for letting me
13 speak.

14 I'm talking as a consumer and
15 I've had just enormous problems with the
16 Water Revenue Bureau. I've been getting
17 outrageously high bills on an investment
18 property that I own. I mean bills of
19 like 500, 600, 700 dollars a month. We
20 can't get this resolved. I mean, I've
21 had my plumber come into the house and
22 scour every pipe in the house for leaks.
23 There's nothing -- there's no problem.
24 There's no justification for the bills.

25 You can never get through to

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2 the Water Revenue Bureau. The line is
3 always busy, and if you want to deal with
4 the problem, you have to come downtown.
5 You have to take a day out of work.

6 I finally got through to
7 somebody by phone, because someone in
8 your office gave me a name, thankfully,
9 and what they want was for me to give
10 them the reading of the water meter. And
11 if I had gone downtown without knowing
12 that that was the information that I
13 needed, I would have had a wasted trip to
14 go downtown. I mean, the fact that I've
15 got to go downtown to give a water meter
16 reading is outrageous. But what's
17 outrageous is that now this thing is
18 being investigated and I continue to get
19 like notices that they're going to shut
20 the water off. I mean, I'm ready to sell
21 the house. I mean, I can't deal with
22 these outrageous bills and with this
23 outrageous service. I mean, there's no
24 cause for it.

25 So that's basically the issue.

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2 I mean, I have all my bills here. I
3 thought there might be someone here that
4 can deal with it, but obviously this is
5 not the venue, but --

6 COUNCILMAN JONES: No, no, no.
7 Let me say this: There's no line in the
8 back of these Chambers. If you'll give
9 us a second, we'll let somebody right on
10 that.

11 MS. ROSENBERG: Okay.

12 And this lady?

13 MS. STERLING: My name is Donna
14 Sterling and I have properties too and
15 I'm having the same problems. And I've
16 been working on this problem for almost a
17 year now, and all I keep on getting is
18 letters saying that they're investigating
19 on the situation. But my problem hasn't
20 been resolved. One month I got a water
21 bill for \$800. Next month I got a water
22 bill for \$700. Then a water bill went up
23 to \$1,500. And they're trying to resolve
24 this situation. They've been trying to
25 resolve this for one year. And I'm

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2 constantly paying on them. I'm paying a
3 hundred-some dollars every month on it,
4 because they threatened to shut the water
5 off. And, like I said, this is a rental
6 property, so I can't have the water shut
7 off. So I went along and I made the
8 payment agreement, and the situation yet
9 has not been resolved.

10 They put in water meters, new
11 water meters, three times for me, three
12 times, and it still hasn't been resolved.
13 We can't find no leaks. We had a plumber
14 to check out to see if we had leaks. We
15 don't have no leaks.

16 So I don't know exactly what's
17 going on. So I've called your office and
18 then I got a call saying that you was
19 having a meeting here today. So I
20 decided I'd better come down.

21 COUNCILMAN JONES: Listen,
22 we're glad you came. Now, this wasn't
23 quite what we had in mind, but we're
24 going to accommodate both of you right
25 away. And if you follow this gentleman

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2 right here, we'll get somebody from the
3 Water Department to address your issues.
4 And we appreciate you taking the time to
5 come down to straighten it out.

6 MS. STERLING: Thank you.

7 COUNCILMAN JONES: All right.

8 Lance, I can always be sure
9 you're going to help us solve a consumer
10 problem and take every opportunity to do
11 so. That's fine.

12 MR. HAVER: Thank you for your
13 indulgence.

14 COUNCILMAN JONES: No problem.

15 State your name for the record
16 and please submit your testimony.

17 MR. HAVER: Thank you for this
18 opportunity to testify. My name is Lance
19 Haver. I'm the Director of the Mayor's
20 Office of Consumer Affairs.

21 I'm privileged to also mention
22 that we have one of the leading experts
23 on utilities in the Commonwealth. Former
24 Commissioner Wendell Holland I believe is
25 in the Chambers, and perhaps if he's

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2 listening and I make --

3 COUNCILMAN JONES: Would you
4 please stand and be recognized.

5 (Applause.)

6 MR. HAVER: Perhaps as I
7 testify and I make a mistake, the former
8 Chairman would correct me.

9 COUNCILMAN JONES: Now we're
10 under a lot of pressure with that much
11 expertise in the room.

12 MR. HAVER: I'd like to start
13 my testimony by explaining that as public
14 employees, I believe we should strive for
15 continual improvement. I do not want my
16 testimony regarding the Philadelphia
17 Water Department and the Water Revenue
18 Department to be taken as a condemnation
19 of the departments. The Philadelphia
20 Water Department continues to provide
21 safe, reliable water at a comparatively
22 low price. It continues to meet all of
23 the environmental standards set by the
24 state and federal government and is
25 committed, as you've heard, to protecting

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2 our watershed. When was the last time
3 anyone had to boil water before using it?

4 The last time improper management led to
5 water shortages? Or the Water

6 Department -- our Water Department is
7 something the City can and should be
8 proud of. I know the people of Phoenix,
9 Arizona would love to have our water
10 service.

11 It is, therefore, my hope that
12 my testimony will help the Water and
13 Water Revenue Bureau get the resources it
14 needs to continue to improve. It is for
15 that reason that I would recommend City
16 Council authorizes the funding for the
17 Water and Water Revenue Department to
18 contract for a management audit.

19 Management audits often pay for
20 themselves by finding savings and
21 efficiencies. Because of the unique
22 nature of the Water Department, that
23 rates are proposed and set by the Water
24 Commissioner himself, I believe there is
25 much that can be gained by a management

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2 audit. There may be some who question
3 why management can't perform the task
4 itself.

5 There are two reasons. The
6 first is simple. Management has
7 full-time responsibilities running the
8 Water and Water Revenue Department. It
9 would be impossible for them to take time
10 away from what they are doing to do other
11 things.

12 The second reason may be hard
13 to understand, but I believe most people
14 will find it true. Sometimes it helps to
15 have a fresh look at what one is doing.

16 If a management audit were to
17 be undertaken, I would hope the auditors
18 would be authorized to look at the
19 following issues:

20 Customer service: How long
21 does it take for the phone call to be
22 answered? Is that time within the
23 acceptable norms for a utility? How does
24 it compare with PGW, the City's other
25 municipally owned utility?

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2 The low-income plan: How many
3 families are on the low-income plan? How
4 does that compare to PGW? To PECO? How
5 many people know of the Water
6 Department's low-income plan? How easy
7 or hard is it to qualify and how
8 successful is the plan in helping
9 families stay in their homes? Is the
10 plan designed to encourage conservation
11 while providing the needed safety net?

12 Billing disputes: Is the best
13 way to handle a billing dispute to send
14 it to a tax review board, as we currently
15 do? Would the Water Department be well
16 served by having evening or weekend hours
17 for consumers? Are there enough managers
18 to handle complaints?

19 Broken laterals: The Water
20 Department continues to require
21 homeowners to pay to correct broken
22 laterals despite the fact that no other
23 utility asks consumers to be responsible
24 for service outside of the homeowner's
25 house. It is true that in certain

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2 situations the Water Department pays for
3 the repairs and there are help loans
4 available to consumers to cover the
5 costs, but is this the best system? Is
6 it a fair system where some repairs are
7 paid for and others are not? Is this
8 what other utilities in other parts of
9 the Commonwealth do?

10 Would combing meter reading,
11 billing and collection with the City's
12 other municipally owned utility lead to
13 greater efficiencies and drive down
14 costs? In most city homes, the gas and
15 water meter are only a few feet apart,
16 yet we continue to have Philadelphia Gas
17 Works and Philadelphia Water Department
18 use separate meter readers, separate
19 billings and separate collections.
20 Looking forward as almost all meter
21 reading and billing will be done through
22 remote meter reads and computerized
23 billing, does it make any sense to have
24 two separate departments? Couldn't the
25 same car that receives meter reads from

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2 the gas meter receive meter reads from
3 the water meter? Couldn't one bill go
4 out for both gas and water? Couldn't we
5 combine the two collection departments to
6 improve customer service and collections?

7 The Rate Stabilization Fund:

8 The Water Department keeps a Rate
9 Stabilization Fund that more often than
10 not has tens of millions of dollars more
11 in it than what it projected during the
12 water rate cases. I believe currently it
13 has roughly \$150 million, but that, of
14 course, is something the Water Department
15 would be better able to testify to than I
16 would. Is this the best use of
17 customers' money, to keep millions of
18 dollars in a rate stabilization? Is it
19 best to raise rates when there is over
20 100 million sitting in a fund that was
21 established to stabilize rates? Could a
22 better use of the money be found? Is
23 there some way to structure future bond
24 issuances so that the Rate Stabilization
25 Fund can better serve the public?

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2 The Water Department as an
3 economic development tool: As water and
4 water treatment becomes more and more
5 important to us, is the Water Department
6 using our resources to the fullest extent
7 possible? You've already heard how the
8 Water Department wants to sell water to
9 the surrounding areas, but that's not the
10 only type of economic development that
11 might be possible. We may be able to
12 bring businesses into the City who use
13 water and need water for their processes
14 because the Water Department's ability to
15 bring in and use much more water than
16 what we're currently using. Does the
17 Water Department currently work with
18 PIDC, PGW and other development agencies
19 in the City to bring in these type of
20 companies?

21 Use of untapped resources: Are
22 there by-products created by treating
23 water both before it is used and before
24 it is returned to the rivers that can be
25 utilized? Can the methane gas produced

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2 by the water treatment system be used for
3 cogeneration to keep operating costs
4 down? Can the movement of water both in
5 and out of treatment plants be used to
6 create electricity using what is commonly
7 referred to as low head hydro electric
8 production or micro hydro? Are there
9 other by-products that can be used either
10 to lower costs or to sell to help keep
11 the price of water down?

12 Philadelphia's abundant water
13 supply is a valuable asset that we should
14 be utilizing in the years to come. I
15 believe we can only make the most of it
16 if we make making the most of it a
17 priority. And for that reason and the
18 reasons listed above, I am thankful for
19 today's hearing and support conducting a
20 full management audit, which I believe
21 could be paid for by using a very small
22 percentage of the money that's currently
23 sitting in the Rate Stabilization Fund.

24 Again, thank you for this
25 opportunity.

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2 COUNCILMAN JONES: Always
3 enlightening. You never cease not to
4 disappoint by way of your intellectual
5 property that you put forth, and I'm
6 going to give them an opportunity to
7 respond in writing to much of this, but
8 they're also going to respond today, to
9 the degree that they can, on some of
10 these worthwhile issues, Lance.

11 MR. HAVER: Thank you.

12 MR. GIORDANO: Good afternoon,
13 Councilman.

14 COUNCILMAN JONES: Good
15 afternoon. State your name for the
16 record, please.

17 MR. GIORDANO: Richard
18 Giordano, G-I-O-R-D-A-N-O, lifelong
19 resident of the City of Philadelphia.

20 I come here today and it's a
21 pleasure to see you, Councilman, but not
22 on a pleasurable mission. It hasn't been
23 a pleasurable seven and a half months for
24 me or my family.

25 The early morning hours of

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2 11/1/08, a 30-inch water main ruptured in
3 front of our home at 635 Summit Avenue.

4 We were awakened about 3:00 a.m. to a
5 virtual river of water which ran against,
6 around and eventually into our home.

7 Over a four- or a five-hour period, it's
8 our understanding 4.5 million gallons of
9 water poured out of that main, and when
10 we were done, we had about 18 to 24
11 inches of that water in our basement.

12 In the immediate aftermath, the
13 City replaced our heater and hot water
14 heater and brought in a clean-up crew,
15 which removed many of our possessions,
16 what had been under water, as well as our
17 basement paneling, ceiling and powder
18 room. As you might imagine, this was a
19 pretty traumatic experience, and what I
20 recall most about it is the next day
21 bringing home breakfast and finding my
22 wife sitting in the middle of the living
23 room crying because she had discovered
24 that a cedar chest that was under water
25 had contained most of the pictures of our

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2 now adult children when they were kids
3 and almost all of the pictures she had of
4 her now deceased parents and brother. So
5 it's not just about possessions.

6 We spent several days pulling
7 those apart. They were all matted
8 together, laying them out on paper
9 towels, drying them on our radiators over
10 the course of several weeks. So, again,
11 very traumatic experience.

12 But while those days were
13 difficult, it's what's happened since
14 then that has really made me incredibly
15 angry and increasingly infuriated. We
16 initially had difficulty even finding out
17 how to fill out a form, where to get a
18 form. When we first got it, it was
19 unceremoniously dropped in our mailbox,
20 with no indication of who to call if we
21 had any questions or how to fill it out
22 or how to make any of the kinds of
23 determinations that the form required.

24 After trying several more weeks
25 to determine exactly what we were

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2 supposed to do and how to do it, the head
3 of Risk Management came to a meeting of
4 Upper Roxborough Civic Association in
5 February and gave us answers that at
6 least made me feel we could fill the form
7 out and submit it, which I did. Three
8 days later I hand-delivered it to his
9 office.

10 Now, you would imagine that we
11 had a period of three months where we had
12 a lot of consternation about what we
13 should and shouldn't do and how we should
14 do it, that this would be acted upon
15 fairly quickly.

16 Six weeks went by. No
17 response. Not even an acknowledgment
18 that our form had been received. I
19 finally contacted the head of Risk
20 Management on 3/31 and said, What's the
21 status of our form?

22 Two days later, I received a
23 call from the Water Department
24 representative saying our form was
25 missing a form saying that our insurance

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2 company had not agreed to pay the
3 damages.

4 Now, Councilman, in what I sent
5 to Ms. Bricklin, I included the cover
6 letter that I sent with our form, with
7 our claim. In it I expressly indicated
8 that if anything else was required, we
9 would provide it and we are prepared to
10 discuss any of the details with whoever
11 was assigned to evaluate it. The fact
12 that six weeks afterwards we were told
13 that something was missing tells me that
14 in that entire time our claim was not
15 looked at by anyone.

16 That meant another six weeks,
17 in which we had to use our dining room as
18 our office, had a layer of mud and debris
19 on our front lawn that was constantly
20 tracked into the house, had one bathroom
21 for a house full of four adults, and all
22 the other annoyances that went with
23 having our basement decimated and all of
24 our -- many of our possessions destroyed.

25 Since the water main break, we

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2 had to purchase a new washer and dryer,
3 pay to have a second bathroom replaced,
4 just recently have our lawns and plants
5 redone. We had a number of other items
6 that had to be replaced that have to be
7 put on hold. And I tell you this because
8 while our real indignation is about how
9 we've been treated, it is also about
10 money. We've had \$20,000 to \$30,000
11 worth of damages, and many of them are on
12 hold for seven and a half months.

13 So two of our neighbors had
14 even more extensive damages and have had
15 exactly the same kinds of frustrations as
16 we have.

17 We were finally contacted again
18 and offered a sum for our possessions and
19 repair of our basement, which I could
20 only identify as insulting. As you can
21 see by the other attachment, which is an
22 e-mail I sent to the head of Risk
23 Management after initial discussions and
24 we had heard nothing again from the
25 initial discussions after three weeks, I

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2 said, Look, we give. Here's a low-ball
3 amount for the possessions, the basement,
4 here's what we'll take to settle, as long
5 as some other conditions apply.

6 I didn't hear anything again
7 for two weeks. When we finally did hear
8 something, it was said, Yes, that's good,
9 that number will work.

10 The amounts we suggested were
11 agreeable, but in the course of the spill
12 and repair of the street, a lot of heavy
13 equipment was used. Part of our curb was
14 gouged, broken, cracked, and for whatever
15 reason when they did other repairs, they
16 never did that. So we want that done.

17 Also, our sidewalk was
18 repaired. Parts of it had been buckled,
19 it had been cracked, but they poured the
20 concrete in late November, early
21 December, and I was told by the person
22 who had to give us an estimate for the
23 rest of our driveway, it's too late for
24 the concrete to really cure properly. Lo
25 and behold, after the first snowfall, we

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2 had flaking and cracking all along the
3 edge of the sidewalk.

4 When we had this kind of
5 conversation about the dollar number
6 being acceptable, I was finally told,
7 Yes, we'll do the curb, but I still
8 haven't heard anything about whether the
9 sidewalk is going to be done or not.

10 So beyond the fact that this is
11 now going on for more than seven months
12 without resolution and we continue to
13 deal with the leftovers of it, I am
14 really, really angry, because I feel
15 we've been treated at best with
16 indifference, if not with outright
17 destain. What I get from this process
18 is, the attitude has been to delay us and
19 frustrate us so that in the end, we'll
20 settle for a much lower dollar amount,
21 because we're desperate, than our damages
22 actually would call for. That's -- I
23 believe that that's a calculated,
24 systematic process that's going on.

25 When you entered the first

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2 meeting in this in November -- and I
3 don't know if you recall coming in there,
4 you were a little bit late -- what's the
5 first thing that you did? You apologized
6 to the people from the City of
7 Philadelphia. And you're still the only
8 one who has done that.

9 Now, Councilman, as you know, I
10 deal with victims on a daily basis in my
11 job, and they sometimes are looking for
12 compensation, sometimes they're even
13 looking for vengeance, but what they all
14 want and need is to be acknowledged, to
15 know that their concerns and what has
16 happened to them is important and needs
17 to be addressed. We have not gotten
18 that.

19 My wife and I are lifelong
20 residents of the City. In our former
21 neighborhood, I volunteered to be on the
22 District Attorney's Youth Aid Panel,
23 which is a group of citizens which takes
24 youth who have had a first non-violent
25 arrest and just sidesteps them from the

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2 criminal justice system, mentors them for
3 60, 90 days, tries to help them get back
4 onto a different path, without having a
5 criminal record. After that, my wife and
6 I ran a town watch in Southwest
7 Philadelphia in the 12th District. Now
8 that we moved up in Roxborough, as you
9 know, I'm the Vice-President of the Upper
10 Roxborough Civic Association and the 21st
11 Ward Community Council. I'm also the
12 President of an open space preservation
13 group, the Roxborough Green Space
14 Project. In short, wherever we have
15 been, we have devoted our time, our
16 energy and even our meager resources to
17 try to make our neighborhood better.

18 However -- I never thought I
19 would say this, but we are so embittered
20 by the way we've been dealt with in this
21 process that when my retirement comes up
22 just under four years from now, I have
23 determined that I need to live in another
24 city. And I hate to say that, but I feel
25 I have no choice to say that, because

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2 otherwise what am I saying? That we can
3 be treated in this fashion?

4 COUNCILMAN JONES: Well, what
5 we want to do is -- and I do acknowledge
6 the first day when I came up to see the
7 devastation that was done -- and these
8 things do happen as a part of an aging
9 infrastructure -- it is what we do next
10 that matters the most to citizens. And
11 when I came up that night, you were the
12 first person I saw surveying the damage,
13 and we went in the basement and went,
14 looked at all of that and started to talk
15 to other neighbors, and I was
16 wondering -- and we'll deal with the
17 specifics of this today and see what we
18 can do to resolve some of the issues.
19 But out of the people on the block that
20 were impacted, how many of them have
21 actually settled and gotten back to some
22 sense of normalcy?

23 MR. GIORDANO: Well, that's
24 saying they settled and got back to some
25 sense of --

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2 COUNCILMAN JONES: Those are
3 two different things. All right.

4 MR. GIORDANO: I believe we are
5 the only ones who have now settled.
6 However, I can tell you that some people
7 settled for precisely the reason that I
8 said: They got tired, they got
9 disgusted, and they said something is
10 better than nothing after seven and a
11 half months.

12 COUNCILMAN JONES: And so what
13 I'm trying to say is -- and I'll let the
14 Water Department come up later and talk
15 about the process and why sometimes it
16 results in the frustration, but in
17 general, many of the people on the block
18 have been dealt with. They responded in
19 a fairly quick manner. Sometimes I think
20 we all can do a lot better in our
21 customer service response.

22 We were up there at night. You
23 guys were inconvenienced. People were
24 moved out of their homes. I saw what it
25 meant. You talked about the loss of

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2 photos. Nobody can ever replace that.

3 No monetary compensation will ever
4 replace a photo of a loved one lost.

5 But what I will say is that we
6 need to kind of look at this system, and
7 a part of what the hearings is to do is
8 to evaluate how we can do it better. So
9 what we will do is take a look at that.

10 And, Lance, I appreciate you
11 guys coming up and commenting. I want to
12 just get for the record, so that we can
13 get through the hearing, all of the
14 testimony that is scheduled for today.

15 MR. GIORDANO: Thank you,
16 Councilman.

17 COUNCILMAN JONES: You're
18 welcome.

19 MR. BERTOCCI: Good afternoon,
20 Councilman Jones, Chairman Jones, Council
21 Chairman Jones, I guess it is. I'm
22 Philip Bertocci. I am the Supervising
23 Attorney in the Energy Unit at Community
24 Legal Services. We represent low-income
25 clients with utility problems. We serve

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as the public advocate in water rate cases. We also serve as the public advocate before the Gas Commission. We have myself and Thu Tran, my associate, have a lot of experience dealing with different regulatory regimes. We know how things are done before the PUC by regulators of utilities, and we also have direct experience with the way things are done in Philadelphia with regard to the Philadelphia Water Department, which is not subject to the Public Utility Commission. And we think that that's an advantage, because we get to see a number of different ways in which utilities are regulated. And I think we generally recognize that utilities should be regulated, because a utility is not the kind of business that should be operated on a free-market basis, a competition basis. It's a monopoly. It sets its own -- it's a monopoly, and because it's a monopoly, then there has to be somebody providing checks and balances to be sure

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2 that the service that's being provided is
3 just and reasonable, that the services
4 are efficient and that people are really
5 getting top services for the top dollar
6 that they're paying.

7 Now, I just kind of skipped
8 quickly over the first page of my
9 testimony, which gives that kind of stuff
10 in greater detail.

11 But what I want to say here --
12 and this is probably the first time today
13 that we've heard very much about this.
14 I've heard a lot of wonderful testimony
15 about where we should be going in the
16 future and programs that should be
17 developed, and I'm sitting here basically
18 representing, first and foremost, the
19 40,000 people in Philadelphia that are
20 shut off each year for non-payment of
21 water service. And that doesn't tell me
22 that they are deadbeats. That tells me
23 that water rates, water sewer rates in
24 Philadelphia, regardless of how they
25 compare to other places in the country,

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2 they're pushing the limits of the ability
3 of the citizenry here to pay, given who
4 we have to serve, and that that really
5 has to be a very important factor in
6 thinking about these projects and
7 particularly how we fund them, and then
8 beyond that, going back and looking at
9 Water Department operations themselves
10 and asking ourselves, is -- the Water
11 Department may be doing lots of wonderful
12 things, and I don't doubt that they are.
13 I've had the pleasure of a tour of, I
14 think, almost all six plants. It's
15 really awesome. And I have a shout-out
16 in my testimony for the dedication and
17 the pride of the Water Department's
18 senior management, but nevertheless, from
19 a policy standpoint, I look at this and
20 say, is there room for improvement here,
21 and my answer is, there has to be room
22 for improvement.

23 What we're dealing with here is
24 an enterprise which has \$5 million in
25 revenues each year, which spends \$300

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2 million -- I mean 500 million, which
3 spends 300 million in operations, which
4 spends 200 million in debt service. How
5 can you say that that kind of an
6 enterprise can be just picture perfect,
7 that everything is wonderful, that
8 everything gets a blue ribbon whenever
9 anyone from outside of town looks at it?

10 So then we come to the question
11 of, Well, what kind of oversight, what
12 kinds of checks and balances do we have?
13 And here I'm going to just give you a
14 little bit of a framework to set Lance
15 Haver's testimony a little bit in
16 context.

17 I think generally from a policy
18 perspective, we look for checks and
19 balances. We don't look for checks and
20 balances that are going to bring all the
21 machinery to a halt, but we look for
22 something that's reasonable, something
23 that seems to work in other places. And
24 one of the things that seems -- and in
25 Philadelphia, the checks and balances

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2 that we see normally with utilities are
3 not there. And let me list some of those
4 checks and balances that aren't there.

5 First of all, the way rates are
6 set. Most utilities, the setting of
7 rates is kind of a pressure point. It's
8 the point at which they have to
9 demonstrate to someone, who is certainly
10 not one of them, certainly independent,
11 certainly potentially hostile, that they
12 really deserve the rates that they are
13 receiving, that they really deserve them
14 because they are doing as much as
15 possible to operate in an economic way.

16 In Philadelphia, we don't have
17 that kind of system. PGW and PECO have
18 to demonstrate that their rates are
19 reasonable to PUC. In Philadelphia, the
20 Water Commissioner, who is the regulator
21 and the CEO of the Water Department,
22 essentially looks at the proposals that
23 are made by his department, and although
24 there is a hearing process and although
25 there are recommendations by a hearing

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2 officer and although there's a public
3 advocate who receives some resources to
4 hire an expert, whatever the hearing
5 officer says can be just placed aside,
6 and without very much in the way of
7 reasons, the Water Commissioner can say,
8 Well, this is what I think it is. We do
9 very good work, which really no one can
10 test, but this is the rate that's going
11 to be set. So that's not a check and
12 balance that really exists.

13 Another check and balance that
14 exists -- and there we turn right back to
15 City Council -- is the budget process.
16 But I've read the testimony of budget
17 processes over the years and I've looked
18 at the documents that have been
19 submitted. I know that City Council
20 reviews the capital budget and the
21 operating budget of the Water Department
22 every year, but really for the size of
23 the enterprise that it is, it's one of
24 many different budgets that are reviewed
25 at best -- I don't know. My guess is, it

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2 may be two days at most and probably not
3 even that, and a lot of times, all City
4 Council not paying attention, because
5 they're busy with so many other things.
6 But I think the critical thing about the
7 review --

8 COUNCILMAN JONES: Point of
9 information. You should always pay
10 attention to Council because --

11 MR. BERTOCCI: I see your light
12 is on.

13 The critical thing for the
14 Water Department is that when the Water
15 Department budget comes before City
16 Council, the City Council people, in my
17 imagination looking at them, are looking
18 at this budget and they're not saying,
19 Well, if we give this much to Water, then
20 we can't give so much to Fire, we can't
21 give so much to Streets, we can't give so
22 much in other areas, because the Water
23 Department's funds don't come from the
24 General Fund. The Water Department is
25 solely funded by revenues from rates. So

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2 that it's a little bit of a different
3 situation where City Council has a check
4 and balance in the budget process.

5 Sure, the Administration looks,
6 but it doesn't look in the same way. It
7 doesn't go through that critical effort
8 to kind of balance and keep a sense of
9 proportion that might otherwise exist if
10 you had to, say, close a library in order
11 to keep that admirable center there down
12 on the Schuylkill River, the Water
13 Education Center there. None of those
14 sorts of factors play into determining,
15 Well, what is enough and where do we want
16 to put the resources for the Water
17 Department.

18 So that gets us down to the
19 next element, and this -- I mean, City
20 Council at some time had the wisdom to
21 put this in the City Code, and, that is,
22 that about every four years, there should
23 be -- City Council should in fact
24 initiate an investigation and an
25 investigation based on independent

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2 outside consultants or using independent
3 outside consultants to audit or to review
4 or to investigate all aspects of the
5 Water Department and even the Water
6 Revenue Bureau, because the reference in
7 The Philadelphia Code suggests that this
8 should focus in addition on collections
9 and accounts receivable and things of
10 that sort. Not exclusively on that. It
11 should be on operations, capital budget,
12 really, as far as I can see, the whole
13 gamut of questions that might be raised
14 by a management audit.

15 Now, there's precedent for
16 that. The PUC that does these management
17 audits requires these routinely. PGW --
18 and they don't require it just of
19 utilities that are basket cases. When
20 PGW first came onto the PUC's
21 jurisdiction, of course the PUC ordered a
22 management audit, but four or five years
23 later, sure enough, there's another
24 management audit. And a company like
25 PECO has management audits. Everybody

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2 has management audits. It's a standard
3 way in which their checks and balances
4 are maintained to be sure that best
5 practices are followed, that operations
6 go more efficiently than they otherwise
7 would. And I'm just going to give you a
8 little bit of the sort of operational
9 speak that you find in management audits
10 generally. I apologize for it. It makes
11 my eyes glass over a little bit, but I
12 think it's still important to at least
13 give you the three basic elements, which
14 are on Page 4 of my testimony.

15 First, it's to provide City
16 Council, the City Administration and the
17 Water Department management with an
18 impartial assessment of the economy,
19 efficiency and effectiveness of PWD
20 operations, management methods,
21 organization practices and procedures.

22 Number two, the second is to
23 identify opportunities for improvement
24 and develop recommendations for
25 improvement or further actions. And

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2 usually the management audits also
3 require that when the management auditors
4 come in and look at the whole picture,
5 they don't just sort of do this stuff
6 which might be called kind of egghead
7 type stuff. Well, we think you ought to
8 do this, you ought to do that. If
9 they're going to make a proposal or
10 identify an area, then what they should
11 be doing is supporting their proposal by
12 at least a preliminary cost-benefit
13 analysis. The management auditors aren't
14 supposed to be sending the Water
15 Department on a wild goose chase,
16 something that, we'll propose it, but
17 it's up to you to execute it. It's
18 supposed to be a little bit more
19 practical oriented.

20 The third -- and I think this
21 is very important, certainly to me from
22 the point of view of consumer advocate
23 involved with rate cases -- is that
24 management audits provides an outside and
25 systematic base of information so that

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2 when the Water Department comes in for
3 his next rate case, we can say, Okay,
4 these were the things that were
5 identified before that you were supposed
6 to be doing, what have you done with
7 regard to these, or if you didn't do
8 them, why did you reject them, so that we
9 can make some kind of assessment as to
10 whether or not the plans for the future
11 really merit the kinds of rates that are
12 being requested by the Water Department.

13 So that's in a nutshell what I
14 have to say, sort of complementing what
15 Mr. Haver has said. I thank you for the
16 opportunity, and I'm ready to answer any
17 questions that you might have.

18 COUNCILMAN JONES: Well, first
19 of all, I would like to thank all of the
20 members of the panel for their testimony.
21 And I want you to understand sincerely
22 that all of these comments gives us food
23 for thought and then an incentive to act.

24 As Chair of Transportation and
25 Public Utilities, when we found this part

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2 of the Code that begs us and drives us to
3 do these independent audits, we decided
4 that the hearing would be the first step
5 and that there will be an independent
6 audit to comply with the City Code, but
7 in doing so, to get the best of ideas, to
8 talk about what is going right, because
9 there are a lot of good things, as you
10 even stated, that is right about this
11 department, this City resource, this
12 asset, but there's some things, as you
13 mentioned, that we need to by way of
14 customer service maybe improve upon. But
15 arguably, it begins with this hearing.

16 And I think we've raised some
17 good questions, some of which we're going
18 to ask the Water Department to respond to
19 now, but others that need a more
20 elaborate answer that they will respond
21 to the Chair in writing and we'll share
22 with people who have testified and people
23 who are interested in.

24 But let me say this to you,
25 that as it goes, this is a beginning of a

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2 process that we are looking to outside
3 resources far beyond the means of Council
4 to help us implement and that at the end
5 of the day, we will take a good asset and
6 make it a better asset. We'll take a
7 good department and make it better at
8 what it does by way of impacting both the
9 individuals that actually pay our
10 salaries to dealing with the counties.

11 You raised an interesting
12 point, that if we can do and justify some
13 of our costs, then maybe we have a better
14 case to make for increasing maybe some of
15 our fees to people who take advantage of
16 this outside of Philadelphia and being
17 able to justify those rate increases.

18 So all of this stuff is taken
19 within the context of which I hope it's
20 meant, to improve an asset that we have.
21 So I want to thank you all, and I want to
22 allow the Water Department to actually
23 respond to some of the specifics and ask
24 them to come back up to the panel. And
25 we're getting through this in a timely

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2 fashion, which I'm impressed with.

3 Commissioner, would you join us
4 back at the table.

5 (Witnesses approached witness
6 table.)

7 COUNCILMAN JONES: And after
8 this, we will have our last panel. And
9 we may have to call you up, but I wanted
10 to kind of do this in segments so that I
11 can at least remember all of the great
12 stuff that was put forward.

13 Specifically, some of the
14 testimony -- I will allow some of your
15 consumer relations people to deal with
16 the specific request dealing with some of
17 the Risk Management issues.

18 I was out on the site. You
19 went to the subsequent meeting, and
20 generally 95 percent of the people on
21 that block have come to some kind of
22 agreement. Nobody probably is ever going
23 to be totally satisfied with remuneration
24 on damage done to the house, but it was
25 responded to, and we're going to try to

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2 even get 100 percent out of this.

3 But to what Lance Haver talked
4 about, there were some interesting issues
5 that were raised, and one of them was in
6 what other municipalities do, they
7 combine some of the utility services such
8 as meter reading and billing, and is
9 there room for at least looking at that
10 as a possibility for Philadelphia?

11 COMMISSIONER BRUNWASSER: I'm
12 sure there are places in the country that
13 combine -- I know in Los Angeles they
14 combine electric with water as far as
15 utilities are concerned. We certainly
16 have no objection to finding some
17 economies of scale between us and the Gas
18 Works. We both use Itron automatic
19 reading equipment.

20 I think sending out a combined
21 bill would actually possibly hurt Water
22 collections, which are not exactly robust
23 as it is, but during the winter months,
24 our \$40 or \$50 monthly bill would be
25 added to a gas bill perhaps of \$300 or

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2 \$400, and if a customer has trouble with
3 that large gas bill and now it's a
4 combined bill, it may actually lower some
5 of our collections.

6 So we have thought about these
7 things, and we do --

8 COUNCILMAN JONES: So the up
9 side might be efficiency. The down side
10 might be actual rate by which you get
11 your collections because it's coupled
12 with another utility. Is that your
13 concern?

14 COMMISSIONER BRUNWASSER: With
15 a utility that in certain months is going
16 to have a very considerably higher bill
17 than what is typical for a water
18 customer, and, therefore, you have -- we
19 already have need to improve the
20 collections that we have of our \$40, \$50,
21 \$60 typical consumer water bill, and to
22 add it to the Gas Works bill,
23 particularly during the winter months,
24 may actually lower the collections that
25 we have during that time.

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2 I should also mention that
3 during that time, we also have a
4 four-month moratorium on service
5 shut-offs. And I think the 40,000
6 shut-offs I think referred to sounds high
7 to me, because most of these folks who do
8 get shut off get turned on reasonably
9 quickly, often times within the hour as
10 soon as they -- within the same day if
11 they make a payment agreement and so
12 forth.

13 COUNCILMAN JONES: What is
14 your -- describe for us and the record
15 your low-income plan and how does it --
16 what are the qualifications.

17 COMMISSIONER BRUNWASSER: These
18 are actually administered by the Revenue
19 Department, the Water Revenue Bureau, and
20 I am aware that the discount and
21 low-income programs that the Water
22 Department has in total, many
23 administered through the Water Revenue
24 Bureau, are in excess of \$16 million a
25 year. So we have our senior citizen

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2 program, as you know, a 25 percent
3 discount to eligible seniors,
4 income-eligible seniors, who if their
5 household income falls below, I believe,
6 something along the order of \$29,000,
7 they qualify for a 25 percent discount
8 each month on their water, wastewater and
9 storm water components, their entire
10 bill.

11 COUNCILMAN JONES: I understand
12 to say that was for seniors who qualify
13 under an income scale?

14 COMMISSIONER BRUNWASSER: Yes,
15 for income-eligible seniors.

16 COUNCILMAN JONES: Are there
17 low-income programs for non-senior
18 citizens?

19 COMMISSIONER BRUNWASSER: Yes.
20 Yes, there are. There's WRAP.
21 There's -- we have the Water Revenue
22 Assistance Program called WRAP, and there
23 are grants of up to \$200 given on water
24 bills that are available to prevent
25 shut-off for low-income customers. Now,

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2 these are customers at or below 175
3 percent of poverty.

4 We also assist in these
5 customers obtaining federal energy
6 assistance, LIHEAP, and Mr. Haver is
7 certainly very knowledgeable about that,
8 as is Mr. Bertocci. So there's
9 assistance given in that manner.

10 The Utility Emergency Services
11 Fund, UESF, it's also a grant program to
12 prevent shut-offs for low-income
13 customers at or below 150 percent of
14 poverty, and it provides up to \$500 every
15 other year, which is \$250 coming from
16 UESF, a grant, plus \$250 matching Water
17 Department credit. Now, this program is
18 administered by the non-profit Utility
19 Emergency Services Fund and their budget,
20 their operating budget, is budgeted
21 one-third by PECO, one-third by PGW and
22 one-third by the Water Department. So we
23 also pay 33 percent of the administration
24 of that program. There's also a
25 Homeowners Emergency Loan Program that

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2 actually the Water Department

3 administers, the HELP program.

4 COUNCILMAN JONES: And what
5 items fall eligible under that activity?
6 Is that for laterals?

7 COMMISSIONER BRUNWASSER: Those
8 are for customer water lines and customer
9 sewer laterals. And we understand when
10 these things happen, when they break,
11 it's a surprise, and it can take anybody
12 by surprise. You don't necessarily have
13 to be low income to qualify for these,
14 and these are zero interest loans where
15 the Water Department has a team of, I
16 believe, 15 or so registered licensed
17 plumbers that we have approved to be the
18 ones to actually do the repairs under our
19 scrutiny, and the customer gets a
20 five-year zero interest loan and so --

21 COUNCILMAN JONES: What is the
22 average cost of a repair for a consumer?

23 COMMISSIONER BRUNWASSER: I
24 think I'll let our Deputy for Operations,
25 Debra McCarty, give you a little more

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2 information.

3 COUNCILMAN JONES: I know they
4 vary, but an average cost of replacing --

5 DEPUTY COMMISSIONER McCARTY:
6 Probably around \$3,000.

7 COUNCILMAN JONES: Okay.
8 That's the number I heard, actually. It
9 was more like \$3,500.

10 COMMISSIONER BRUNWASSER: And
11 sometimes they need both lines replaced.
12 So that more or less can double, I mean,
13 the cost. Actually, it's somewhat
14 cheaper because the plumber digs one
15 trench, and so it's probably a little
16 less expensive than doing both
17 individually.

18 COUNCILMAN JONES: Now,
19 wouldn't some of those -- I mentioned
20 that one of the issues that was raised
21 was that because the utility, you, take
22 no responsibility for the line connecting
23 to the house, could you speak to that?
24 That was raised by Mr. Haver and I
25 thought -- when I go out in the public,

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2 that is a big issue. Can you just give
3 us your rationale as to why, and then
4 I'll come back with a question about
5 possibly a fund from the federal
6 government to kind of cover that cost.

7 COMMISSIONER BRUNWASSER:

8 Right. We actually have depicted some of
9 this in our -- as Joanne tries to get
10 that particular slide back, it kind of
11 shows where the customer's responsibility
12 and the utility's responsibilities lie.
13 And this is a subject that Councilman
14 O'Neill had raised with us, oh, I'd say,
15 about half a dozen years ago and had
16 thought that it would be best if the
17 Department took over these laterals and
18 water lines. Now, we don't think that's
19 necessarily a bad idea. It will, of
20 course, require more funds.

21 What happens here is, we
22 lose -- a lot of this water loss that we
23 also have other slides on --

24 COUNCILMAN JONES: This is the
25 20 percent loss we're talking about?

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2 COMMISSIONER BRUNWASSER:

3 Thereabouts. The water loss comes, we
4 believe, in leaking water lines. Now,
5 these are thinner pipe, I guess
6 five-eighths of an inch pipe, by and
7 large, and they would tend to freeze up
8 first before a big water main in the
9 street. So there may be -- we believe
10 there's any number of water lines within
11 the City that may be slowly leaking, and,
12 in some cases, faster.

13 COUNCILMAN JONES: Is that
14 causing or could that be a source of
15 erosion --

16 COMMISSIONER BRUNWASSER: Yes.

17 COUNCILMAN JONES: -- by way of
18 why we see sinkholes?

19 COMMISSIONER BRUNWASSER: Yes.
20 Absolutely. Absolutely.

21 And so we came up with a plan
22 to take over not the entire line, because
23 there are some other issues with that,
24 but the line that is in the street, in
25 the public right-of-way. We believe that

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2 that is the utility's interest and the
3 City's interest to perhaps take over
4 those lines, take over responsibility
5 from the customer. What we had
6 anticipated at least initially was this
7 was going to be a \$20 million per year
8 operation.

9 COUNCILMAN JONES: Is this in
10 line with, in conjunction with your
11 mileage replacement of the main? Would
12 that figure --

13 COMMISSIONER BRUNWASSER: This
14 will be in addition to.

15 COUNCILMAN JONES: Yeah, but is
16 the amount tied to -- are you making the
17 repairs right along when you replace the
18 main?

19 COMMISSIONER BRUNWASSER: Yeah.
20 It depends on the situation, but --

21 DEPUTY COMMISSIONER McCARTY:
22 When we replace the water main, we do --
23 for the water service, we put in a new
24 service from the water main to the curb
25 stop or the valve in the footway.

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2 COUNCILMAN JONES: So that's at
3 a rate of your annual main replacement,
4 which was, what, 17 miles?

5 DEPUTY COMMISSIONER McCARTY:
6 Nineteen miles, thereabouts.

7 COUNCILMAN JONES: So that's
8 where that 20 million comes from?

9 DEPUTY COMMISSIONER McCARTY:
10 No, no, no. The 20 million is above and
11 beyond the capital money we currently
12 spend.

13 COUNCILMAN JONES: Yes, but is
14 it tied to the replacement of mains in
15 the --

16 COMMISSIONER BRUNWASSER: Not
17 currently.

18 COUNCILMAN JONES: All right.

19 COMMISSIONER BRUNWASSER: Not
20 currently. So the \$25 million or so that
21 we have in our capital fund, the capital
22 budget annually for water main
23 replacement, that 25 million also goes
24 towards replacing the water lines in the
25 street up to the curb, up to the curb

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2 stop.

3 COUNCILMAN JONES: I'm clear
4 that this would be an additional amount
5 of money.

6 COMMISSIONER BRUNWASSER: Yes.

7 COUNCILMAN JONES: I'm saying
8 the mileage, the rate -- the doubling of
9 this amount of capital expenditure is
10 based on your average replacement rate
11 over a year?

12 COMMISSIONER BRUNWASSER: I
13 think these water lines would actually be
14 done on the basis of either inspections
15 by the Water Department --

16 COUNCILMAN JONES: So
17 independent of?

18 COMMISSIONER BRUNWASSER: Yeah.
19 (Continued) -- and calls from homeowners
20 or neighbors who see a hole or a
21 depression being created along where the
22 water lines and sewers lines would be.

23 COUNCILMAN JONES: I guess my
24 question was, when you come in and
25 replace a main on a street, couldn't you

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2 also just replace this as a matter of
3 course if you were to receive the extra
4 resources?

5 COMMISSIONER BRUNWASSER: Well,
6 you mean replace the whole water line to
7 the house?

8 COUNCILMAN JONES: Yes.

9 COMMISSIONER BRUNWASSER: I
10 think that would depend -- I mean, it
11 would depend on several things. We would
12 have to do an inspection and say, Okay,
13 this is a -- this line is in bad shape
14 and it should be replaced.

15 Now, then the question becomes,
16 should the homeowner replace it or should
17 we replace it. And then that's where
18 you're going with who is funding this.
19 But at the same time, we would say, Okay,
20 this is in good shape, no replacement
21 needed, and other times we'll say, It
22 should be replaced. Do we force the
23 owner or do we do it ourselves? Things
24 of that nature, yeah, that remains to be
25 worked out.

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2 COUNCILMAN JONES: Okay.

3 DEPUTY COMMISSIONER McCARTY:

4 Currently, when we see a problem with the
5 water service, this portion that we're
6 not repairing as part of the capital
7 program for the water main replacement,
8 we will issue a notice of defect to the
9 property owner, saying your water service
10 leaks. If we see the pipe is a lead
11 pipe, for instance, a lead service, we'll
12 notify the property owner that you have a
13 lead service, and it's up to them if they
14 want to replace it. But that's the
15 golden opportunity, when there's a
16 contractor already in the street, it's
17 dug up, it's identified, they can get a
18 plumber fairly quickly and get it
19 repaired.

20 The other thing I wanted to
21 point out is, as we've previously
22 mentioned, we're very aggressive in
23 looking for leaks in our system, and as
24 part of that, we do about a thousand
25 miles, a little over a thousand miles, of

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2 surveying our water mains a year. So we
3 get to every mile of pipe once every
4 three years approximately, and as part of
5 that, when we're doing this leak
6 detection throughout the City, we do pick
7 up leaks on water services and, again, we
8 would serve a notice of defect to get it
9 repaired, and then that property owner,
10 of course, is welcome to participate in
11 the HELP program.

12 COUNCILMAN JONES: Just as a --
13 if you take the leak number percentage,
14 20 percent, and reduce it to less than
15 ten, the Water Department benefits from
16 that savings, correct? If we were able
17 to as a system reduce that leakage to ten
18 percent, that would be a savings. So
19 there is some incentive for us to kind of
20 do it as a municipality.

21 COMMISSIONER BRUNWASSER: There
22 is. Now, leakage before the meter,
23 basically, Councilman, we do not have to
24 pay for the raw water that we use from
25 the rivers. So taking that raw water and

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2 making it potable, drinkable and the
3 quality that it is today takes chemicals,
4 as you know, and it takes electricity to
5 pump this water through our system. So
6 the real losses here would be -- the real
7 loss is electricity and chemicals when we
8 lose water before the meter, before the
9 customer meter. And absolutely, we
10 would -- by lowering the amount of lost
11 water or unaccounted for water, certainly
12 the less cost we will have in those two
13 areas of electricity and chemicals, which
14 are significant costs for us.

15 We've been very successful in
16 reducing our lost water over the years,
17 particularly over the last 15 years, and
18 we have one of the very top-noted experts
19 in this field that works for our
20 department and is in charge of that
21 aspect.

22 COUNCILMAN JONES: One other
23 point was mentioned about by-products
24 produced by the sewage treatment and how
25 that could be used as a profitable --

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2 profit stream to your utility. One of
3 the reasons why we have this type of
4 hearing and ultimately may do the audit
5 portion is to look for opportunities such
6 as this and to be able to kind of -- I
7 know from day to day you're trying to
8 keep a system running, but when you take
9 a step back and look at an asset and say,
10 Well, here's some potential profit
11 centers, maybe this is one of them, and
12 you spoke about by-products. Can you
13 speak to that for a moment?

14 COMMISSIONER BRUNWASSER: Well,
15 certainly. Councilman, we do have -- one
16 of our major divisions is Planning and
17 Engineering, and under that division,
18 there's a Planning and Research Unit, and
19 among their jobs is really to see what is
20 happening out in the industry and to read
21 all of the material, all the relevant
22 material, and we have a ton of journals
23 that we read and other reports, seeing
24 what's being done in other jurisdictions.

25 Some of it doesn't make sense

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2 for us, being an eastern water-rich
3 environment, whereas -- but others are
4 right on point as to what they're doing
5 with new science and new technology.

6 We also, as you may imagine,
7 get vendors, potential vendors, giving us
8 presentation -- wanting to give us
9 presentations and showing us new products
10 that they have.

11 So we do a great deal of that.
12 Now -- and this unit -- and you're right,
13 many of us here are struggling in the
14 day-to-day world, but we want to have our
15 folks -- and some of our best minds are
16 in that area, in watersheds and some of
17 the other divisions of the Department --
18 looking for ways to improve on a daily
19 basis.

20 One of the things that's
21 happened to this utility, I would say,
22 over the past 15 years has been a steady
23 improvement in all that we do. It's
24 been -- and the steady improvement has
25 been reflected by our steadily improving

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2 bond ratings by Standard and Poor's,
3 Moody's and Fitch. The three large bond
4 rating agencies have seen our
5 presentations, have looked at our
6 numbers, our reviews, have seen the way
7 the Department is run operationally and
8 financially, and have given us very big
9 kudos in their write-ups and as well as
10 increased rates.

11 The thing that keeps our rates
12 from being even higher, Councilman, is
13 that the City itself is looked upon as
14 the backstop if anything goes wrong with
15 the water utility that it owns. So as
16 the City hopefully gets -- will get
17 through this immediate crisis and begins
18 to get stronger, begins to improve its
19 financial status, begins to impress that
20 upon Wall Street, then we believe our
21 rates will also get even higher.

22 So we've had a steady stream of
23 about 15 years of continuous improvement.
24 That's the way we operate. We did have a
25 management review within our department

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2 in the 1990s. It led to a new strategic
3 plan, and it led to this kind of
4 philosophy that we have grabbed at and
5 held on to for these past 15 years, and I
6 think it is showing off. I was very
7 sorry to hear about the customer service
8 complaints that we had. I felt very bad
9 about what happened to Mr. Giordano.

10 Things like this do happen.
11 Sometimes -- I mean, we have -- we're a
12 big bureaucracy in the City and, as you
13 know, sometimes departments do work
14 together, and we obviously want to work
15 together closely with all of the
16 departments that affect us, but sometimes
17 things fall between the cracks. Yes, we
18 have improved a great deal and we
19 continue to want to improve, and we'll
20 certainly consider the request made by
21 Mr. Bertocci and Mr. Haver.

22 COUNCILMAN JONES: Could you
23 speak to some of your energy cost
24 reductions that you've experienced and
25 where you're going with that?

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2 And I'm going to allow my
3 Vice-Chair to take over for a second.

4 COUNCILMAN GREENLEE: Sure.
5 Absolutely.

6 COMMISSIONER BRUNWASSER: Okay.
7 On energy costs, we have over the years
8 had many initiatives to adopt more
9 efficient ways to use energy. Energy for
10 the Water Department is a huge expense.
11 We are obviously one of PECO's largest
12 customers, and through the negotiations
13 that the City had through its energy
14 office, I believe, and PECO some years
15 ago, they negotiated rates that have been
16 very favorable to us. We understand that
17 that, of course, will be going away
18 shortly.

19 But in any event, many of the
20 other things that we're doing on energy
21 is using bio-gas and we already use
22 sludge gas at our Northeast Plant and our
23 Southwest Water Pollution Control Plant.
24 Those two water pollution control plants
25 have sludge digesters as part of their

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2 operations. And the sludge digesters
3 produce a lot of methane gas, which we
4 have been using to heat those facilities
5 for many, many years. So we've been
6 involved in using sludge gas for heating
7 our facilities for a number of years.

8 We actually put in cogeneration
9 facilities at both of those plants, with
10 85 percent federal money, because during
11 the planned expansion program, because it
12 was considered innovative technology, the
13 federal government upped the grant to us
14 to 85 percent and we built cogeneration
15 facilities that helped us save additional
16 energy throughout the '90s and well into
17 the 2000's.

18 We have a project -- oh, we are
19 going to incorporate sludge gas, bio-gas,
20 into the BRC contract that we have. It
21 is incorporated. We are going to be
22 providing about 25 percent of the power
23 to that new plant that will come online
24 in a couple of years with the bio-gas.
25 And also we are looking at a program up

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2 at Northeast to turn bio-gas directly
3 into electricity to pretty much run that
4 entire plant. But Ms. McCarty has a
5 little more detail than I have.

6 COUNCILMAN GREENLEE: Sure.

7 DEPUTY COMMISSIONER McCARTY: I
8 just want to point out that with taking
9 the gas and making electricity, it will
10 provide a good portion of the power
11 demand that we'll need, but it also --
12 we'll be able to recover that heat and
13 use that heat for heating the facility as
14 well as those digesters, so we can
15 continue to produce methane gas for
16 reuse. So it's a nice cycle and a reuse.

17 COUNCILMAN GREENLEE: Okay.

18 Thank you.

19 I obviously came in -- I was
20 out for a little bit. So I don't know
21 where you are in your presentation. I
22 have a feeling it keeps getting
23 interrupted.

24 COMMISSIONER BRUNWASSER: We
25 were, Councilman, we were at capital

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2 fund - sources of revenue and capital
3 improvement program, which, of course, is
4 the same as the rest of the City, one
5 year of actual capital budget, five years
6 of projected programs. So it's a
7 six-year plan. And here are sources of
8 revenue. What I'm proud to be able to
9 tell you is that less than 75 percent of
10 our sources come from borrowing; in other
11 words, getting revenue -- selling revenue
12 bonds on the market. And we just did one
13 of those a few weeks ago and we did it
14 without bond insurance for the first time
15 since 1986 because of the whole
16 disruption of the bond insurance
17 business, and we went out and we were
18 able to sell \$140 million worth of
19 Philadelphia water and sewer revenue
20 bonds at just under 5.19 percent. And in
21 this market, that's a pretty good
22 showing, and it does show that the
23 investment community still has confidence
24 in us.

25 But be that as it may, we also

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2 have -- part of our -- almost 12 percent
3 of our source is coming from operating
4 revenue, because we have a one percent
5 net property plan and equipment transfer
6 from our revenue fund to our capital
7 account each year, and that over the
8 years has saved us almost \$300 million in
9 borrowing, because we have picked that up
10 ourselves. This is more of a
11 pay-as-you-go approach. And we also have
12 been adding residual fund money, which is
13 one of the accounts that's used for
14 coverage, and these are dollars that --
15 once we use dollars for coverage, they
16 then have to go to the residual account,
17 because they can't be used for coverage
18 again, and from the residual account, we
19 also put that money into capital as being
20 the wisest thing we can do.

21 And the next slide basically
22 talks about what we're doing. And we are
23 proactive in our infrastructure
24 maintenance. We have some major capital
25 projects. The Dobson's Run, which is

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2 primarily flood relief program and also
3 addressing an overflow problem, that is
4 the one on East River Drive right below
5 the twin bridges. We hope that will be
6 completed perhaps before the end of the
7 year, by the end of the year.

8 COUNCILMAN GREENLEE: I have to
9 sneak in. A lot of these look like
10 they're in the 4th Councilmanic District.
11 Is that a coincidence or what, given who
12 the Chair is? Not that I'm complaining,
13 at-large.

14 COMMISSIONER BRUNWASSER: I
15 don't know that anybody really wants to
16 have these major -- some of these major
17 projects in their district, because it
18 does, as you know, have some effect on
19 traffic and quality of life, but the
20 permanent improvement at the end is
21 important.

22 COUNCILMAN GREENLEE: Is the
23 goal. Sure.

24 COMMISSIONER BRUNWASSER: But
25 the second from the bottom, Northeast

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2 biomethane cogeneration project, the \$15
3 million, that's the one where we are
4 going to try to get most of our
5 electricity from our own sludge to power
6 most of that Northeast -- that large
7 Northeast Water Pollution Control Plant.
8 And the payoff for that is probably about
9 five years, I believe.

10 Now, here comes the
11 interesting, more interesting, part of
12 the presentation, Pennvest and green
13 infrastructure. The way the Department
14 thinks about the green infrastructure is,
15 how is this going to help us with our
16 combined sewer overflow program and
17 integrated watershed management and
18 handling of storm water in general, and
19 these are the topics that we are
20 approaching this with.

21 As I had said in my earlier
22 testimony, in February we submitted five
23 applications for grants or loans. Four
24 got approved. And out of 241 million, we
25 received about 215 million. Of that 215

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2 million, 30 million is for green
3 infrastructure projects. These are
4 low-interest loans. Unfortunately, we
5 have to pay them back.

6 Next slide we're kind of
7 showing -- this next slide kind of in a
8 nutshell shows you the improvement in the
9 environment with natural versus urban
10 storm water drainage. And I think I'm
11 going to have Joanne Dahme, who is head
12 of our Public Affairs group and late of
13 the Watersheds group, kind of go through
14 these slides, because she knows these
15 very well.

16 MS. DAHME: I can do these
17 pretty quickly.

18 So I think you have all seen
19 some of these before. We talk about the
20 types of sewer systems we have in the
21 City. Essentially we have combined
22 sewers where we are looking to address
23 overflows into our streams and separate
24 sewer systems. For both these systems,
25 in dry weather they're working well. The

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2 wastewater from homes and businesses go
3 to our sanitary facilities through a
4 wastewater treatment plant. In separate
5 sewer areas, we have the same thing,
6 sanitary waste goes to the wastewater
7 treatment facilities.

8 When it's raining is when we
9 actually have some problems with these
10 systems, and that's what some of these
11 green infrastructure programs and our
12 other capital projects are looking to
13 mitigate. So essentially when it rains,
14 we have rainwater getting to our combined
15 sewer systems and we have an overflow
16 that occurs at our rivers and streams,
17 because the systems can't hold the amount
18 of volume that's coming over the storm
19 water. But our separate sewer areas also
20 have some challenges too, because storm
21 water by itself is not clean, and when it
22 runs off across streets and across
23 buildings, it carries pollution with it,
24 and also a pollution that is not always
25 as recognized as the volume, the amount

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2 of storm water that's coming through
3 these pipes directly into our rivers and
4 streams. So these projects we're working
5 on are looking to mitigate that.

6 So certainly our goal is to
7 control overflows to our rivers and
8 streams, and essentially this is what you
9 may see if you're walking along a creek
10 or a river. You see an outfall pipe, and
11 this is where these combined sewer
12 overflows or the tainted storm water
13 comes out of these pipes, and this is
14 what we're looking to mitigate. We do
15 this through watershed-based planning.
16 The Commissioner had mentioned a little
17 earlier that we take a very regional
18 integrated watershed management approach,
19 because we're downstream in the City of
20 all our rivers and stream systems. So we
21 work with our upstream neighbors in order
22 to improve the stream throughout the
23 entire region, and we do this through a
24 number of programs.

25 So how we're looking to address

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2 this is through a combined approach. We
3 have traditional infrastructure, which
4 includes what we call sort of the gray,
5 the pipes, the undergrounds storage
6 tanks, the tunnels. We also have the
7 green infrastructure with the 30 million
8 Pennvest loan that's going to be helping
9 us fund over the next few years.

10 So we look to do -- the Water
11 Department's approach is going to be
12 through a mixed approach. We want to
13 lead with the green or do as much of the
14 green approach as we can, but recognizing
15 that some of the storm water we need to
16 capture on the land and mitigate is going
17 to have to be done also through the
18 traditional gray approach, and that would
19 be sort of capturing the gaps.

20 So the \$30 million green loan
21 that we received, where the Department's
22 looking to spend that over the next few
23 years, we're going to be doing a lot of
24 focus on a green streets program, working
25 in the public right-of-way.

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2 Our goal for all of these
3 projects is to manage the first one inch
4 of storm water as it hits these parcels,
5 and we'll be doing this through a number
6 of ways. We'll be capturing storm water
7 through trees with infiltration trenches,
8 through curb bump-outs that are
9 vegetated, but we're also looking at City
10 facilities such as there are parks and
11 recreation centers and other open spaces
12 and school yards as a means to sort of
13 mitigate, capture some of the storm water
14 in some of these new environmentally
15 friendly methods.

16 One of the ways we are reaching
17 out to the public are through these model
18 neighborhood programs that we're working
19 on. We recognize this as a new way for
20 the City to go out and capture and manage
21 storm water. So essentially we want to
22 make sure that residents are on board and
23 they sort of like the greening approaches
24 that we're talking about. So we have a
25 number of great partners, which include

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2 Penn Future, Pennsylvania Horticultural

3 Society, Fairmount Park and many civic

4 and other public associations that are

5 working with us, and essentially we're

6 using our civic partners as our

7 neighborhood leaders, working with

8 Passyunk Square, Northern Liberties

9 Neighborhood Association, the

10 Tookany/Tacony-Frankford Watershed

11 Partnership, to begin this program.

12 Essentially, they're helping us to

13 recruit neighbors who want us to come and

14 green their street. So we're getting

15 quite a list of streets to try out this

16 somewhat innovative technology for us.

17 This is an example of what a

18 green street can look like. This is

19 before it's green. This is Dickinson

20 Street in South Philadelphia. And so we

21 take a street like Dickinson Street and

22 essentially we take a look out and see

23 how we can retrofit it or redo it so that

24 when it rains, that rainwater is being

25 captured through vegetated practices, but

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there is often also an underground infrastructure component to that. But the greening approach, besides capturing the storm water in ways that keep it out of our sewer system at least during the time of the storm event, also provides a number of other potential benefits. When you look at a street like this, there were no trees, and now there's shading, so the temperatures in the summer are cooler on their block. It improves property values to have trees and other vegetation in front of your property. There's air quality, air benefits like that. So a lot of additional benefits in addition to the screening. We're hearing that's what people are really excited about.

So just a few examples, and I'll do these really fast. We're working -- these are demonstration projects to show how these things can work.

Councilman, you keep talking

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2 about rain gardens. So this is a rain

3 garden at the Penn Alexander School.

4 Essentially, it takes a lot of the roof

5 runoff from the school, infiltrates it

6 back into the soil, keeps it out of the

7 combined sewer system and provides a

8 great outdoor classroom for the children

9 who go to the school. They also have

10 porous asphalt parking lots.

11 In the lower pictures, the kids

12 are actually installing the green

13 infrastructure. This is a project we

14 worked on with the Councilwoman, Mill

15 Creek Recreation Center. It was one of

16 our -- it is the City's first porous

17 asphalt basketball court, and

18 essentially -- and it's been there for

19 about four years now, and essentially

20 when it rains on this court, it's a

21 porous asphalt, it drains into that

22 asphalt and there's an underground basin

23 beneath. So it handles a lot of the

24 runoff in the area, holds it during a

25 storm, allows it to infiltrate. And the

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2 Recreation Department is our partner on
3 this and is looking to do many more of
4 these projects moving into the future.

5 This is Cliveden Park, which is
6 in Germantown. This was an example of a
7 great partnership again with the
8 Recreation Department. We took street
9 runoff from both blocks on both perimeter
10 blocks adjoining this park and
11 essentially disconnected the storm
12 drains, took it right into this park,
13 created like a step-pool system so the
14 rainwater runs down into a rain garden in
15 the park. So it completely disconnected
16 two blocks from this neighborhood.

17 This last one is the Waterview
18 Recreation Center, which is in
19 Germantown, something very similar. So
20 what you see is tree trenches. We have
21 storm drains on the street. The storm
22 drains connect to this porous concrete
23 that's along the sidewalks of the
24 recreation center. There's an
25 underground basin, also feeds the trees

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2 that are planted along that sidewalk.

3 So these are just sort of some
4 of the examples that we're looking to
5 move forward with over the next few years
6 in addition to this Green Streets
7 Program.

8 And, Councilman, we keep
9 hearing from you about certain of your
10 interests in initiating sort of the green
11 economy, how do we create these jobs, how
12 do we create this training, and it's
13 something that the Water Department would
14 also love to see happen.

15 Our challenge is, we get a
16 certain amount of money, we have capital
17 dollars and we have operations and
18 maintenance dollars that go into the
19 assets that we create from this. We
20 don't have the kind of funding to provide
21 for actually putting people through
22 training for these green economy jobs,
23 nor for sustaining that, especially if
24 these practices are done in private
25 property. But we would love to work with

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2 you to sort of explore the ways we can do
3 this. And I know we talked about the
4 Energy Coordinating Agency had received
5 about a million dollars in federal
6 funding to do something very similar,
7 weatherization on private home
8 properties, on homes. So if we can find
9 a way, there's lots of things that we can
10 be doing.

11 We talk about rain barrel
12 installation, training to do that,
13 helping properties make sure that they're
14 maintained properly, rain gardens. We're
15 looking at all sorts of options on
16 residential properties, even something
17 like the replacement of laterals, which
18 people mention time and time again. We
19 don't have the wherewithal or the ability
20 to do that, but if there's stimulus
21 funding to really get people out there to
22 provide that asset or that assistance to
23 private property owners, that would be
24 fantastic. So something we look forward
25 to.

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2 So we did talk a little bit
3 about the defective lateral program. We
4 have these cross connections that we're
5 working in sections of the City and our
6 separate storm water areas. That's a
7 huge problem, and residents, as we
8 mentioned, don't often know that it's
9 happening. This is an example of a cross
10 connection. So I don't know how the
11 federal stimulus package would work with
12 this, but this is something the
13 Department is correcting, but it takes us
14 a long time, slow rate, because
15 everything is underground, very difficult
16 to find.

17 COUNCILMAN JONES: Well, I want
18 to say a couple of things. One, I told
19 people in the early part of this hearing
20 that when I had my initial conversation
21 with the Water Department, that you were
22 enthusiastic. This was my proof that
23 enthusiastic --

24 MS. DAHME: We are
25 enthusiastic.

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2 COUNCILMAN JONES: Absolutely.

3 And one of the things that comes to beg a
4 question, if we are fortunate enough to
5 get a second round of stimulus dollars --
6 and there is some thought that that may
7 happen for Philadelphia, because unlike
8 other municipalities, we have a higher
9 percentage of shovel-ready projects to
10 go. What I'd like us to do as a
11 follow-up to these hearings is give some
12 thought as to where and how we can apply
13 those dollars and in what way to generate
14 the maximum amount of economic
15 development, both for small business but
16 ultimately for people to be employed. So
17 if we can do that in a way that is
18 thoughtful, that allows us to be both
19 Roman and Greek, to build the aqueducts
20 that we need to keep the system going,
21 but also be green enough so that there's
22 some aesthetic value to it as well.

23 One question that I'd like you
24 to answer specifically, what's the
25 average cost of a rain garden to install?

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2 MS. DAHME: We've done a few,
3 and these are larger rain gardens. So
4 there was about \$2,000 for one at two
5 local schools. These are gardens that
6 are much larger. We do have a contract
7 out right now, a consultant who is
8 working with us on creating just what
9 you're asking for, like looking at, as an
10 example, a twin, residential twin, which
11 doesn't have such a huge space, but may
12 be able to create a garden that's like
13 ten foot wide by ten foot long, what
14 would be the cost of that. So we're
15 aiming to make it very affordable,
16 between \$2,000 to \$3,000.

17 A lot of that is involved with
18 the plant material. It's getting the
19 vegetation, the native plants in order to
20 have a landscaper doing the excavation
21 and the planting materials that are
22 involved, but not real challenging, not
23 really difficult to implement. And the
24 more -- if you can sort of ramp up the
25 program so that you're doing many, many

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2 rain gardens, the cost could
3 substantially come down.

4 COUNCILMAN JONES: So a low-end
5 rain garden can be as little as?
6 Complete the sentence for me. \$2,000?

7 MS. DAHME: And that's probably
8 still a little expensive. I mean, I
9 think the most expense is in the native
10 vegetation that we're looking at. I
11 mean, essentially it's taking out an area
12 for a green economy job, somebody would
13 be trained to sort of recognize drainage
14 patterns, looking at a house, looking at
15 the downspouts, where is the water
16 running naturally, looking at the grade
17 of the property, picking the low spot on
18 of the property to dig the rain garden,
19 making sure it's about six to eight
20 inches, depending on how much volume it's
21 going to be handling. The goal for the
22 rain garden is essentially to allow the
23 water to sort of hold and then infiltrate
24 over 24, maybe 72-hour period just to
25 make sure we don't have problems with

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2 insects and that sort of thing, and
3 manning the soil a little bit so that the
4 infiltration works really well, that the
5 plants can thrive and picking out the
6 right vegetation.

7 So it's not really complex.
8 It's just a matter of being taught to
9 have the right skills to go along with
10 that job.

11 COUNCILMAN JONES: So you said
12 the Volkswagen of rain gardens is 2,000.
13 Give me the Cadillac of rain gardens.
14 What does that cost?

15 MS. DAHME: I'm going to see if
16 Chris Crock is in the room with us. He
17 might know the Cadillac.

18 It's certainly --

19 COUNCILMAN JONES: Just give me
20 a ball park.

21 MS. DAHME: It is very site
22 specific. It depends on how big it is.
23 And I'm trying to think. The ones that
24 we have worked with like partners in
25 Montgomery County, they installed a rain

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2 garden that was probably \$5,000. That
3 was the highest that we heard, and it was
4 essentially treating about a quarter
5 acre. So it was a large site.

6 COUNCILMAN JONES: So in your
7 estimate, in the next year, in the next
8 five years, how many rain gardens should
9 we see around the City of Philadelphia or
10 retention basins?

11 MS. DAHME: I think it's going
12 to take us a little bit of time to ramp
13 up. Here's where we are with like the
14 smaller neighborhood project: Penn
15 Future, who is our partner in this, they
16 are joining with us because we're looking
17 to create this design and say, Okay, we
18 have three different types of residential
19 properties, we'll have three different
20 size typical rain garden sizes. Their
21 goal is to go with us to the William Penn
22 Foundation and say, Can we get some
23 funding to implement these rain gardens.

24 They're already starting to
25 collect a list of people who would love

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2 to have something like this with them.

3 We need to sort of have a sense of how
4 much funding do we have, because we don't
5 have -- the Water Department doesn't have
6 the funding to do this work, because we
7 can't make those improvements on private
8 property. So we're looking sort of for
9 the outside funder.

10 We're creating the design.
11 We'll create sort of the technical
12 resources. We're hoping that William
13 Penn or some other foundation joining us
14 with Penn Future will be able to provide
15 some seed money. So if we got \$200,000,
16 could we do 500 rain gardens throughout
17 the City. That's sort of where we're
18 looking right now. We're still very
19 early in the process.

20 COUNCILMAN JONES: So if I'm a
21 neighborhood person and I want a rain
22 garden, there will be a model for me. If
23 I am a bigger, more independent single
24 house, there'll be a design for me?

25 MS. DAHME: Correct.

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2 COUNCILMAN JONES: What about
3 the commercial component of it? Are we
4 drafting -- based on your need for plans
5 for rainwater runoff, will there be
6 designs that they can draw from, so,
7 therefore, a private --

8 COMMISSIONER BRUNWASSER: We
9 certainly have designs that they can draw
10 from, but they will already have an
11 economic signal when we implement the
12 parcel-based storm water charge for the
13 large customers, and they will understand
14 that they can greatly reduce their storm
15 water bill by adopting some of these
16 methodologies and keeping the storm water
17 out of our system, and by doing so, we
18 will be able to offer them credits to
19 acknowledge those changes that they've
20 made to their parcel.

21 COUNCILMAN JONES: Will that
22 also apply to homeowners? Will there be
23 incentives for them to invest in rain
24 gardens since they're doing their part
25 to --

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2 COMMISSIONER BRUNWASSER: At
3 this point, we have not gotten that far.

4 COUNCILMAN JONES: But
5 something in the future?

6 COMMISSIONER BRUNWASSER: It's
7 certainly something we can think about in
8 the future. It certainly pops up, but
9 administratively it may be a little bit
10 difficult at this point in time. We're
11 going to -- we certainly encourage folks
12 to do what they can, but at this point in
13 time, we cannot offer incentives.

14 COUNCILMAN JONES: Fair enough.
15 Sometimes the questions get an honest
16 answer. That's okay.

17 Finally -- and I'm going to let
18 my colleagues if they have any questions
19 for you, but one last question for
20 myself. Can you describe the Rate
21 Stabilization Fund a little bit? That
22 was one of the last issues that was
23 brought up.

24 COMMISSIONER BRUNWASSER: Yes.

25 COUNCILMAN JONES: And one

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2 more, what happens in cases of disputes
3 on billing, what that process is for
4 consumer redress.

5 COMMISSIONER BRUNWASSER: Sure.

6 The billing, again, is a Revenue
7 Department function, but we realize that
8 this has to be improved to some extent.
9 I think the biggest single effort from my
10 vantage point is, we have to be able to
11 get those customers who are calling and
12 answer those calls quickly, and I don't
13 think right now the setup is quite right
14 for that. A lot of calls come in through
15 3-1-1 obviously now, and that's operating
16 the way it should, but there may not be
17 enough fire power in the system that's
18 being used at the Bureau to answer phones
19 quickly. That may have to be beefed up.

20 COUNCILMAN JONES: Has there
21 been any time motion analysis of from the
22 time it takes a call to the time of
23 response? Do you do that kind of --

24 COMMISSIONER BRUNWASSER: There
25 has been in the past. I have not seen

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2 anything of that nature for a few years
3 now. But I think they have a pretty good
4 idea of how many calls are missed, and
5 what we are learning is that sometimes
6 people aren't even getting in the cue.
7 So those may be additional folks who
8 are -- if they can get their question
9 answered the first time, then they don't
10 have to redial and call again and again,
11 and that may be -- it's one of those
12 catch 22 problems. If you don't solve it
13 early, it just feeds on itself, because
14 people have to call back over and over
15 again.

16 COUNCILMAN JONES: Because
17 actually the consumer that gave testimony
18 earlier, who is one of my constituents,
19 actually if you look at holistically how
20 you guys responded to that, it was -- and
21 I observed the process -- it was pretty
22 good. It's the one that gets away that
23 kind of haunts you that had a bad
24 experience that we need to improve upon,
25 because then it kind of slants the public

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2 perception of what the Department is
3 doing, and I know, quite frankly, that
4 you were trying to be as responsive as
5 humanly possible.

6 So we need to do a time motion
7 analysis of what those times are. As we
8 start to look at it as a result of these
9 hearings what some of the follow-up steps
10 are, how can we be more efficient in our
11 greening, what opportunities present
12 themselves through a reduction of
13 rainwater runoff by way of an economic
14 development stimulus for neighborhoods
15 and the greening of neighborhoods, also
16 some efficiencies by way of the mechanics
17 of how we deliver our service and
18 evaluating them in a real sense of what
19 it takes, how long it takes to get a
20 response to an inquiry, both from a leak
21 to a customer billing dispute. So these
22 are hard pieces of data that we need to
23 kind of research and then hold ourselves
24 accountable for. And I said it in the
25 beginning. I'll say it again. We're a

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2 good utility. We can become a better
3 utility by this kind of analysis. And so
4 why don't we -- do we have any questions?

5 COUNCILMAN GREENLEE: Sure.

6 COUNCILMAN JONES: Councilman
7 Greenlee.

8 COUNCILMAN GREENLEE: Thank
9 you, Mr. Chairman.

10 Just one question, and this may
11 have been asked. As I said, I was out
12 for a little while. But on the billing
13 issue -- and I know that's Water Revenue,
14 but when it comes to the meters, I
15 remember years ago in my previous life
16 with Councilman Cohen, one of the
17 complaints always used to be, My meter is
18 not working right, the meter is wrong.
19 Since it's been the new system, the
20 automatic meter reading, I generally get
21 the feeling that there's a lot less of
22 those kind of complaints. Am I right?

23 COMMISSIONER BRUNWASSER:

24 You're correct. I mean, I shudder to
25 think how many calls, additional calls,

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2 there would be if there were still meter
3 disputes. In the old days we got on
4 average one actual read for every ten
5 months of -- you'd have nine out of ten
6 would be estimated reads. And let's face
7 it, they're estimates and they're not
8 always right, and folks complain.

9 COUNCILMAN GREENLEE: Well,
10 sometimes those meters didn't always work
11 properly, too. I mean --

12 COMMISSIONER BRUNWASSER: We do
13 test them and we do change them out of
14 regular intervals, and now with the use
15 of AMR, we get readings if there's --
16 that lead us to believe there may be a
17 meter problem.

18 COUNCILMAN GREENLEE: You can
19 pick up the problem quicker.

20 COMMISSIONER BRUNWASSER: If
21 there's no registration for a month or
22 two and maybe very simple answer, maybe
23 somebody is on vacation or has a second
24 home somewhere else, but for the most
25 part, it triggers a response a little

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2 sooner rather than later.

3 COUNCILMAN GREENLEE: And is
4 there still a lot of complaints about the
5 reading just being wrong? I mean, do you
6 get much of that at all?

7 COMMISSIONER BRUNWASSER: To
8 tell you the truth, Councilman, I get
9 calls in my office as well, and that's
10 about my best gauge. And, of course, I
11 get calls from some Council folks who
12 have a constituent that's had a problem,
13 but that doesn't seem to be nearly as
14 frequent as it used to be.

15 COUNCILMAN GREENLEE: It's kind
16 of what I get, too.

17 COMMISSIONER BRUNWASSER: The
18 Department is the -- was the biggest AMR
19 user when we entered that project and we
20 were able to really go from in less than
21 two years to get over 90 percent of our
22 customers an AMR device. So it was a
23 highly successful program. It's still a
24 very good program. The pressure has
25 remained on the contractor to perform,

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2 and it's worked out beautifully for us, I
3 think.

4 COUNCILMAN GREENLEE: I would
5 agree. Thank you.

6 Thank you, Mr. Chairman.

7 COUNCILMAN JONES: Thank you
8 very much.

9 We're going to go to our next
10 panel. We'd like you to stick around.
11 We have one more to go and I think an
12 exciting panel about to come up, and we
13 can respond to some of the environmental
14 questions and issues that they have.

15 THE CLERK: Representatives
16 from Clean Water Action and PA Action.

17 (Witnesses approached witness
18 table.)

19 COUNCILMAN JONES: Good
20 afternoon. Can you state your names for
21 the record and please proceed.

22 MR. RUSSELL: My name is Brady
23 Russell. I'm the Eastern PA Director for
24 Clean Water Action. Thanks for having us
25 here today, Chairman Jones, and good to

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2 see you, Councilwoman Blackwell and
3 Councilman Greenlee here as well.

4 I stepped out for a second
5 during the beginning of the combined
6 sewage overflow piece. Has anyone
7 actually defined combined sewage overflow
8 yet?

9 COUNCILMAN JONES: No.

10 MR. RUSSELL: Did you define
11 combined sewage overflow for folks?

12 MS. DAHME: Yeah, I did.

13 MR. RUSSELL: Just so we're
14 totally clear on what we're talking about
15 here -- and not to be impolite in this
16 session, but these are important issues.
17 What we're talking about is the raw
18 sewage that comes from your kitchen sinks
19 and your bathroom sinks, but also your
20 toilets ending up in the rivers and
21 streams throughout the Philadelphia area.
22 And the reason that happens is through no
23 fault of the Water Department. We just
24 have an old system that can only take so
25 much water coming through it. It mixes

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2 both the human waste that goes into the
3 sewer system with storm water, and in
4 normal conditions when it's not raining,
5 there's no overflow, but when it rains,
6 like it did yesterday, I feel fairly
7 confident that we probably had a combined
8 sewage overflow event yesterday when the
9 sky exploded. We have raw sewage in our
10 rivers and streams. So I just think
11 that's an important issue for folks to
12 understand about Philadelphia and to be
13 concerned about and to have us take
14 action on soon.

15 So I just want to go really
16 quickly through our testimony. I
17 submitted it in writing.

18 I want to say that on balance,
19 Clean Water Action has been happy with
20 the progress made and the vision that the
21 Philadelphia Water Department has been
22 putting forward, particularly as it
23 relates to storm water. We do see a few
24 shortcomings, a couple of them that have
25 come up at this hearing so far, but in

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2 particular, we've been impressed with the
3 Philadelphia Water Department's decision
4 to use a primarily green infrastructure
5 to control storm water in the City.
6 We're excited as we see that moving
7 forward, and we're also really excited
8 about the rate change that the Water
9 Department made to actually -- well, to,
10 A, require those who contribute the most
11 to the storm water problem in the City to
12 pay the most, but also to have a
13 mechanism so that if you contribute a lot
14 to storm water, you actually can lower
15 your bill by installing more progressive
16 ways of managing storm water, mainly
17 lowering your level of impervious
18 surfaces.

19 So we do agree that green
20 infrastructure is the most cost-effective
21 way to manage storm water, and at best,
22 it reflects the way nature has been
23 effectively managing storm water for
24 thousands of years.

25 The shortcomings that we see --

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2 and we've said these to the Water

3 Department before. They know -- and it's

4 one of the things you, Councilman Jones,

5 kind of highlighted a moment ago -- is

6 that there's no way right now for the

7 residential customer to get a reduction

8 in their storm water bill for managing

9 storm water on site. So right now, the

10 Philadelphia Water Department offers

11 carrots, so if you come to programs that

12 they do on storm water, you might get a

13 rain barrel out of it. They can help you

14 out with that. I'm sure they have other

15 programs as well. It's carrots like that

16 that are good, but that's a lot of

17 hurdles for a customer to jump. They

18 need to figure out where the

19 presentations are happening. They need

20 to decide if they want to do it. They

21 have to go. They have to get the money

22 together. Whereas, if any at any time a

23 resident was able to find a way to lower

24 their storm water costs, they could --

25 that could make a big difference for the

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2 City.

3 I can tell you for myself, I
4 own a house and two vacant lots right
5 next to it. Working for Clean Water
6 Action, I constantly feel guilty that I
7 haven't installed a rain garden on the
8 two lots next to my house. But I've got
9 more land than the average residential
10 customer has. Not a ton more, but
11 there's a lot that could be done there,
12 and if folks like me who own some empty
13 lots or whatever were able to do
14 something by reducing the level of
15 impervious surface, it would be nice to
16 have an incentive that's in place to do
17 that.

18 Another thing that we haven't
19 seen so far -- and this is really forward
20 thinking, but we could lower the pressure
21 on our storm water systems by doing
22 something about gray water. So having a
23 way to separate out the water that just
24 goes down your drain from the water that
25 goes down your toilet, there's a lot of

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2 ways that that can be used that's
3 beneficial for the City. Obviously you
4 can't drink it, but a --

5 COUNCILMAN JONES: Could you on
6 the record speak to some of them? Just
7 like you graphically painted the picture
8 of our dual system, could you also give
9 us some suggestions by way of what
10 we're --

11 MR. RUSSELL: Sure. Two
12 examples is -- I think in a lot of cases
13 gray water is fine to use for irrigation.
14 So it might be something for some of our
15 urban farming areas. Another way any
16 industry that is using water for cooling
17 in any form, they could definitely use
18 gray water as opposed to potable water.
19 So those are just two quick examples. So
20 any place where we're using water for
21 cooling of any kind, we could use gray
22 water. And there's also -- there's no
23 reason not to separate out gray water and
24 have it just get infiltrated into the
25 soil without much treatment. In most

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2 cases, that's fine.

3 So those are a few examples
4 there. Again, this is -- there isn't a
5 lot of that happening in the country at
6 this point, but it's always worth
7 highlighting.

8 The last thing I would just
9 highlight is, on April 19th, the
10 Associated Press came without a report on
11 federal research into pharmaceuticals in
12 wastewater, and there was strong evidence
13 in that report that a lot of the
14 pharmaceuticals that we find in our
15 drinking water and our wastewater streams
16 actually seem to be coming from plants
17 that make pharmaceuticals. And so we
18 just call on the Philadelphia Water
19 Department to continue to monitor
20 emerging contaminants in our wastewater
21 stream. And if we do seem to be finding
22 high incidences of a particular
23 contaminant, especially one that we
24 manufacture here in Pennsylvania, to do
25 some of that detective work and try to

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2 figure out where it's coming from,
3 because there is strong evidence based on
4 this federal report that manufacturers
5 are dumping it down the drain. So we're
6 concerned about that.

7 We do know that they're aware
8 of the emerging contaminant issue, that
9 they are watching it. We just want to
10 continue to put that pressure on that
11 they watch this as closely as they can.

12 And I guess the last point that
13 I would make before I wrap up is, it's
14 exciting to see the Philadelphia Water
15 Department look for as many
16 public-to-public partnerships as they can
17 to improve our green infrastructure and
18 to lower the level of impervious
19 surfaces. We also call on you on Council
20 to help them out. The City owns a lot of
21 concrete, and the more that we can move
22 that to pervious concrete or we can tear
23 it up and put in plants where we can,
24 we're going to be helping the City
25 overall manage its storm water costs and,

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2 of course, also beautify the City.

3 Our chief concern looking
4 forward on storm water is just making
5 sure that we do enough fast enough. And
6 just remember, every time there's a
7 massive rain event, our rivers in the
8 City that we all sometimes hang out
9 nearby or in get kind of gross.

10 Thank you very much.

11 COUNCILMAN JONES: Thank you.

12 MS. KENNEDY: Hi, Councilman
13 Jones and Councilwoman Blackwell and
14 Councilman Greenlee. My name is Karen
15 Kennedy and I work with Action PA. It's
16 a statewide environmental group based in
17 Philadelphia. I'm here to speak about
18 cost-effective alternatives to
19 chlorinated water, the disposal of sewage
20 sludge, as well as the implementation of,
21 as stated earlier, an aggressive
22 monitoring of our water systems and
23 inclusion of public notices of health
24 risks and dangers. I'll explain that
25 part a little bit more towards the end.

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2 But the first thing we suggest
3 is that there be a phase-out of chlorine
4 from water systems and the introduction
5 of ozone or other disinfection methods,
6 and the reasoning is is because one --
7 although chlorine is a good thing and we
8 swim in it all the time, it also kills
9 good bacteria as well. When adjusted at
10 high concentrations, it can counteract
11 Vitamin C and A within the human body,
12 also create an imbalance within thyroid
13 hormones. It's caustic to the skin and
14 hair at times, and it causes an
15 overgrowth of a bacteria in the
16 intestines called candida. That helps --
17 candida is used in the body to help break
18 down food processes, but with an
19 overgrowth, it causes problems within the
20 digestive tract.

21 So just a few things. Because
22 of that, in 2000, the Olympic Committee
23 banned chlorine from all pools for
24 Olympic competition. So since the Sydney
25 Olympics, all swimmers when competing

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2 have not competed in chlorinated swimming
3 pools, but they do use pools that use
4 ozone, ultraviolet technologies or
5 boiling systems, which is also cheaper,
6 because you're not pumping in -- you're
7 not paying for the purchase of chemicals
8 to put into the water to disinfect it,
9 and also a green technology that can be
10 used.

11 Secondly, we ask for the use of
12 ozone or ultraviolet light sludge
13 reduction systems. Basically what we're
14 suggesting is that the City help
15 implement a sludge detoxification system.
16 That basically takes sludge, which is a
17 by-product of chemical waste and
18 contaminants that are flushed down
19 toilets and dumped into sewer systems,
20 containing heavy metals, mercury for one,
21 industrial compounds, viruses, bacteria,
22 drug residue, radioactive materials.
23 Currently, the City uses digesters, as
24 was what was mentioned earlier, to
25 process the sludge, and I was actually

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2 glad to see that they were creating a
3 gas, that they actually do use the gas,
4 because I have mentioned here that the
5 flames that you see off of I-95 is kind
6 of a waste of energy, because that
7 methane can be used for electricity
8 purposes. So we just want to encourage
9 more of that as well.

10 But the other concern that we
11 have is that some of the residue that's
12 left after it's flamed is created into
13 agricultural products, which are placed
14 on top of baseball fields and put on top
15 of foods and vegetables and things like
16 that. And so it's been cited a couple of
17 times. In '94, '95, two boys were killed
18 due to the exposure of Philadelphia
19 sludge. This was reported in the Journal
20 of United Mine Workers of America. And
21 also a microbiologist named Dr. David Lee
22 from the EPA noted that one of his
23 patients, who was from Clearfield County,
24 died of a staph infection after riding
25 his dirt bike through an area that had

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2 been treated with sludge, and another
3 young boy thought of the exact same
4 condition after the land next to his
5 house had been treated. And the
6 reasoning is is that not all the bacteria
7 or viruses are completely gone from the
8 sludge after it's been flamed.

9 Not only that, but it's
10 important that Philadelphia resolve its
11 sewage sludge problem in a way that
12 doesn't contaminate our food supply or
13 harm our state's rural residents. Last
14 year, the sludge industry's national
15 conference was held here in Philadelphia,
16 where there were many copies of
17 presentations that were made offering
18 alternative technologies, like the ozone
19 light system, which would in the long
20 term help us reduce our sludge
21 production, but then also allow us to
22 reduce costs by not having to import
23 sludge to landfills, coal mines and farm
24 fields.

25 Thirdly, and one of the things

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2 that is really important to me, is the
3 mandate of dental offices to include
4 amalgam separators. Luckily, in The
5 Philadelphia Code, we were able to get
6 something passed that allowed for a
7 dentist to have to let their patients
8 know when their fillings have 50 percent
9 or more mercury. Mercury is something
10 that is very toxic to the human body when
11 exposed to it. It's not scrubbed out of
12 sludge and definitely is not scrubbed out
13 of water, and it creates a problem for
14 our fisheries and our water system. It
15 has had very -- it has had extreme
16 effects on the neurological system of the
17 human body.

18 The Environmental Protection
19 Agency has stated again that it's a
20 neurotoxin. And one of the things that
21 we could do by mandating the separators
22 is, one, the City wouldn't have to pay
23 for it. It only costs between \$800 to a
24 thousand dollars per dentist to install
25 it. Also, we are the first place in the

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2 United States to provide public drinking
3 water, and it would be nice for it to be
4 even safer. They mentioned earlier that
5 we are 50 percent more safer than some of
6 the stricter standards, which is amazing,
7 but we should also follow in the
8 footsteps, being one of the first cities,
9 of New York, Oregon, Connecticut,
10 Massachusetts, Maine, Vermont, parts of
11 California and Wisconsin who have also
12 mandated these separators in all of their
13 dental offices.

14 Also, we also would like to
15 have a fluoride education campaign
16 created for new parents. Mike Ewall last
17 year testified about the dangers of
18 fluoride in the water, but one of the
19 things that was noted by the Center for
20 Disease Control and the American Dental
21 Association is that fluoride introduced
22 into children under the age of one can
23 permanently damage the tooth enamel and
24 also causing dental fluorosis. So we
25 just want to let parents know they

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2 shouldn't mix the water until after age
3 one.

4 And then, lastly, we again call
5 for the active monitoring of toxins and
6 heavy metals within our water system. We
7 are glad that it is being monitored.
8 We're also glad that the testimony from
9 last spring brought up all of the issues
10 with the toxins within our city, but we'd
11 also like to make sure that all of our
12 residents are duly notified through
13 either newspaper, flyers, public
14 announcements of any contaminants that
15 may be in the water that can hurt them,
16 so that way, they know to avoid drinking
17 water for that particular period.

18 Thank you.

19 COUNCILMAN JONES: You know, we
20 were sitting up here saying we didn't
21 know whether to be scared or at least
22 feel confident, and so I'm going to ask
23 this question: Do you drink Philly tap?

24 MR. RUSSELL: Yes, definitely.

25 COUNCILMAN JONES: Yes?

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2 MS. KENNEDY: I did when I went
3 to high school here.

4 COUNCILMAN JONES: Do you now?

5 MS. KENNEDY: I don't live in
6 the City now.

7 COUNCILMAN JONES: Okay. Do
8 you?

9 MR. RUSSELL: Yeah, definitely.
10 I try to filter it, but, yeah,
11 definitely.

12 COUNCILMAN JONES: Hey, listen,
13 that gives me a degree of confidence,
14 because you're knowledgeable consumers
15 and so that's important to me.

16 A couple of things --

17 MR. RUSSELL: Can I just say
18 one thing? I also just want to -- I've
19 liked this since before I worked for the
20 Water Action. The Water Department's
21 Philly Tap, the bottled water that you
22 guys give out, I say it's a great name.
23 I wish they filled it more places,
24 because if people have got to buy bottled
25 water, I wish they'd buy it from right

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2 here. Anyway, I love Tap.

3 COUNCILMAN JONES: We agree on
4 that.

5 One other thing, ultraviolet,
6 can you explain that process a bit
7 because --

8 MS. KENNEDY: Sure. I don't
9 have a good background in those
10 particular processes and I can have the
11 presentations definitely sent in to you,
12 but essentially what happens is is that
13 the sludge is put through a process where
14 ultraviolet light is concentrated on it.
15 It then basically breaks it up and breaks
16 it down. So it's a reduction process.
17 And so at that point, once you go ahead
18 and flare it, you have the methane gas
19 and then you have a smaller amount of
20 sludge that's being pushed out to the
21 landfills. And so it just reduces that
22 amount of toxins that are released
23 afterwards.

24 COUNCILMAN JONES: Well, a
25 couple of things, and closing out will be

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2 the Water Department to respond to a
3 couple of these, but are you familiar
4 with some of the dual system replacement
5 or solutions that they're coming up with,
6 such as the tanks that they're putting
7 in, and are you comfortable with their
8 efforts to try to reduce some of that
9 rainwater runoff in raw sewage going into
10 our streams? Are you familiar with it at
11 all?

12 MR. RUSSELL: The overall plan
13 that they've talked about with the slight
14 mix of gray and overwhelmingly green,
15 yeah. We've been watching it for a while
16 and are happy with the overall vision.

17 COUNCILMAN JONES: Okay. I
18 mean, and that's important to me. I
19 mean, I actually -- do you do canvassers
20 still?

21 MR. RUSSELL: Yeah. We're a
22 canvassing organization, yeah.

23 COUNCILMAN JONES: I spoke
24 to -- I was one of the motivational
25 speakers that went out.

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2 MR. RUSSELL: Yeah, a briefing
3 with us sometime. Yeah. Great.

4 COUNCILMAN JONES: I did the
5 briefing.

6 So I'm glad to hear that we are
7 making progress, and I want you to be a
8 part of, as we go forward to design some
9 of these solutions, to get your input
10 from it. And it's an educational process
11 for us, because sometimes we in
12 government don't know these options
13 exist. So we can't put forth options if
14 we don't know. So that's why these
15 hearings are important, and we thank you
16 for your testimony.

17 Do my colleagues have any
18 questions?

19 (No response.)

20 COUNCILMAN JONES: Thank you.

21 And I'd like to ask in the
22 final ten minutes closing this out for
23 the Water Department to come up.

24 (Witnesses approached witness
25 table.)

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2 COUNCILMAN JONES: And thank
3 you so much for your endurance during
4 these hearings, and for you to kind of
5 touch on some of the things by way of --
6 and I know you're familiar with the dual
7 system and some of the challenges when we
8 get a big flood, when we have those
9 incidents, but I want you to focus more
10 towards what we're doing to remediate the
11 problem.

12 COMMISSIONER BRUNWASSER: I
13 think maybe Deputy Commissioner Debra
14 McCarty could give you some of the
15 details.

16 DEPUTY COMMISSIONER McCARTY:
17 I'm sorry, Councilman. I was --

18 COUNCILMAN JONES: You weren't
19 listening?

20 DEPUTY COMMISSIONER McCARTY:
21 Yeah. You're looking to --

22 COUNCILMAN JONES: What I want
23 to do is talk about -- we understand the
24 problem with the rainwater runoff and the
25 raw sewage combining when we have

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2 increased instances of rain, how that can
3 create an overflow into our streams.

4 What I wanted you to focus on is some of
5 the steps being taken to deal with that
6 problem, such as your storage areas and
7 then the pumping out of that at a time
8 when we have less rainfall.

9 DEPUTY COMMISSIONER McCARTY:

10 Okay. Well, we're looking at a long-term
11 control -- I mean, we're in the midst of
12 preparing a long-term control plan to
13 address the combined sewer overflows,
14 which is, I believe, what you're talking
15 about, where sewage combined with
16 rainwater does get to our waterways.

17 What can't get to one of our three
18 treatment plants gets to our waterways.

19 So as Joanne and the Commissioner have
20 spoken about, we're looking to address a
21 lot of that by keeping the water from
22 getting to pipes and capturing it in rain
23 gardens, tree pits, mostly green
24 infrastructure, the impervious paving in
25 playgrounds, things that Joanne

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2 highlighted earlier in the PowerPoint.

3 The other things we're doing is
4 giving incentives through the rates that
5 should go into effect in Fiscal 2011,
6 which would be beginning July 1st, 2010,
7 where it will be a parcel-based rate
8 process. And the Commissioner could
9 speak to that probably better than I.

10 Something else is, the folks
11 that develop more than 15,000 square feet
12 of -- create more than 15,000 square feet
13 of earth to surface in the City as of
14 January 2006 have to capture that first
15 inch of rain and manage that and keep it
16 from getting to our system.

17 And so those are some of the
18 issues we're working on.

19 COMMISSIONER BRUNWASSER:

20 Right. I think that was -- Debbie just
21 gave you a nice summary of the direction
22 we'd like to address these problems. And
23 the final determination of whether doing
24 most of this work through green
25 infrastructure and new laws, new rate

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2 tariffs and structures that encourage
3 industrial, commercial customers to do
4 something on their parcel rather than pay
5 a higher storm water charge, these are
6 some of the best practices, best ways to
7 handle the problem.

8 We recognize, however, that
9 over 60 percent of the City has the one
10 sewer pipe that has the dual purpose of
11 sanitary sewage conveyance to the
12 wastewater plant and also storm water
13 conveyance during rain events. And I
14 know one of the pictures that we had up
15 there before, you see a little sewage
16 running out of a very big pipe, and that
17 is typical in dry weather. It's the wet
18 weather overflows that we worry about
19 when that pipe exceeds its capacity and
20 we have to offload that diluted sewage
21 into the rivers.

22 The other things that we are
23 looking into because we have to, it's
24 part of -- this is something that most
25 other older cities have done in the

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2 country. They have signed up and are
3 digging deep wells and tunnels to store
4 the storm water. This is exactly your
5 point. This is something that we are
6 trying to do as little as possible, and
7 by using green and by using the new
8 regulations on redevelopment and
9 development of property, it diminishes
10 the amount of storm water holding tanks.
11 It diminishes the size of having to build
12 these things and --

13 COUNCILMAN JONES: Because
14 they're capital intense, I would imagine.

15 COMMISSIONER BRUNWASSER: Yes,
16 they're capital intense. In fact, back
17 in the 1970s after the Clean Water Act
18 was enacted and the Water Department had
19 to build pretty much three new wastewater
20 treatment plants -- there were treatment
21 plants there before, but they basically
22 were completely rebuilt at a cost of
23 almost \$900 million, and almost 600 of
24 that million came from the federal
25 government. We were very fortunate to

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2 aggressively go after the federal dollars

3 and we got them. But before we built

4 those plants, we had to undergo a

5 storm -- I mean, a sewer assessment, an

6 infiltration inflow assessment, because

7 if your system isn't tight, you're

8 letting a lot of rainwater/storm water go

9 to the sewage plants that don't

10 actually -- that doesn't actually have to

11 go there. And so the plants would be

12 oversized. So the federal government was

13 not going to pay 75 percent for oversized

14 plants. We had to do -- we had to reduce

15 infiltration inflow within our system

16 before we could size the plants

17 appropriately. And just like this, we

18 are trying to do and get the approval of

19 EPA and DEP to do as much green in our

20 long-term control plan as possible to

21 avoid having to build these major tanks,

22 and the bottom line is that at the end of

23 the day, even if we build tanks for two

24 or three billion dollars or more, the

25 river quality will not be increased very

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2 much. We do not think it's a good use of
3 the precious money that we have to spend,
4 our ratepayers will have to spend.

5 So we are trying to maximize
6 doing things on the surface, keeping
7 storm water out of our system as much as
8 possible and showing real progress and
9 the greening of the City and improving
10 our environment rather than spending it
11 in tanks underground that no one sees or
12 appreciates, for that matter.

13 So that's the real struggle
14 that we're going to be having and that
15 conversation that we have to have with
16 the federal government and the state
17 government, who are our regulators here.
18 And we already know that they like what
19 Philadelphia has been doing as far as
20 green is concerned, as far as the
21 watersheds are concerned. The holistic
22 process has been a model to many cities
23 across the country. The problem is
24 meeting the letter of the law. Do we
25 have to build -- I mean, green won't do

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2 all of it for us, and that's where -- so
3 that's our dilemma right now and that's
4 our biggest challenge over the next few
5 years for sure, and it's a challenge that
6 will be addressed over the period of the
7 next 20 to 30 years.

8 As a department, we are trained
9 in the Water Department to think long
10 term, as you know, and we have a lot of
11 people who are engineers and planners and
12 technically the sharpest people you want
13 to know, knowledgeable about what is
14 going on, what's happening in this world
15 and trying to pick up any advantage that
16 we can from someone else's mistake or
17 efforts at getting to where we want to
18 be, which is a much cleaner environment.

19 One thing, the good news is,
20 bottom line is, Philadelphia's water
21 environment is so much better than it
22 used to be already. The three wastewater
23 treatment plants are working beautifully.
24 They're award-winning plants every year,
25 but environmentalists say there's still

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2 pollution getting into the river. It's
3 not from the factories. We know how to
4 clean that up. The big problem is now
5 runoff the land, runoff from the land,
6 and our combined sewer overflows. So
7 that's what we're targeting. The problem
8 is, we've done so much already, most of
9 the -- so much of the improvement has
10 already been done, but to get those
11 incremental improvements in water quality
12 are very, very expensive, and that's --
13 and there's no federal dollars for that.

14 COUNCILMAN JONES: Well,
15 hopefully as we look to Washington for
16 some relief, that may change, and I think
17 we have a President that is sensitive to
18 the environment and has a commitment to
19 resolving some of its issues.

20 Two quick questions as we draw
21 this hearing to a close. Some of my
22 other colleagues are moving a plastic bag
23 ban in the City of Philadelphia. Can you
24 briefly touch on what plastic bags have
25 meant to the Water Department by way of

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2 an environmental hazard?

3 COMMISSIONER BRUNWASSER: Well,
4 I may not be the best one to speak to
5 this, but clearly, a lot of plastic bags
6 end up in our inlets, our storm water
7 inlets, our catch basins, and these
8 inlets are tied to our creeks, streams,
9 rivers, and so a lot of this material
10 will end up in the creek. If it doesn't
11 mess up the mechanics of -- the
12 hydraulics of our system, our inlets and
13 sewer system, they do clog up different
14 areas, and eventually much of this
15 material ends up coming out one of the
16 outfalls into our creek or river. But,
17 again, I think we're supportive of
18 anything that reduces that.

19 COUNCILMAN JONES: I just
20 wanted to touch on that.

21 I just wanted to say for the
22 record that I am thankful to you,
23 Commissioner, your staff and the
24 professionals in the Water Department for
25 what you do. I think that this Committee

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2 should be looked to as a partner to
3 analyze where we have, evaluate where we
4 can and improve where we must the
5 operations of this department. That's
6 the purpose of this hearing. We should
7 do it.

8 I would say that we've learned
9 a lot today by way of the operations and
10 its capital budgets, by way of dual
11 systems and a need to improve them, by
12 maintaining laterals and mains. I mean,
13 we learned a lot about that. We talked
14 about a need to improve our DBE/WBE
15 minority participation in the process.
16 We want to try to look to the green
17 revolution to create jobs through
18 replacing impervious surfaces with
19 pervious surfaces and rain gardens and
20 catch basins. We also are exploring the
21 possibility of new markets for your
22 product, whether it's through our various
23 relationships with other companies to
24 export our water.

25 So all of these stand as great

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2 potential, and I just am excited about
3 the ongoing process and the possibility
4 of an audit, that we shouldn't kind of
5 fear it. The auditors are our friends,
6 to some degree. I know that's a
7 difficult concept at times, but we should
8 always do this to get better.

9 We should look to a second
10 round of the stimulus package as an
11 opportunity to move some of our
12 shovel-ready projects ahead. Ultimately,
13 you're part of a green solution for this
14 city. As we start to reduce some of the
15 rainwater runoff and its contaminants, as
16 we start to look to green roofs as a
17 solution, I think you'll be the
18 beneficiary of some of that work that we
19 do. And I'd like to hear from my
20 colleagues as we close out.

21 COUNCILMAN GREENLEE: Just very
22 quickly, Mr. Chairman. First of all,
23 thank you for putting all this together.
24 I know that was a lot for you and your
25 staff, and I think we did learn a whole

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2 lot today. And one other thing I would
3 like to say directly to the Water
4 Department.

5 I think the first time we dealt
6 with each other, Commissioner, was on
7 that shut-off bill. We didn't
8 necessarily agree with each other, but I
9 will say that I think one thing we
10 learned almost on every subject today was
11 that the Water Department is moving in
12 the right direction, and I think all of
13 you deserve tremendous credit for that.
14 Obviously we don't think everything is
15 perfect, and what some of us may think is
16 perfect, somebody else doesn't. But I
17 think on environmental, on customer
18 service, on a whole lot of issues, you're
19 going in the right direction, and I think
20 certainly that's maybe not the most we
21 can ask, but certainly that's a
22 reasonable thing to ask. So I just want
23 to get that on record and thank you for
24 what you've done.

25 COMMISSIONER BRUNWASSER: Thank

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2 you.

3 COUNCILMAN JONES: Thanks,
4 Councilman.

5 Councilwoman Blackwell.

6 COUNCILWOMAN BLACKWELL: Thank
7 you very much.

8 I note that that pervious
9 school water issues that were shown that
10 we all praise was at Penn Alexander
11 School, Mr. Chairman. That's in the 3rd.

12 COUNCILMAN JONES: Duly noted.

13 COUNCILWOMAN BLACKWELL: And
14 also we are trying to work out something
15 next with the Salzberger School at 48th
16 and Fairmount, and we really would like
17 to see a program expand with the
18 Salzberger there on that land that we
19 can't build on. So we want to expand
20 that program with students at Salzberger.
21 And we would like to invite those who are
22 interested in continuing a Mill Creek
23 Farm to consider that site. It would be
24 ideal for it. It would be much -- it
25 would be community friendly, and they'd

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2 also have a chance to work with the
3 students at that school.

4 Thank you all very much.

5 COUNCILMAN JONES: Well, thank
6 you.

7 This will conclude our hearing,
8 and we will recess at the call of the
9 Chair the Committee of Transportation and
10 Public Utilities.

11 Thank you all very much.

12 COMMISSIONER BRUNWASSER: Thank
13 you.

14 (Committee on Transportation
15 and Public Utilities concluded at 2:15
16 p.m.)

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1
2 CERTIFICATE

3 I HEREBY CERTIFY that the
4 proceedings, evidence and objections are
5 contained fully and accurately in the
6 stenographic notes taken by me upon the
7 foregoing matter on June 16, 2009, and that
8 this is a true and correct transcript of same.
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14 _____
15 MICHELE L. MURPHY

16 RPR-Notary Public
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