



Philadelphia Water's Tiered Assistance Program (TAP)

TAP COST RECOVERY & FINANCIAL SAFEGUARDS

-- Brian Merritt

BUILDING A WORLD OF DIFFERENCE®
////

 **BLACK & VEATCH**

What is the revenue impact?

TAP Costs and Recovery

TAP Costs

- Pre-launch estimate of revenue loss (FY 2018): \$16.3 Million*
- Post-launch estimate of revenue loss (FY 2018): \$3.9 Million

Cost Recovery

- FY 2018: TAP costs (revenue loss) recovered through rates and charges
- FY 2019 and onwards: TAP costs to be recovered via a distinct surcharge

| | Projected Enrollees | Projected Cost (\$000s) |
|---------|---------------------|-------------------------|
| FY 2018 | 11,211 | \$3,900 |
| FY 2019 | 16,924 | \$9,800 |
| FY 2020 | 22,981 | \$13,700 |
| FY 2021 | 26,397 | \$17,000 |

* Full enrollment revenue loss assumed in FY 2018 rates and charges

What are the risks?

Risks & Challenges

Program Participation

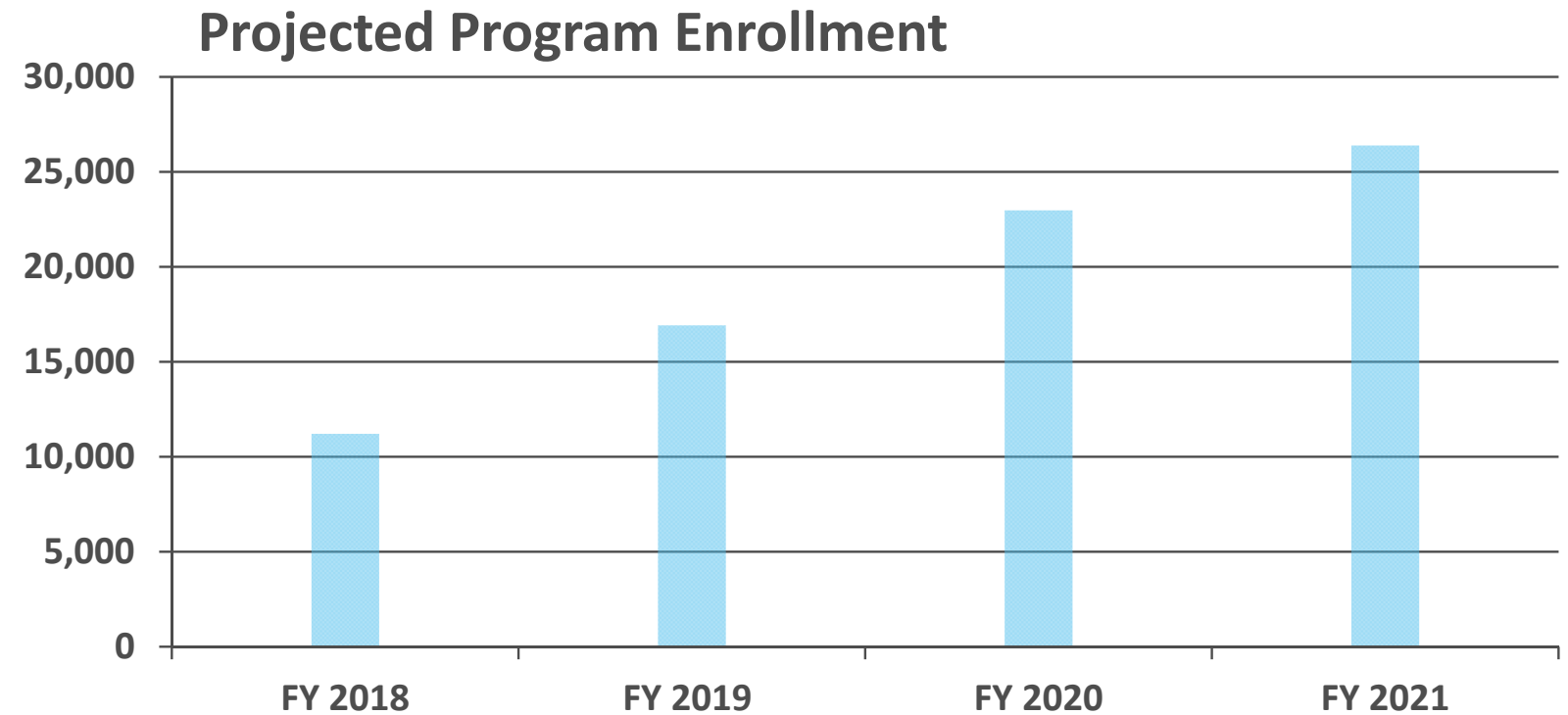
- Slower enrollment than initially anticipated
- Participation expected to ramp up

Cost Recovery

- Actual FY 2018 losses turned out to be much lower than anticipated



Contributed to a higher fund balance
&
Raised concerns on how to better align cost recovery with actual experience



How can these risks & challenges be addressed comprehensively?

TAP Rate Rider Mechanism

Key challenges that had to be addressed:

- 1) Scalability issues related to TAP program growth over-time;
- 2) Financial Safeguards for both the utility and customers with respect to TAP cost recovery; and
- 3) Flexibility to adjust rates outside of a formal rate proceeding

Solution: Adopt a reconcilable cost recovery mechanism that:

- 1) Provides a distinct recovery mechanism for TAP costs
- 2) Aligns revenue losses and cost recovery with actual experience
- 3) Allows for annual adjustment and reconciliation outside of a formal rate proceeding

What else needs to be considered?

Other Key Objectives

- **Be simple to administer;**
- **Be flexible to accommodate:**
 - **Available data on TAP and Non-TAP Customers;**
 - **Future evolution of the TAP Rate Rider;**
 - **Changes to the calculation methodology;**
 - **Enable timely updates to the Adopted Rates; and**
- **Be legal and defensible.**

How do electric & gas utilities address affordability?

Examples from Philadelphia's Electric & Gas Utilities

| Utility | Service | Low Income Assistance Program Cost Recovery Mechanism | Charge Component |
|--------------------------------------|-------------|---|-------------------------------|
| Philadelphia Electric Company (PECO) | Electricity | Universal Service Fund Charge (USFC) | Usage (\$ per kWh) |
| Philadelphia Gas Works (PGW) | Natural Gas | Universal Service and Energy Conservation (USEC) | Volume Surcharge (\$ per Mcf) |

Advantages:

Philadelphia Water customers may be familiar with these riders and their impacts.

Challenges:

Philadelphia Water provides water, sewer and stormwater service; and TAP customers receive a discount on their entire bill.

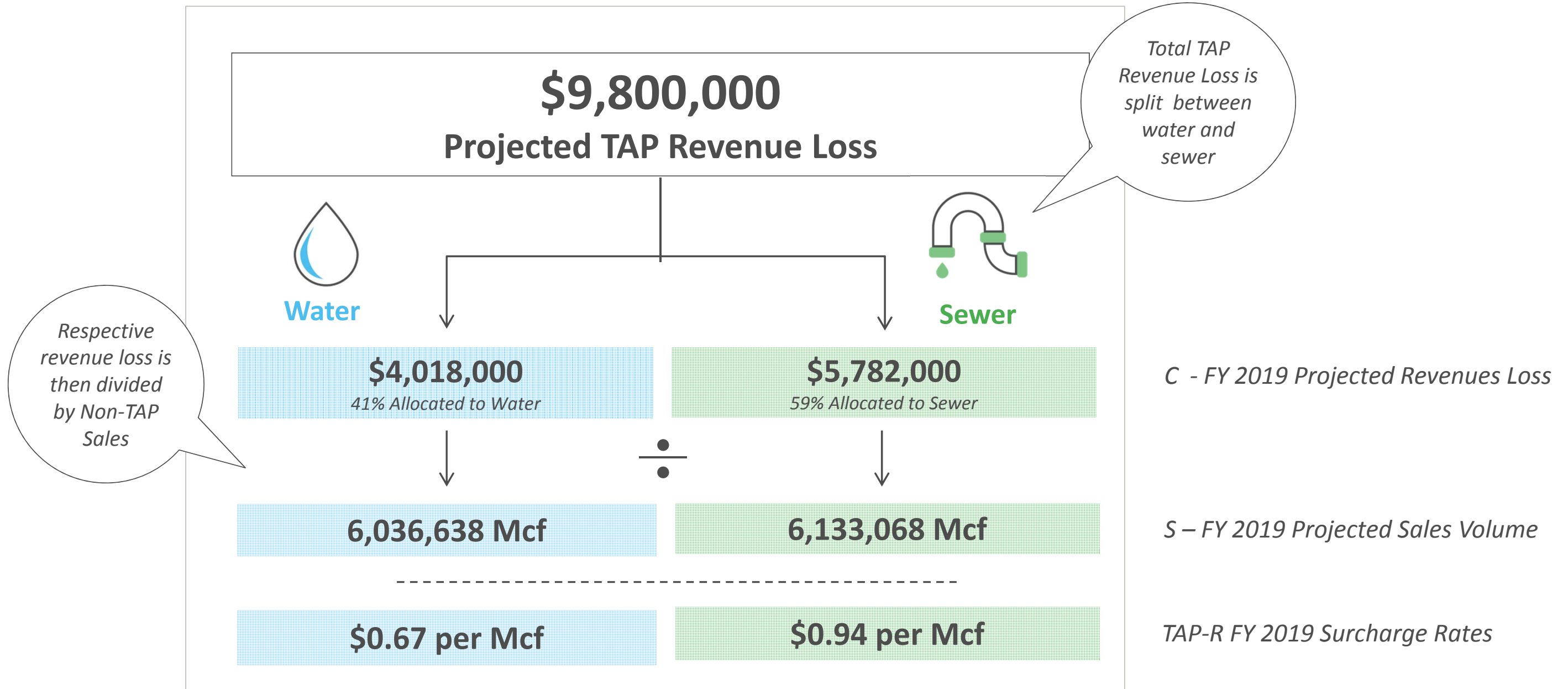
How will it work?

TAP Surcharge Overview

- **TAP Costs will be recovered via a distinct surcharge (\$/MCF)**
- **Cost recovery will be split between water and wastewater (sewer and stormwater)**
- **Resulting TAP Surcharge consists of two sub-components:**
 - **“Water TAP-R”**
 - **“Sewer TAP-R”**
- **Surcharges are added to “base rates” for quantity charges**

What is the resulting surcharge?

TAP-R (Effective September 1, 2018)



What will customers see?

Quantity Charge Rate Schedule

Customer's quantity charges are based on the base charge plus the TAP-R surcharge rate

Water Quantity Charge

| Mcf | Base Charge | TAP-R | Total Charge |
|---------------|-------------|--------|--------------|
| 0 – 2 | \$44.85 | \$0.67 | \$45.52 |
| 2.1 – 100 | \$38.54 | \$0.67 | \$39.21 |
| 100.1 - 2,000 | \$29.87 | \$0.67 | \$30.54 |
| 2,000+ | \$29.05 | \$0.67 | \$29.72 |

Sewer Quantity Charge

| Mcf | Base Charge | TAP-R | Total Charge |
|--------------------------|-------------|--------|--------------|
| All billable Water Usage | \$30.82 | \$0.94 | \$31.76 |

How is the reconciliation incorporated?

TAP Reconcilable Surcharge Equation

$$TAP-R = \frac{(C) - (E + I)}{S}$$

TAP-R - Surcharge Rate (\$/MCF)

C – Cost in dollars of the estimated TAP Billing Loss for the projected period

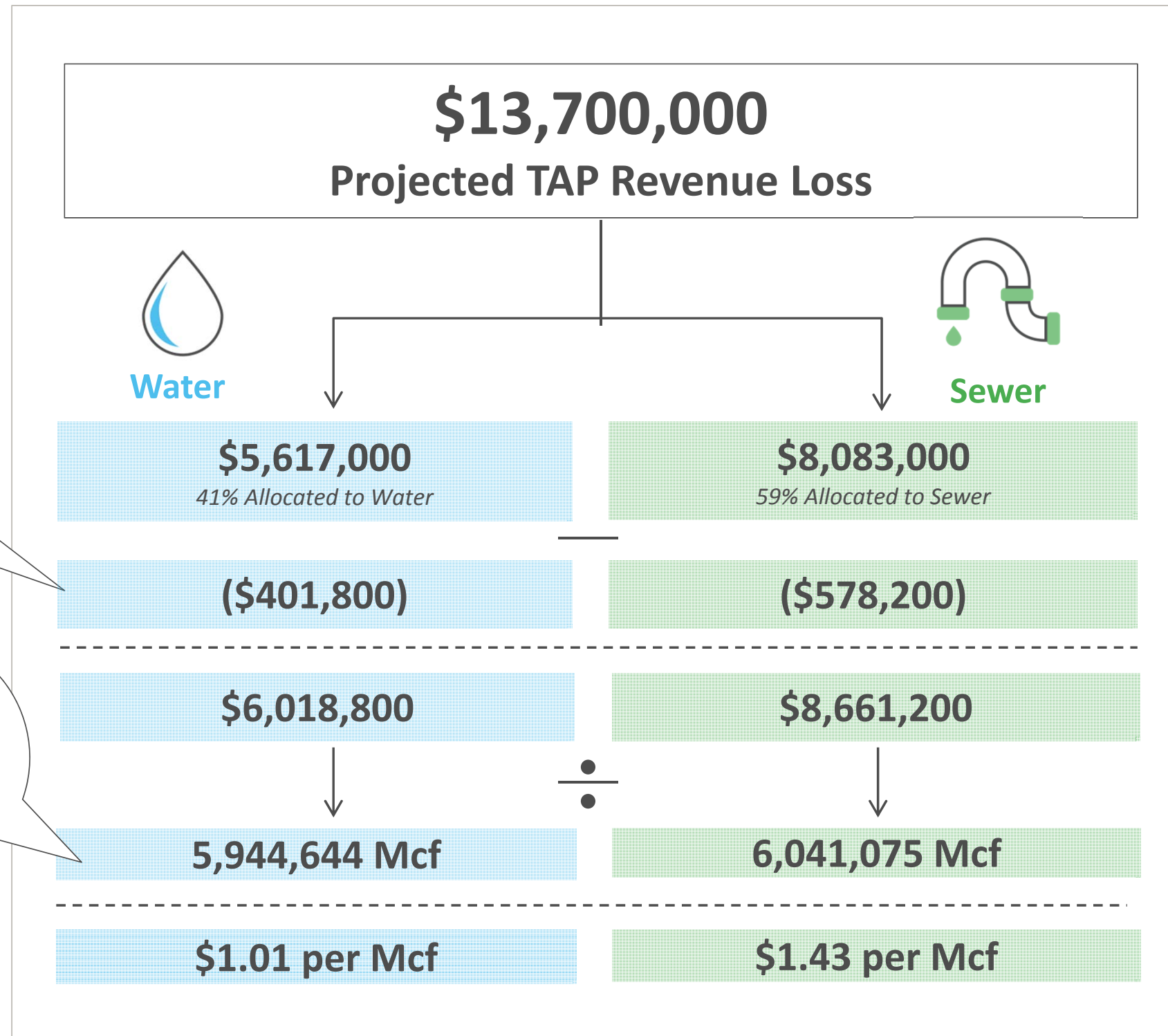
E - The net over or under collection of the TAP-R surcharge amount for the Most Recent Period

I - Interest on any over or under recovery of the TAP-R for the most recent period computed on annual basis

S - Projected sales in MCF for Non-TAP customers

What might reconciliation look like?

TAP-R FY 2020 Illustration



Total TAP Revenue Loss is split between water and sewer

Less Net Over/ (Under) recovery from last period with interest

Respective revenue loss is then divided by Non-TAP Sales

C - FY 2020 Projected Revenues Loss

E + I - FY 2019 Reconciliation Amount

C - (E+I) – Net Recoverable Costs

S – FY 2020 Projected Sales Volume

TAP-R FY 2020 Surcharge Rates

What is the process for reconciliation?

TAP Surcharge Reconciliation Timing

- **TAP-R will go into effect September 1, 2018**
- **Reconciliation will be filed annually**
- **Philadelphia's Water, Sewer and Stormwater Rate Board will have 60 days to render a decision**

What are the benefits?

TAP Surcharge and Rate Rider Benefits

Addresses scalability

- Adjusts annually to better align with program enrollment and recovery of associated discounts
- Reconciles TAP Revenue Losses and TAP-R Revenues with actual experience

Provides financial safeguards

- Protects PWD Customers by reducing the surcharge in the event costs are over-recovered
- Protects PWD Revenues by increasing the surcharge in the event costs are under-recovered

Rates are adjusted outside of a formal rate proceeding

- Provides formulaic basis for rate setting and streamlines approval process
- Similar to mechanisms used by other local utilities



**transform-
ative
issues**

symposium



American Water Works
Association



Water Environment
Federation
the water quality people

THANK YOU!

washington, dc
august 6–7, 2018

affordability

TAP

TIERED ASSISTANCE PROGRAM

The Tiered Assistance Program (TAP) is the City of Philadelphia's new affordability program for low-income customers and those with special hardships to help reduce their monthly water bills. TAP provides customers with significant savings by offering a consistent bill based on their income.



PHILADELPHIA
WATER
— DEPARTMENT —



PHILADELPHIA
WATER
— DEPARTMENT —



1.6M PEOPLE SERVED BY THE PWD WATER AND WASTEWATER SYSTEM

The primary mission of the Philadelphia Water Department is to plan for, operate, and maintain both the infrastructure and the organization necessary to purvey high quality drinking water, to provide an adequate and reliable water supply for all household, commercial, and community needs, and to sustain and enhance the region's watersheds and quality of life by managing wastewater and stormwater effectively.

WHAT'S THE ISSUE?

ADDRESSING AFFORDABILITY

26%

POVERTY RATE IN
PHILADELPHIA

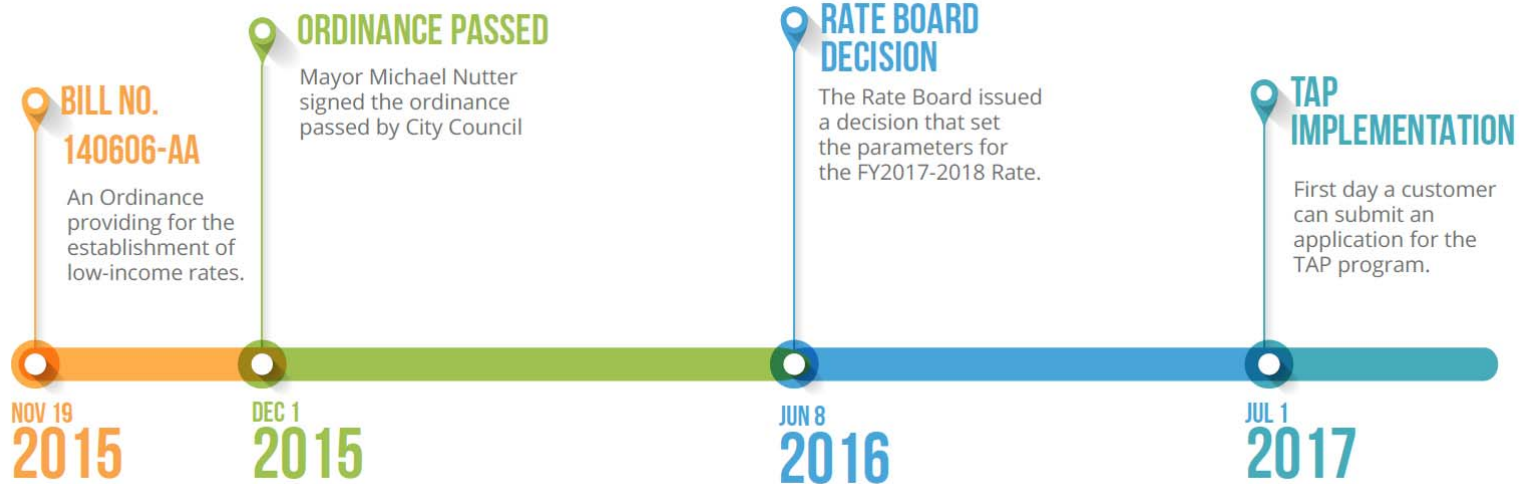
40K

RESIDENTIAL PROPERTIES
IN SHUTOFF STATUS
(AS OF APRIL 2017)



AT A GLANCE

THE ROAD TO TAP



A City Council Ordinance and Water, Sewer and Storm Water Rate Board Decision requires the establishment of an assistance program that allows low-income customers to pay reduced rates based upon a percentage of their household income.

WHAT'S DIFFERENT?

PWD ASSISTANCE PROGRAMS

FY2017 ASSISTANCE
PROGRAMS TOTAL:

\$31M

| | |
|--|--|
| SENIOR CITIZEN DISCOUNT | HOMEOWNERS EMERGENCY LOAN PROGRAM (HELP) |
| CHARITABLE ORGANIZATION DISCOUNT | CONSERVATION ASSISTANCE PROGRAM |
| WATER REVENUE ASSISTANCE PROGRAM (WRAP) | CROSS CONNECTION ABATEMENT PROGRAM (CCAP) |
| UTILITY EMERGENCY SERVICES FUND | BASEMENT PROTECTION PROGRAM (BPP) |

WHAT'S DIFFERENT?
WRAP VS TAP

| WRAP | TIERED ASSISTANCE PROGRAM (TAP) |
|---|--|
| Up to 250% FPL | Up to 150% FPL |
| UESF + City Grant | USEF - 150 to 250% FPL/No city grant |
| Need to be delinquent | Proactive - delinquency not a requirement |
| Assistance based on outstanding bill, income and consumption | Bill is percentage-based: 0-50% FPL (2% of income) 51-100% FPL (2.5% income) 101-150% FPL (3% income) Special hardship (4% income) |
| Minimum bill \$25/month | Minimum bill: \$12/month |
| Shut off suspension with consistent WRAP payments | Shut off suspension with consistent payments (customer cannot breach) Debt suspension |
| WRAP arrears placed in suspension Delta between WRAP monthly bill and actual bill based on consumption is moved to arrears | 24 payments achieves forgiveness of Penalties. Pre-TAP arrears may be paid |
| ~11,000 current households | Estimated 60,000 eligible households |

VS.

AT A GLANCE

ELIGIBILITY BY INCOME

| INCOME 0-50% FPL | INCOME 50-100% FPL | INCOME 101-150% FPL | INCOME >151% FPL + SPECIAL HARDSHIP | INCOME 151-250% FPL |
|--|--|--|--|--|
| Monthly bill capped at 2% of monthly income No payments toward arrears required | Monthly bill capped at 2.5% of monthly income No payments toward arrears required | Monthly bill capped at 3% of monthly income No payments toward arrears required | Monthly bill capped at 4% of monthly income No payments toward arrears required | Monthly payments toward arrears set so that total monthly bill is about 4% of monthly income |

Eligible customers will pay a percentage of their bill based on their income.

Bills do not go up based on usage. Customers pay a set amount. Customers in the lowest income bracket will pay a bill equivalent to 2% of their monthly income for a minimum of \$12/month. Bill is capped as a percentage of income and is constant each month.

WHAT DID YOU HAVE TO DO? PREPARING FOR TAP

- Assessment of current billing system
- Creation of a stand alone system
- Formulate plan for receiving applications
- Secure vendors through RFP process
- Continued coordination of TAP stakeholders



CITY OF PHILADELPHIA
DEPARTMENT OF REVENUE
WATER REVENUE BUREAU





City of Philadelphia
LIFE • LIBERTY • AND • JUSTICE

Page 1 of 4

Water/Sewer & Stormwater Bill

Please pay **\$1,878.62** by September 17, 2010

Service address: 6212 Sample St., Philadelphia PA 19143

Bill date: September 1, 2010 (Service Period: August 1–31, 2010)

Questions?
www.phila.gov/revenue
(215) 686-6880 Monday–Friday, 8am–5pm

Account number: 050-31400-06212-001

Bill number: 12345 12345

Your account

| | | |
|---------------------------------|----------|------|
| Balance at last bill | \$249.07 | |
| You paid – thank you | \$100.00 | (cr) |
| Unpaid balance | \$149.07 | |
| This bill | | |
| Usage charge (8 ccf, see below) | \$40.92 | |

You missed a payment last month
If you made a payment recently, please subtract that amount from this bill.

You have a payment agreement
The agreement amount is \$75.00.

BO153403128 - 008404

WHAT'S NEXT?

GETTING THE WORD OUT

- Advertising on radio, news and transportation
- Customer website for TAP info and program updates
- TAP informational workshops + PWD Town Hall Meetings in the community
- Info materials + applications developed w/ user feedback

Struggling to pay your water bill?

More Philadelphians than ever are eligible for help.

START HERE:
 ▶ phila.gov/water-bill-help
 or call 215.685.6300

PHILADELPHIA WATER DEPARTMENT
 CITY OF PHILADELPHIA DEPARTMENT OF REVENUE WATER REVENUE BUREAU

New ways to get help with your water bill
 Having a hard time paying your water bill? Philadelphia is helping more people get lower bills.

Who's new?

- Expanded eligibility through the new Social Assistance Program (SAP)
- You don't need to be behind on your bill to apply for help - as little as \$10 a month!
- One application to find the best program for you
- Get more predictable bill every month - making it easier to budget and plan
- Maximize the help you receive, in person or by mail
- Use the phone service, online help or file by filling in your customer information when you request the application

Who should apply?

If you are having trouble paying your water bill, fill out our new online application. We have assistance for people who have to stretch their budgets, especially seniors and people with disabilities. We also have online resources and other helpful tools. There's a program that can help, and we'll get you the help you need to get signed up!

| | | |
|---|---|--|
| In Philadelphia, we estimate approximately 160,000 households are eligible for assistance. | Assess a household of 3 people could lower their monthly bill from \$89 to \$58. | Help for a senior with some unpaid bills. He and his wife could lower their monthly bill from \$72 to \$33. |
|---|---|--|

Sign up now to be notified when the new customer assistance application is available in July 2017!

Enter your contact information at www.phila.gov/water-bill-help

For the application, you'll need to show proof of monthly income for all residents of your household. Be prepared to submit a two-week record of your household's water usage records, or the previous year's tax returns. Greater copies of that info ahead of time so you're ready to fill out the form. A full amount of required documents is required for the application.

¿Tiene problemas con su factura de servicio de agua?

Filadelfia se está preparando para ayudar a que más personas reciban facturas con montos más bajos.

¿CUÁLES SON LAS NOVEDADES?

- Permite la elegibilidad a través del nuevo Tapped Assistance Program (Programa de Asistencia en Inglés, TAP)
- No es necesario que se atrasen en el pago de la factura para solicitar la asistencia, así que no importa si ya le cancelan el servicio
- Las aplicaciones para recibir ayuda en línea están disponibles en español
- Las facturas más altas pueden reducirse al 50 por ciento o más
- Hay un programa de ayuda para personas con facturas atrasadas y problemas de pago
- Hay un programa de ayuda para personas con facturas atrasadas y problemas de pago

¿QUIÉN PUEDE SOLICITAR AYUDA?

Puede solicitar ayuda cualquier persona que tenga problemas para pagar su factura de servicio de agua. Ayudamos a personas con ingresos más bajos o personas que viven en momentos difíciles. También tenemos descuentos para personas que viven en áreas más pobres de la ciudad y otras maneras de ayudar. Si contamos con un programa que pueda ayudar, le informaremos y lo ayudaremos a inscribirse en él!

El señor que vive en el grupo familiar de Annette, se reduce que sus facturas de agua de \$89 a \$58.

El grupo familiar de Annette, se reduce que sus facturas de agua de \$89 a \$58.

Hector, un señor de la tercera edad con algunos facturas atrasadas, podría reducir su factura mensual de \$72 a \$33.

SIGUIENTE PASO
 Inscríbese ahora para que le avisen cuando la nueva aplicación esté disponible en julio de 2017:
www.phila.gov/water-bill-help

PHILADELPHIA WATER DEPARTMENT
 CITY OF PHILADELPHIA DEPARTMENT OF REVENUE WATER REVENUE BUREAU

WHAT'S AT STAKE?

RISKS & CHALLENGES



TIME

12 month timeline until start of implementation



COST

Significant costs for consulting resources



TRUST

Obtaining customers' personal information for application process



SCALABILITY

Slower program growth than initially anticipated



FINANCIAL SAFEGUARDS

TAP as a cost recovery mechanism

HOW DOES IT WORK?

TAP RATE RIDER PROCESS

EXAMPLES OF COST RECOVERY MECHANISM

1. Reconcile TAP Revenue Loss and LiCAP costs


PWD must reconcile assumed and actual costs in the current period from the TAP and LiCAP programs to propose the amount of the revenue adjustment for the next fiscal year.

| FY2019 LiCAP Results | | FY2019 TAP Program Results | |
|------------------------------|-------------|----------------------------|--------------|
| | \$400,000 | \$5,000,000 | \$10,000,000 |
| | ACTUAL | ACTUAL | ESTIMATED |
| Assumed LiCAP Costs: | \$800,000 | Assumed TAP Revenue Lost: | \$10,000,000 |
| Actual LiCAP Costs: | \$400,000 | Actual TAP Revenue Lost: | \$5,000,000 |
| Net Incremental LiCAP Costs: | (\$400,000) | Net TAP Revenue Lost: | \$5,000,000 |

In this example, LiCAP costs \$400K less than expected for the fiscal year.

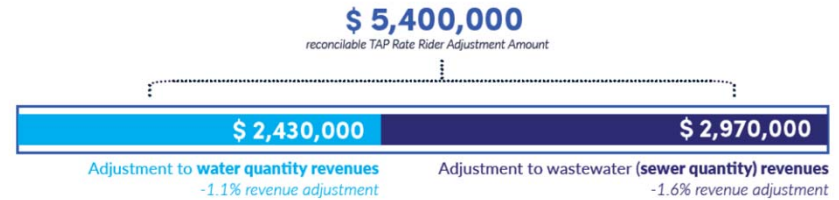
In this example, the TAP program revenue loss is \$5M less than expected for the fiscal year.

\$400,000 + \$5,000,000 = \$5,400,000
reconcilable TAP Rate Rider Adjustment Amount

 PWD overcollected and would adjust revenues down by \$5,400,000 in the next fiscal year (FY2020) to 'true-up' results from FY2019.

2. Adjustments are applied to the water and wastewater systems

PWD splits the \$5,400,000 adjustment between the water and wastewater system.



3. PWD applies adjustments to water quantity and sewer quantity charges for ratepayers.

PWD reduces rates across water and wastewater customer base to align with reduced revenue requirements.

Water Quantity Revenues

| mcf | rate case adopted | true-up rates | rate change |
|-------------|-------------------|---------------|-------------|
| 0-2 | \$50.00 | \$49.47 | -\$0.53 |
| 2.1-100 | \$45.00 | \$44.52 | -\$0.48 |
| 100.1-2,000 | \$40.00 | \$39.58 | -\$0.42 |
| 2,000+ | \$35.00 | \$34.63 | -\$0.37 |

Sewer Quantity Revenues

| rate case adopted | true-up rates | rate change |
|-------------------|---------------|-------------|
| \$40.00 | \$39.38 | -\$0.62 |

Here are the impacts to water quantity and sewer quantity charges

WHAT'S NEXT?

CONTINUING IMPLEMENTATION

13,577 TOTAL APPROVED APPLICATIONS AS OF 7/28/18

| | |
|----------------|---------------|
| >50% FPL | 2,852 |
| 50 – 100% FPL | 6,747 |
| 100 – 150% FPL | 3,741 |
| Above 150% FPL | 237 |
| TOTAL | 13,577 |

PROGRAM MILESTONES

| | FY2018 | FY2019 | FY2020 | FY2021 |
|---------------------------------|--------|--------|--------|--------|
| Program Participants | 11,211 | 16,924 | 22,981 | 26,397 |
| Program Cost (in \$000s) | 3,900 | 9,800 | 13,700 | 17,000 |

- Program reporting submitted to City Council - annual
- Working through rate proceeding - late July
- Technology enhancements (i.e. mobile)

WHAT'S LEFT?

- Enhanced customer application experience - mobile devices, etc.
- Continued Support and training for community partners
- Additional outreach



THANK YOU!

FIXING AFFORDABILITY CHALLENGES REQUIRES A FULL TOOLBOX

2019 UTILITY MANAGEMENT CONFERENCE

The
Utility
Management
Conference™
AWWA | WEF

 **RAFTELIS**

Customer Assistance Programs

Choosing the best tool for the job!



Agenda

- Chronic Low-Income Populations
- Other Income-Distressed Populations
 - » Fixed Income Seniors
 - » Payment Plans
 - » Housing Assistance
 - » Plumbing Assistance
 - » Emergency Assistance
- Affordability-Friendly Rate Structures

Addressing Chronic Poverty

Your Multi-tool

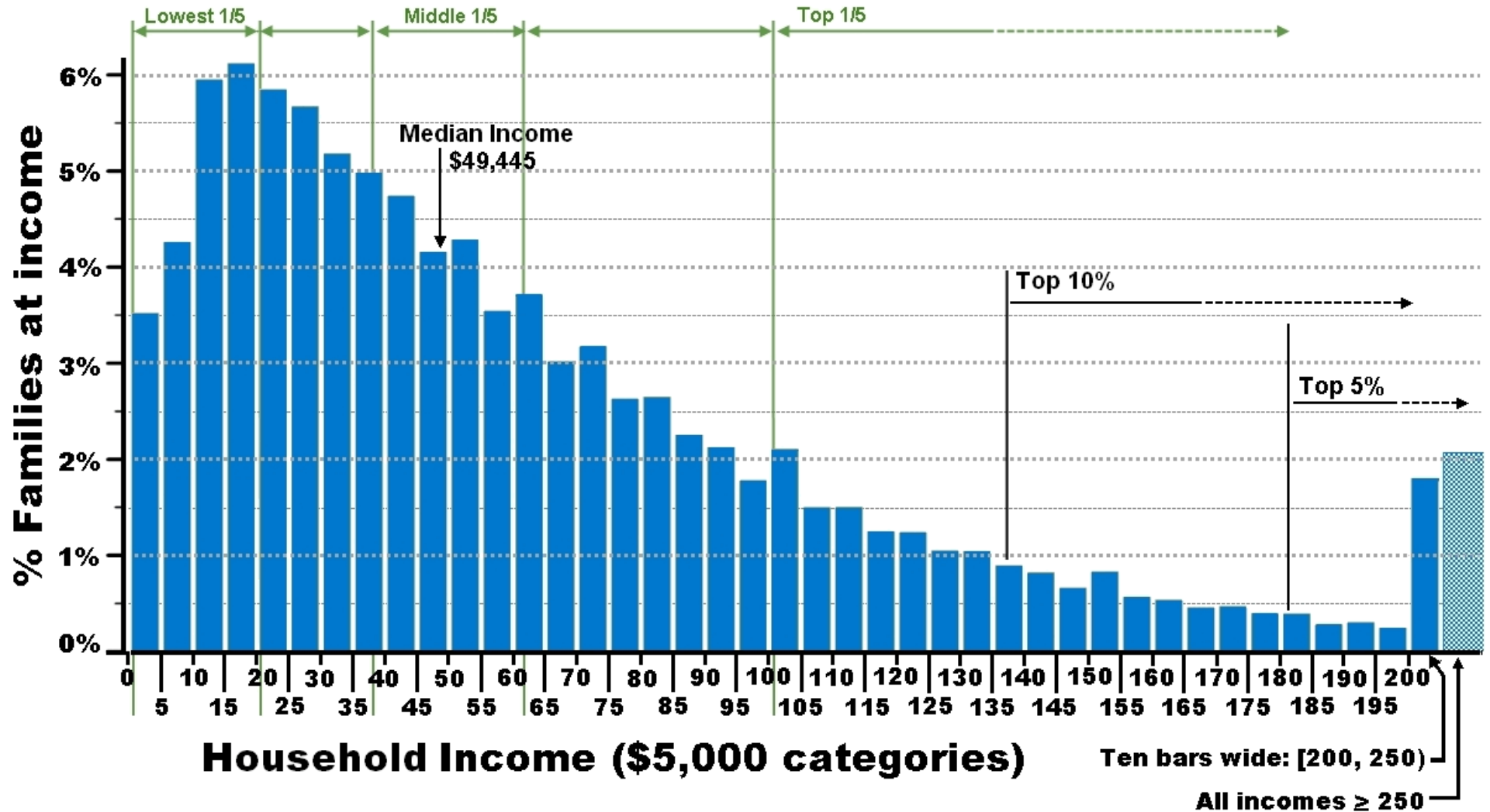


The Job: Addressing A Broad Spectrum Of Chronic Poverty Within The Service Area

- Low income populations have more difficulty paying water bills
- Why?
 - » Water, wastewater, and storm water costs are rising
 - » Incomes are stagnant – particularly in the lowest income quintile
 - » Cost of living is high – Housing, food, transportation, medical, child care, etc
- Why does it matter?
 - » Lower collections rates
 - » Higher account arrearages
 - » More shut-offs
 - » Public health concerns
 - » Decreased ability to adjust rates

Who?

- Lowest quintile
- Below 150% of Federal Poverty Level
- Working poor
- Minimum wage earners



Data source: http://www.census.gov/hhes/www/cpstables/032011/hhinc/new06_000.htm

The Best Tool:

- Types of program structures
 - » Discount programs
 - » Free/reduced cost units of service
 - » Income-based billing
- Additional considerations
 - » Assessing enrollment (10-15% of residential customer base)
 - » How to offset program costs
 - » Inter-operability with other local programs (energy, social services)
 - » Teaming arrangements
 - » Communications planning

Other Affordability- Challenged Groups

Your Specialized Tools



The Job: Addressing Fixed-Income Customers

The Best Tools: Senior Citizen and Disability Programs

- Adding age and disability status to income criteria
- Why does it matter?
 - » Strong advocacy within the community
- Additional considerations
 - » Assessing enrollment (3-7% of residential customer base)
 - » Outreach opportunities through social service agencies



The Job: Addressing Customers With Arrearages

The Best Tools: Payment Agreements

- Customers with an overdue account balance may be offered standard payment agreements (up to 12 months) or extended payment agreements
- Why does it matter?
 - » Reduce shut-offs
 - » Promote housing stabilization
- Additional considerations
 - » Developing a standard processes
 - » Term of agreements



The Job: Addressing Customers With High Usage Or Plumbing Issues

The Best Tools: Conservation Assistance

- Customers may receive free or reduced cost water audits, low-flow fixture replacement, leak correction, or lateral maintenance
- Why does it matter?
 - » Reduce shut-offs
 - » Promote housing stabilization
- Additional considerations
 - » Partnering arrangements



The Job: Addressing Financial Emergencies

The Best Tools: Emergency Assistance Grant Program

- One-time payment assistance for customers facing acute financial hardship
 - » Job loss, medical hardship, death of family member, or similar
- Why does it matter?
 - » Building an image as a caring member of the community
- Additional considerations
 - » Funded through voluntary donations
 - » Participation limited by available funding



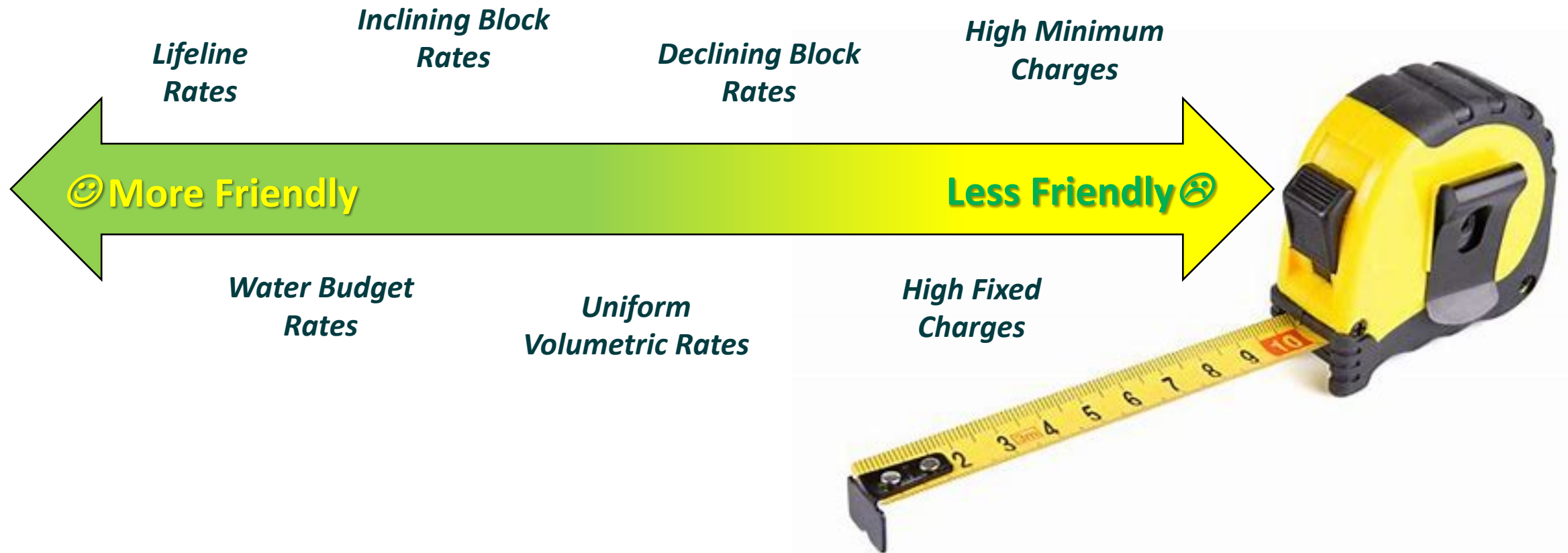
Rate Structures And The Affordability Message

Affordability-friendly Rate
Structures

The Job: Allowing All Customers To Manage Their Water Bills

- Your rate structure can enhance or undermine your affordability message
- Affordability-friendly:
 - » Variable charges allow customers to reduce their bill by conserving
 - » Lifeline rates discount the initial increment of usage to recover only base costs
- Less friendly:
 - » Minimum charges may force customers to pay for services they did not use
 - » High fixed charges do not allow customers to control their bill through conservation

Measuring the Affordability-Friendliness of Common Rate Structures



Thank you!

Jon Davis

Raftelis

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PHL TAP²

Design and Implementation of Large Scale Programs in Philadelphia



PHILADELPHIA
WATER



CITY OF PHILADELPHIA
DEPARTMENT OF REVENUE
WATER REVENUE BUREAU

PHL TAP²

Two initiatives that involved multiple stakeholders and large scale communication rollouts

- PWD Tap Water Initiatives
- Tiered Assistance Program (TAP)



PHL TAP²

PWD Tap Water Initiatives



Philadelphia Water Department Tap Water Initiatives

- Overview of ongoing survey work
- Tap water survey findings
- Tap water Initiatives
 - Public Art
 - Philly Water Bar
 - DrinkPhillyTap Coalition
 - Tap Water Ambassadors

Customer Research at PWD



NEW FOR
2019
PHILADELPHIA
WATER
DEPARTMENT

Tell us what you think!

CUSTOMER SURVEY

All participants have a chance to win a \$100 gift card!

The Philadelphia Water Department (PWD) partners with the University of Pennsylvania to find out what people in Philadelphia think about PWD and the services it provides.

WWW.PWDSURVEY.COM | TEXT @WATER TO 39242 | SCAN QR CODE (SEE BACK)

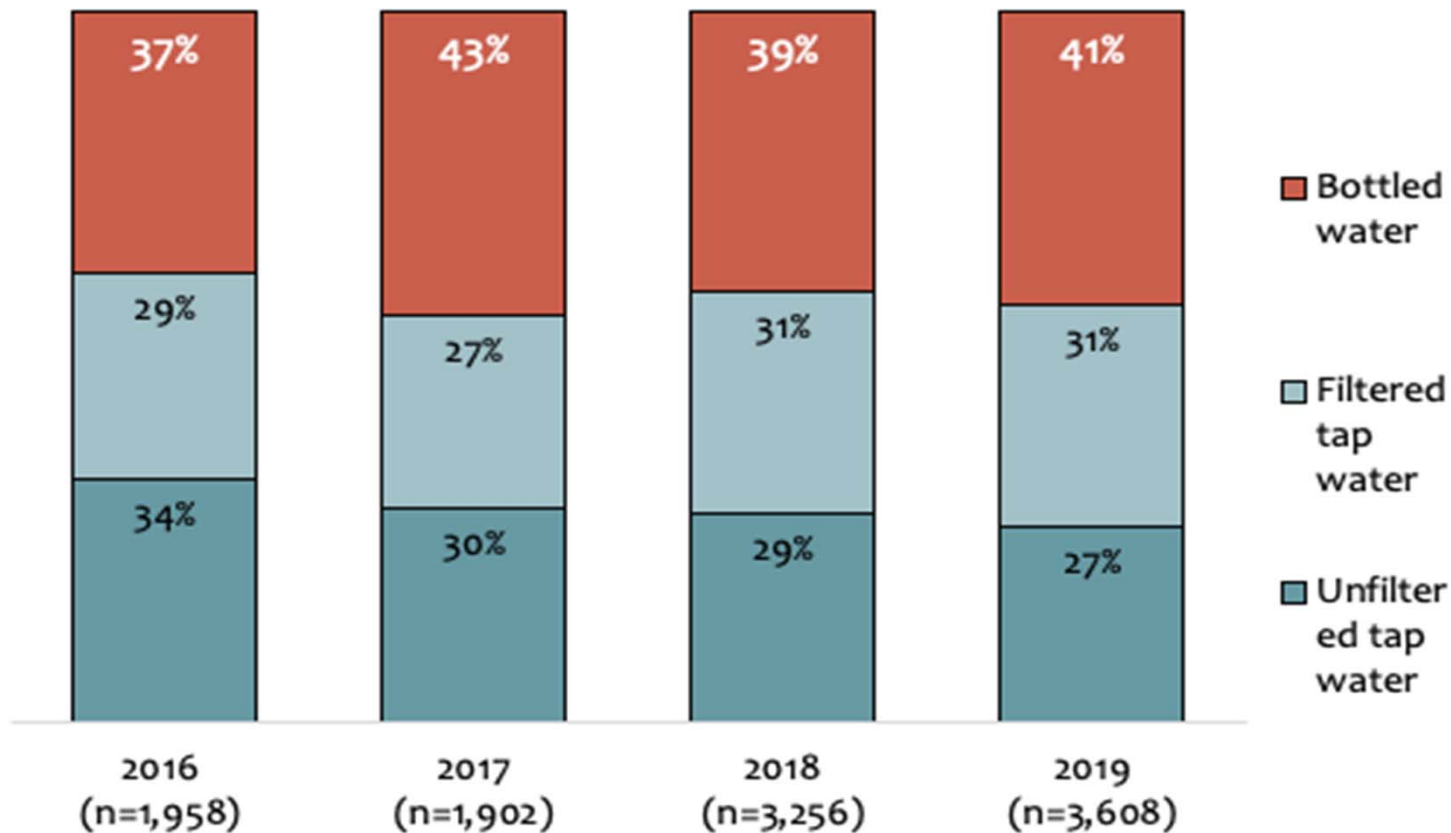
| Source | Frequency | % |
|---|-----------|-----|
| Bill insert | 2069 | 57% |
| Email marketing | 701 | 19% |
| Direct Email to past survey respondents | 512 | 14% |
| QR Code | 206 | 6% |

What do we do with this information?

- Evaluate current programs
- Plan for future program implementation (AMI, Ebilling)
- Work with units to evaluate their programs and develop recommendations
- Guide communications development
- Inform drinking water initiatives

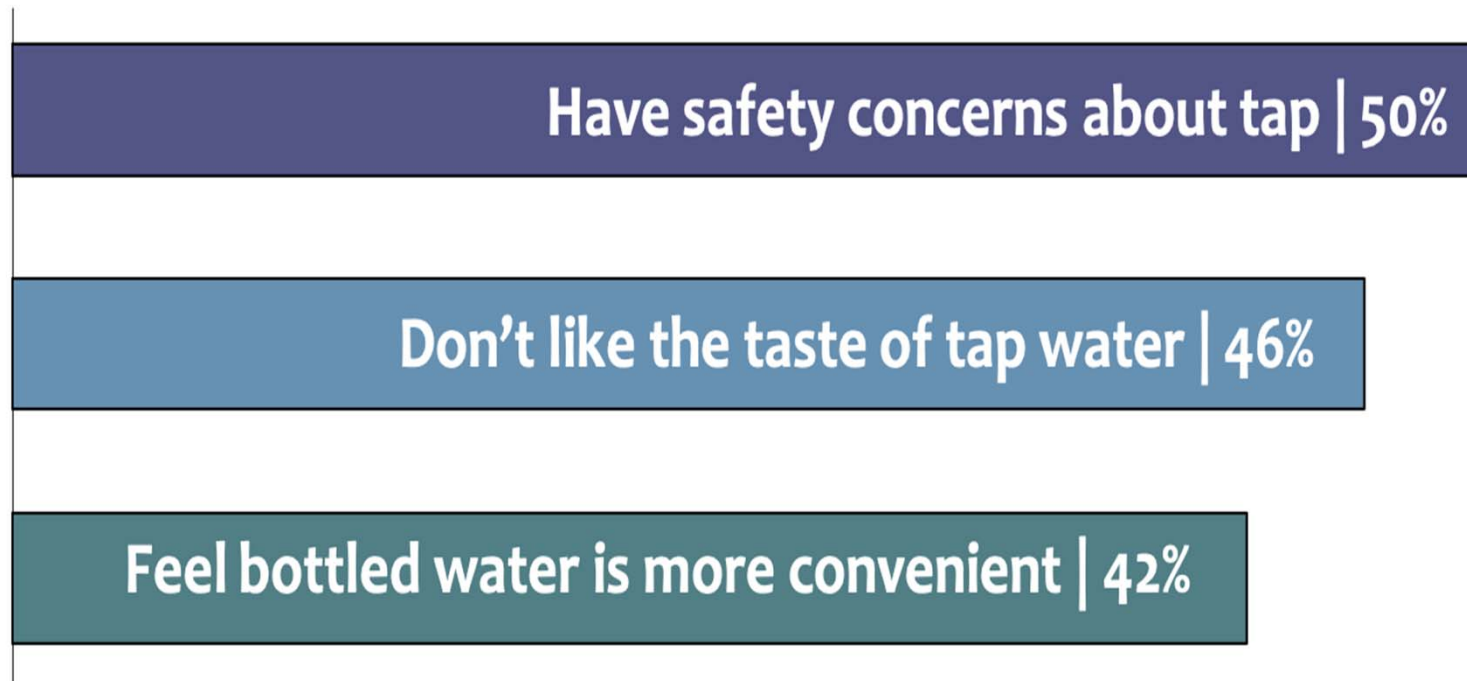
Drinking Water Choices

For the fourth year in a row, about 40% of Philadelphians say they **drink bottled water** most often at home.

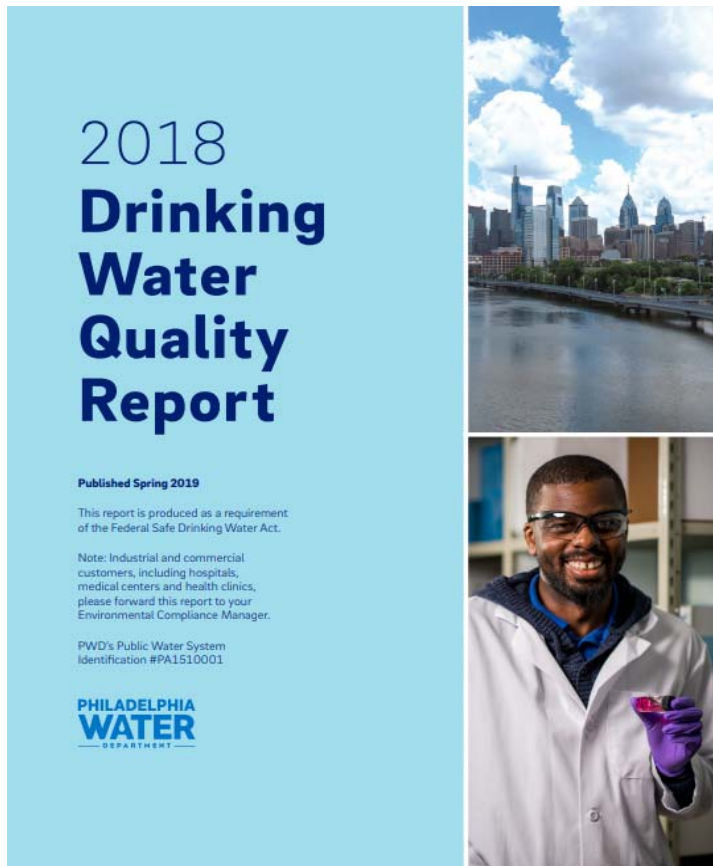


Drinking Water Choices

Philadelphians drink bottled water because they have **concerns with the safety of tap water**, prefer the taste of bottled water, and feel **bottled water is more convenient**.



Perception of Water Quality and Customer Satisfaction



Residents who were aware of the Water Quality Report rated the quality of PWD water higher and were more satisfied, overall.

Survey project lead: Hailey Stern
Hailey.Stern@phila.gov




Tap Water Initiatives



EVERYDAY HEALTHY HABIT:

Run that tap!

Flush out water that's been sitting in your pipes.

| | | | |
|---|---|--|---|
|  <p>Use cold!</p> | <p>When:</p>  <p>AM + PM Run your tap anytime you haven't used water for six hours, like in the morning when you wake up or when you come home after work or school.</p> <p><input checked="" type="checkbox"/> Water quality can decline when it sits for hours in your home plumbing.</p> | <p>How long:</p> <p>3-5</p> <p>MINUTES Running the cold kitchen tap for 3-5 minutes gets you the coldest, freshest water.</p> <p><input type="checkbox"/> The time depends on how far your tap is from the water main.</p> |  <p>Peace of mind doesn't cost much. It only costs pennies a day. You can also shower or flush the toilet to help get top-quality water in your home.</p> |
|---|---|--|---|



Public Art: Water Themed Murals



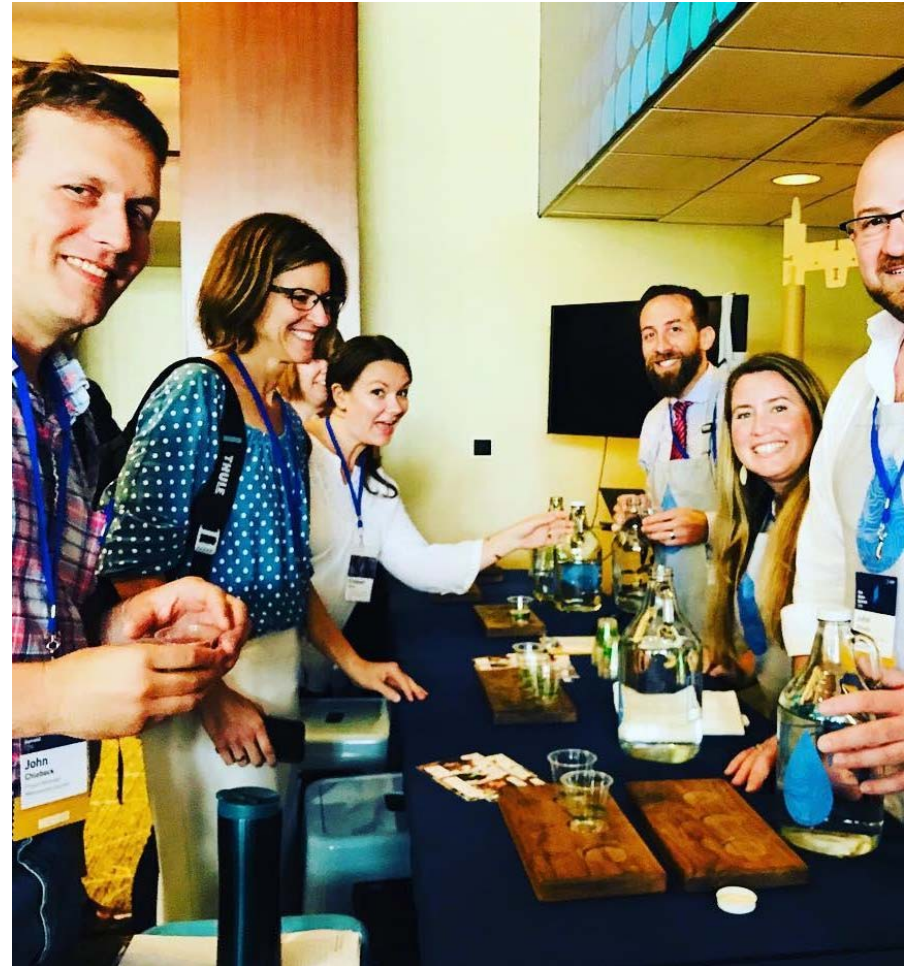


CITY OF PHILADELPHIA | PHL TAP² | Drink Philly Tap Water



CITY OF PHILADELPHIA | PHL TAP² | Drink Philly Tap Water

Water Bar & Public Studio - Minneapolis



Philly Water Bar



Drink Philly Tap Coalition



Drink Philly Tap - Research

- Developed systematic review of literature around tap water consumption
- Evaluated similar campaigns from peer cities
- Used findings to develop current program and guide ideas
- Ongoing evaluation of current project important to monitor success

DrinkPhillyTap - Branding & Campaign

**Money saving,
water flowing**

"My family drinks Philly tap,
saving us hundreds of dollars a year."

Take the tap pledge.
www.drinkphillytap.org



Monika
West Philly




EVERYDAY HEALTHY HABIT:

Run that tap!

Flush out water that's been sitting in your pipes.


When:



AM + PM
Run your tap anytime you haven't used water for **six hours**, like in the **morning** when you wake up or **when you come home** after work or school.


How long:

3-5
MINUTES
Running the cold kitchen tap for **3-5 minutes** gets you the coldest, freshest water.



Water quality can decline when it sits for hours in your home plumbing.

The time depends on how far your tap is from the water main.



Peace of mind doesn't cost much. It only costs pennies a day. You can also shower or flush the toilet to help get top-quality water in your home.



Drink Philly Tap

DrinkPhillyTap.org

Drink Philly Tap

Philly tap water is safe, healthy, affordable and good for the environment. Single-use bottled water is expensive and harmful to the planet. Know the truth about your water.

Join millions of Philadelphians choosing to Drink Philly Tap!

[TAKE THE PLEDGE](#)

[Want to learn more?](#)

DrinkPhillyTap Pledge

Join the movement – take the pledge.

The choice to Drink Philly Tap is clear – it's clean, safe, and affordable. On average, you could save hundreds to thousands of dollars every year if you stop purchasing bottled water and choose tap instead. Join millions of Philadelphians who are drinking tap water today.

I pledge to choose tap water over bottled water.

I'm going to:

- Drink tap water at home instead of buying bottled water
- Carry a reusable water bottle when I'm out
- Ask for tap water when I'm offered bottled water
- Ask my friends to share this pledge

First Name *

Last Name *

State *

ZIP *

Email *

I would like to receive updates and Tap Tips from Drink Philly Tap by email!

SUBMIT MY PLEDGE

Goal: Collect 10K pledges
from Philadelphians
**Over 2500 pledges
already signed**

Tap Water Ambassadors Program



20 Ambassadors selected, mainly from North and West Philadelphia, tasked to be tap water champions in their neighborhoods.



Paid to spend 6-8 hrs/month doing outreach, at events, etc. facilitating conversations.

PHL TAP²

Tiered Assistance Program (TAP)



Assistance has always been available for those who need it.

Existing Assistance Programs Summary

| | |
|---|--|
| Senior Citizen Discount | Homeowners Emergency Loan Program (HELP) |
| Charitable Organization Discount | Conservation Assistance Program (CAP) |
| Water Revenue Assistance Program (WRAP) | Cross Connection Abatement Program |
| Utility Emergency Services Fund (UESF) | Basement Protection Program (BPP) |

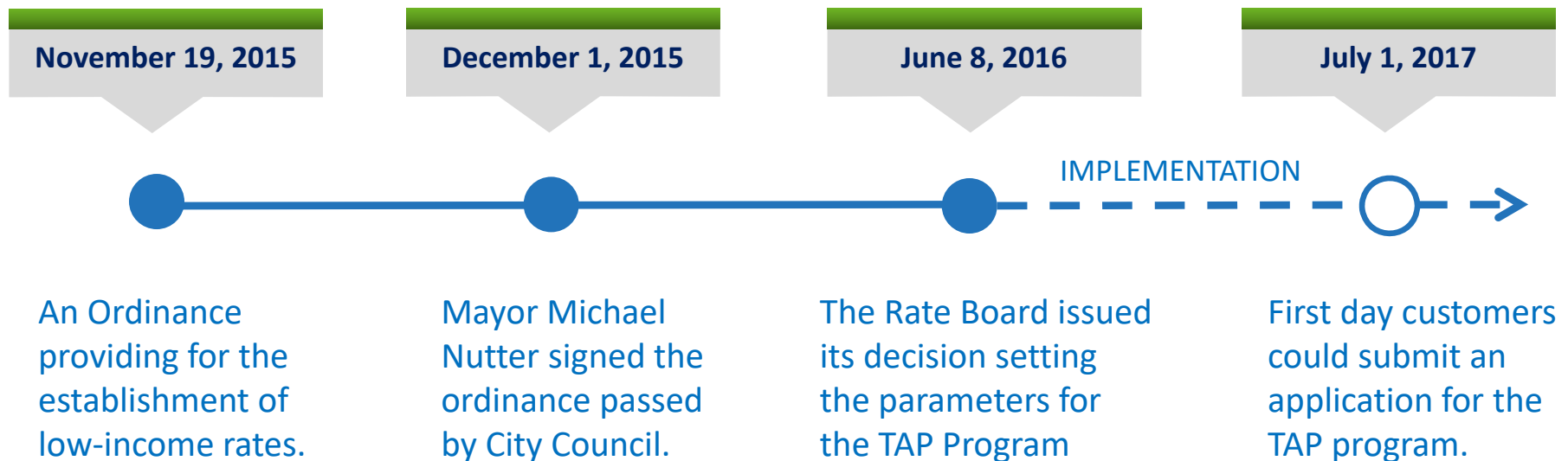


Approximate total of all assistance programs in fiscal year 2017 (prior to TAP's launch):

Over \$34 million

The Road to Affordability: Tiered Assistance Program (TAP)

A City Council Ordinance combined with the Water, Sewer and Storm Water Rate Board's Decision required the establishment of an assistance program that allows low-income customers to pay reduced rates based upon a percentage of their household income.



Eligibility by Income at a Glance

| TAP | | | | Extended Payment Plan |
|--|--|--|--|--|
| Income 0-50% FPL | Income 51-100% FPL | Income 101-150% FPL | Income ≥151% FPL & Special Hardship | Income 151-250% FPL |
| Monthly bill capped at 2% of monthly income | Monthly bill capped at 2.5% of monthly income | Monthly bill capped at 3% of monthly income | Monthly bill capped at 4% of monthly income | Monthly payments toward arrears set so that total monthly bill is about 4% of monthly income |
| No payments toward arrears required | No payments toward arrears required | No payments toward arrears required | No payments toward arrears required | |
| Payment plan offered if in danger of disconnection | Payment plan offered if in danger of disconnection | Payment plan offered if in danger of disconnection | Payment plan offered if in danger of disconnection | |

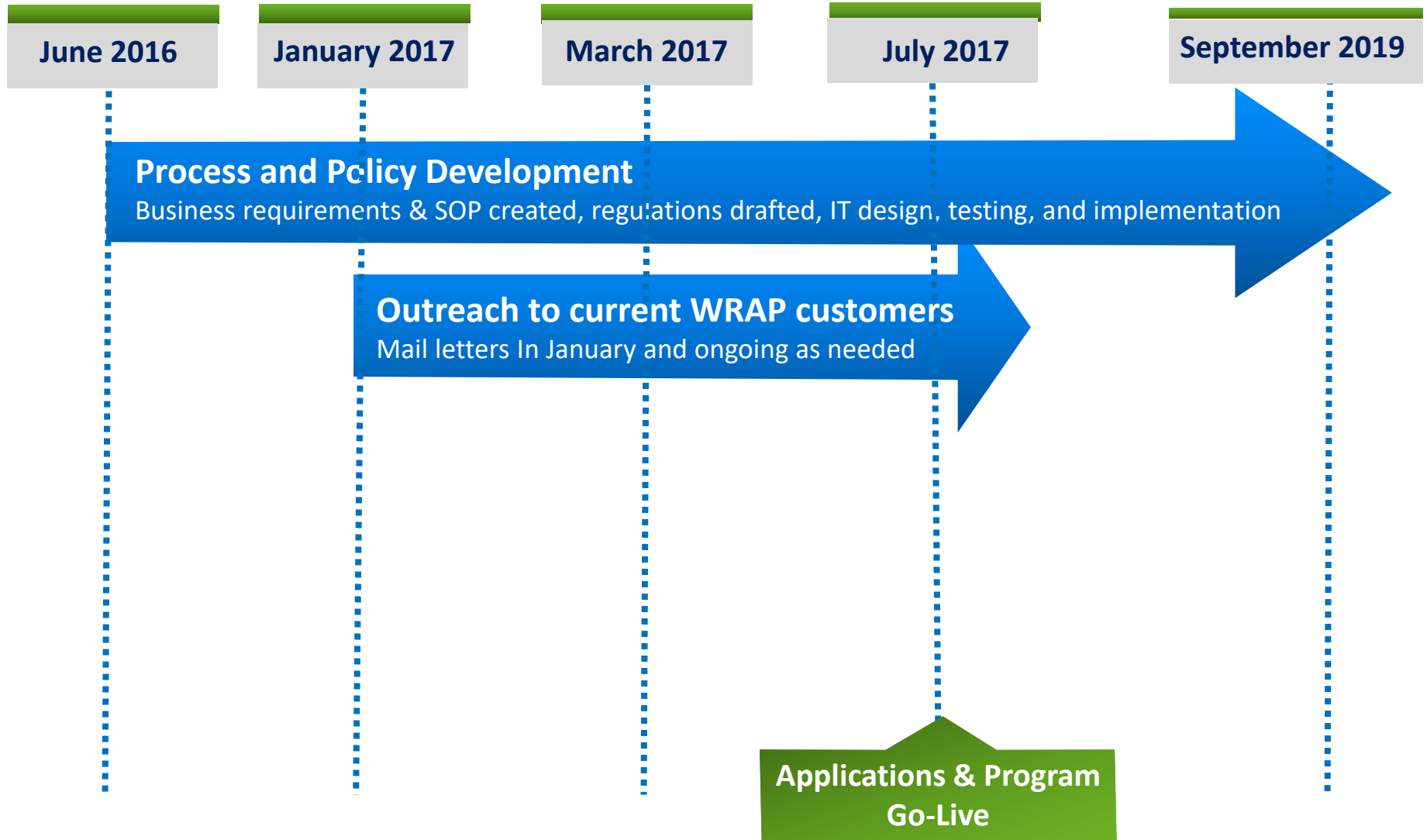
What is Different About TAP?

- Past due amounts are suspended and not enforced upon while successfully enrolled in the program, preventing debt from increasing.
- Program is income-based and not a payment agreement, making bills more predictable and affordable.
- Bills do not go up based on usage. Customers pay a set amount.
- Proactive assistance to keep customers from becoming delinquent or in danger of disconnection.
- Earned forgiveness of prior penalties after 24 months of on-time payments
- More accessible to customers through online, mobile friendly presence and robust language access.
- Program accountability through enhanced metrics.

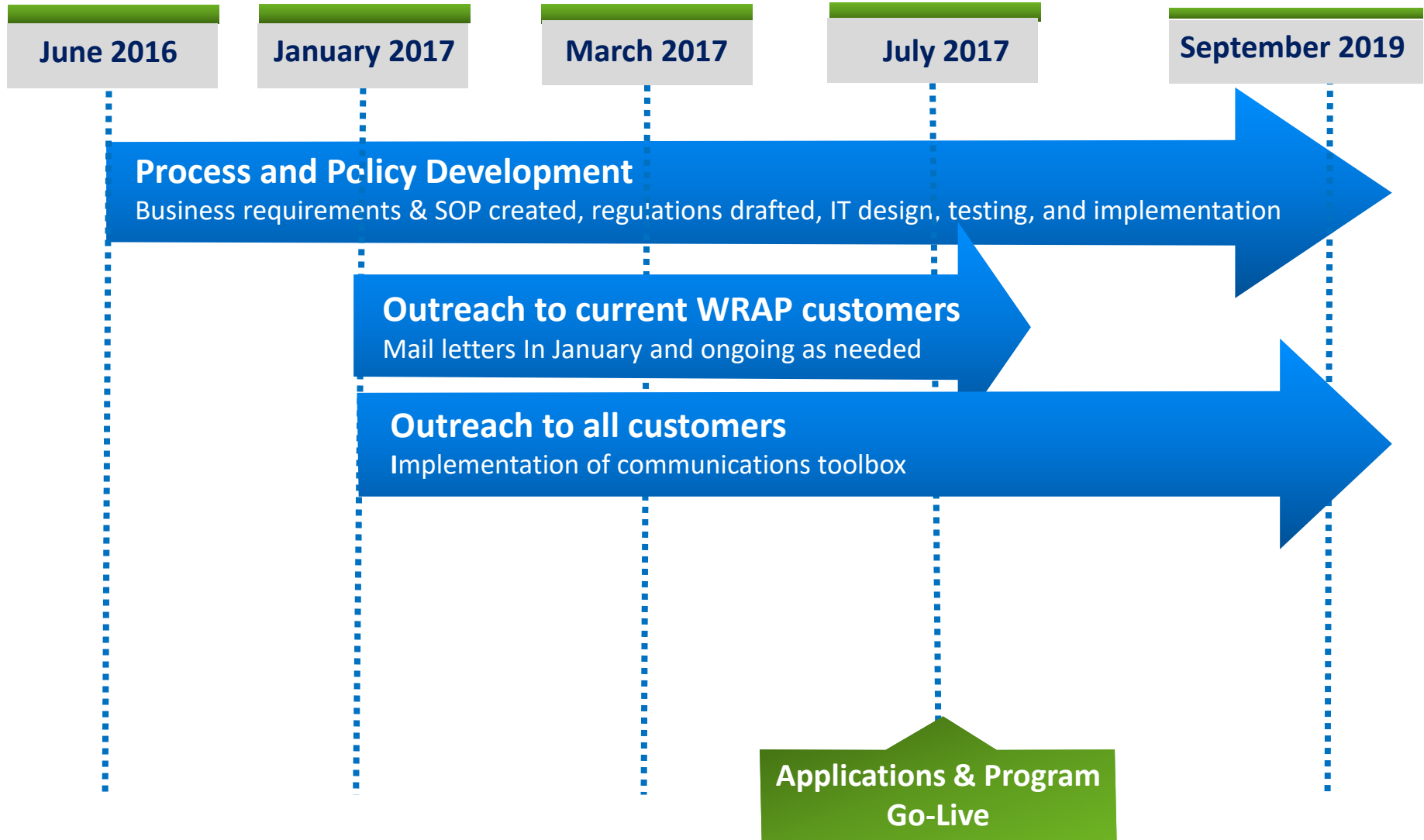
Implementation Timeline



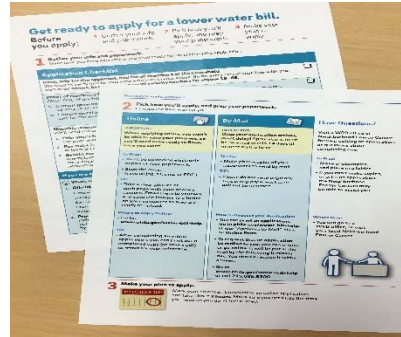
Implementation Timeline



Implementation Timeline



Launch Communication Tool Kit



Hector

Hector and his wife are seniors with some unpaid bills. With a **senior discount**, they lowered their bill from **\$72 to \$33**.

Sample amounts shown. Savings amounts will vary based on individual customers' information.

START HERE:
phila.gov/water-bill-help or call 215.685.6300

Implementation Timeline



Implementation Timeline



Assistance Successes

Applications Submitted

47,643

Approved Applications

32,608

Applicants Receiving Assistance

68%

What Customers Say About TAP

- ▶ The majority of TAP participants (67%) applied for the program because they were **struggling to pay their water bill.**
- ▶ The large majority of TAP participants (78%) found the application process either **very easy or easy.**
- ▶ Nearly all (98%) of TAP participants found the **supporting documents helpful** in preparing the TAP application.
- ▶ Nearly all (96%) of TAP participants have **not had water shutoffs** since enrolling in the program.
- ▶ The majority (88%) of TAP participants feel like the program has **helped them with their budget.**
- ▶ Almost half (42%) of TAP participants feel like they are **using the same amount of water** as before enrollment.

Continuous Improvement

- ✓ Attending utility fairs and senior centers
- ✓ Developing a multi faceted, targeted mailing
- ✓ Enhancing communications between conservation vendor and TAP customers
- ✓ Continuing feedback from stakeholder groups

Dear Customer,

In 2017, Philadelphia improved its water assistance and discount programs, following updates to our regulations. Even though you currently receive a Senior Citizen Discount on your water bill, **now you could be eligible for an even lower monthly bill.**

What's New?

- Expanded eligibility for help with your bill.

| Household Size | Household Income Limits |
|----------------|-------------------------|
| 1 person | \$2,602 / month |
| 2 people | \$3,523 / month |
| 3 people | \$4,444 / month |
| 4 people | \$5,365 / month |

Income limits have increased for every household size!

If your income is higher than these limits: We can also help people experiencing special hardships, such as high medical bills.

- **You don't need to be behind on your water bill to apply for help.**
- **For anyone on a fixed income, it's easier to budget and plan!** If you're enrolled, your payment can become more predictable month to month.

Questions?

Call **(215) 685-6300** or visit phila.gov/water-bill-help
 Want personal help filling out your application?
 Visit phil.ly/t2o/info/help-map.

Detach along dotted line.

Yes!

Send me my personalized application right away!

Preferred Application Language?

If you **do not** select a box, we'll send you an application in English.

Please reply!

Why should you request the new Customer Assistance Programs application?

Seniors who fill out our new application may save even more money than they do with their current Senior Citizen Discount.



Kathy saved \$39 a month. by filling out the form. Her monthly bill went from \$72 to \$33.



Mike saved \$17 a month. His bill with Senior Discount was about \$44, but after applying, it dropped to \$27.

These are sample savings amounts. Individual amounts will be determined by each customer's income, and application.

Visualize

THANK YOU!



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WATER



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DEPARTMENT OF REVENUE
WATER REVENUE BUREAU

CITY OF PHILADELPHIA

Reducing and Avoiding Disconnections Through Affordability



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DEPARTMENT OF REVENUE
WATER REVENUE BUREAU

Assistance has always been available for those who need it.

Pre-TAP Assistance Programs Summary

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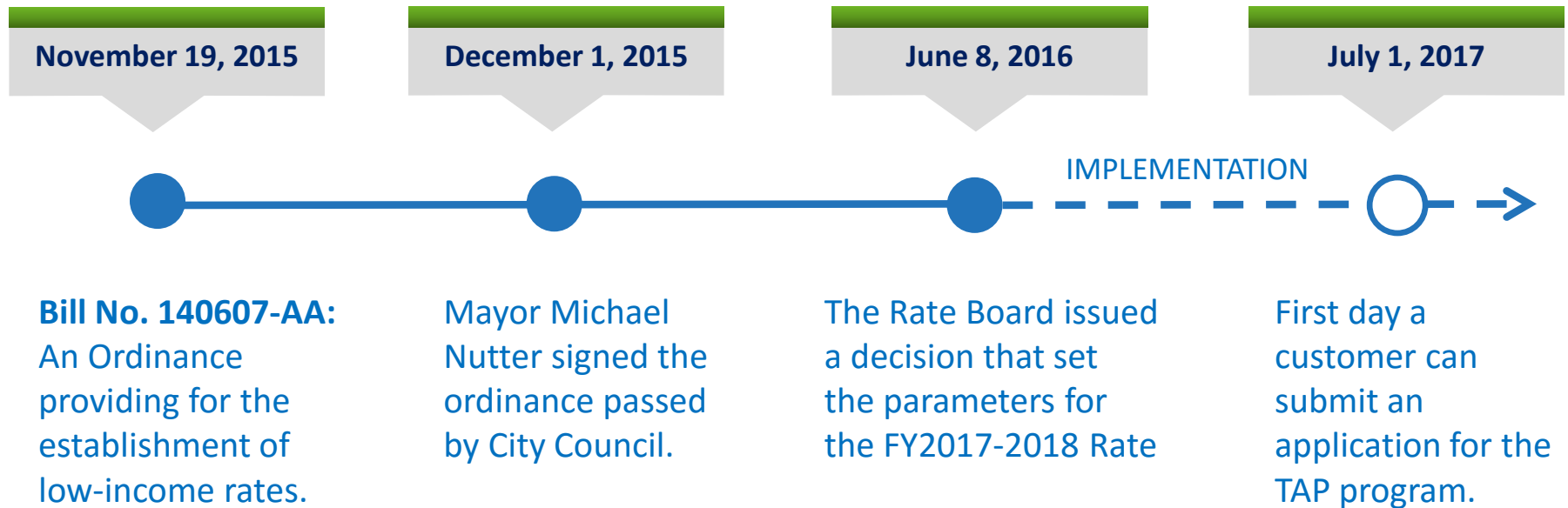


Approximate total of all assistance programs in fiscal year 2017:

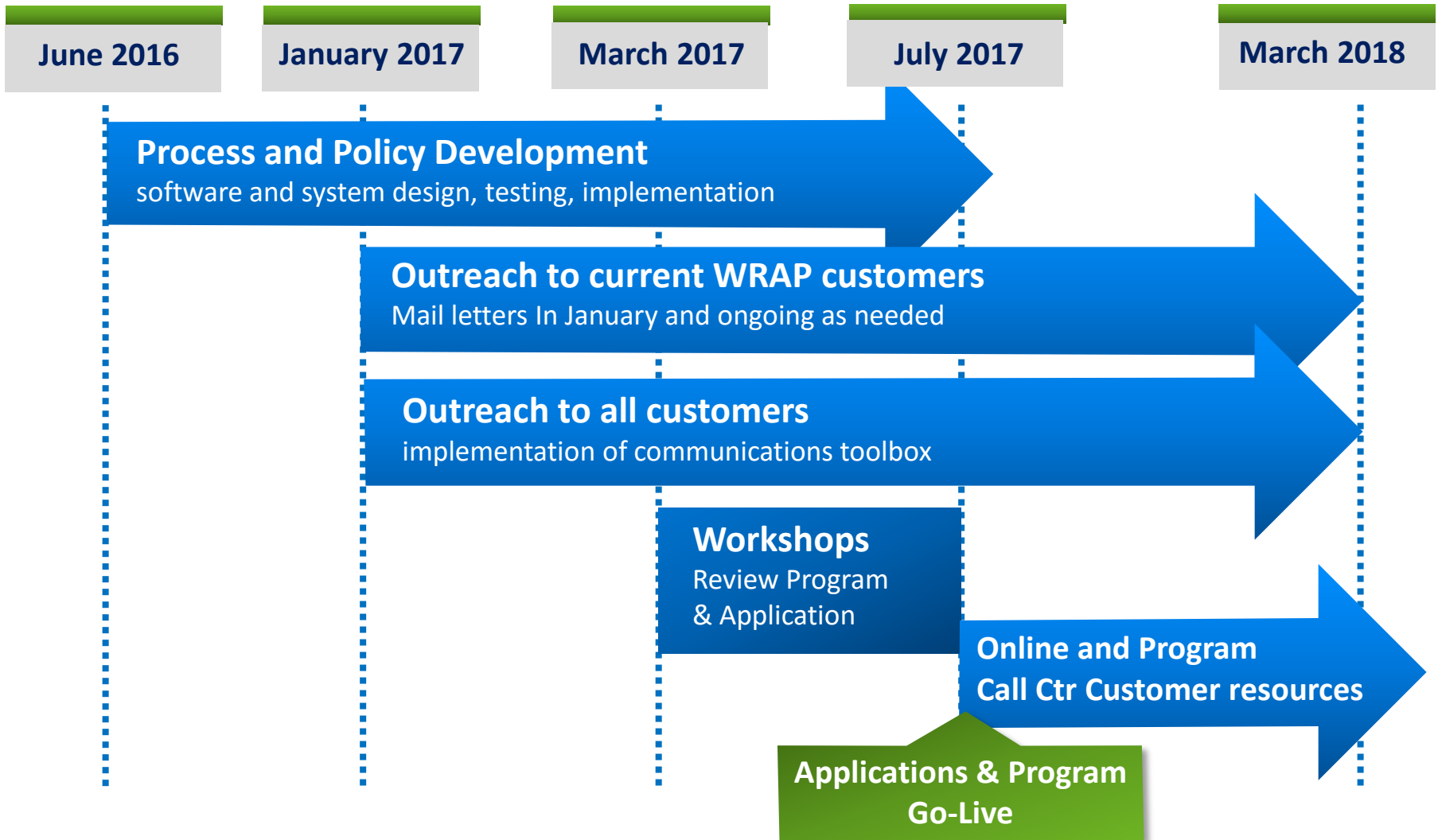
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The Road to Affordability: Tiered Assistance Program (TAP)

A City Council Ordinance and Water, Sewer and Storm Water Rate Board Decision requires the establishment of an assistance program that allows low-income customers to pay reduced rates based upon a percentage of their household income.



Implementation Timeline



What is Different About TAP?

- **Monthly bills based on income which can range from 2-4% of a customer's total household income. Lowest income bracket may have a minimum bill of \$12.**
- **Proactive assistance to keep customers from becoming delinquent or in danger of disconnection.**
- **Program is income-based and not a payment agreement, making bills more predictable and affordable.**
- **Bills do not go up based on usage. Customers pay a set amount.**
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Assistance Successes

Applications Submitted

29,674

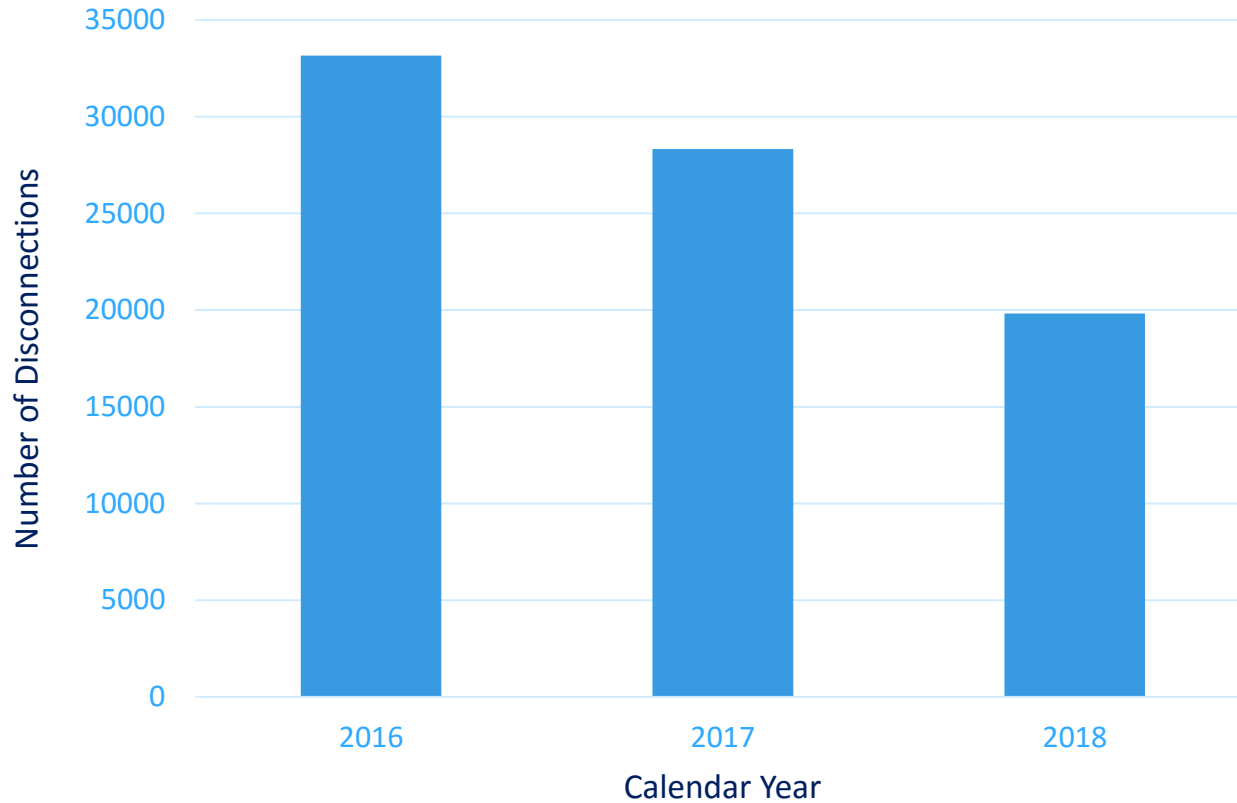
Approved Applications

17,811

Applicants Receiving Assistance

60%

Declining Disconnections



THANK YOU!



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Tiered Assistance Program (TAP)



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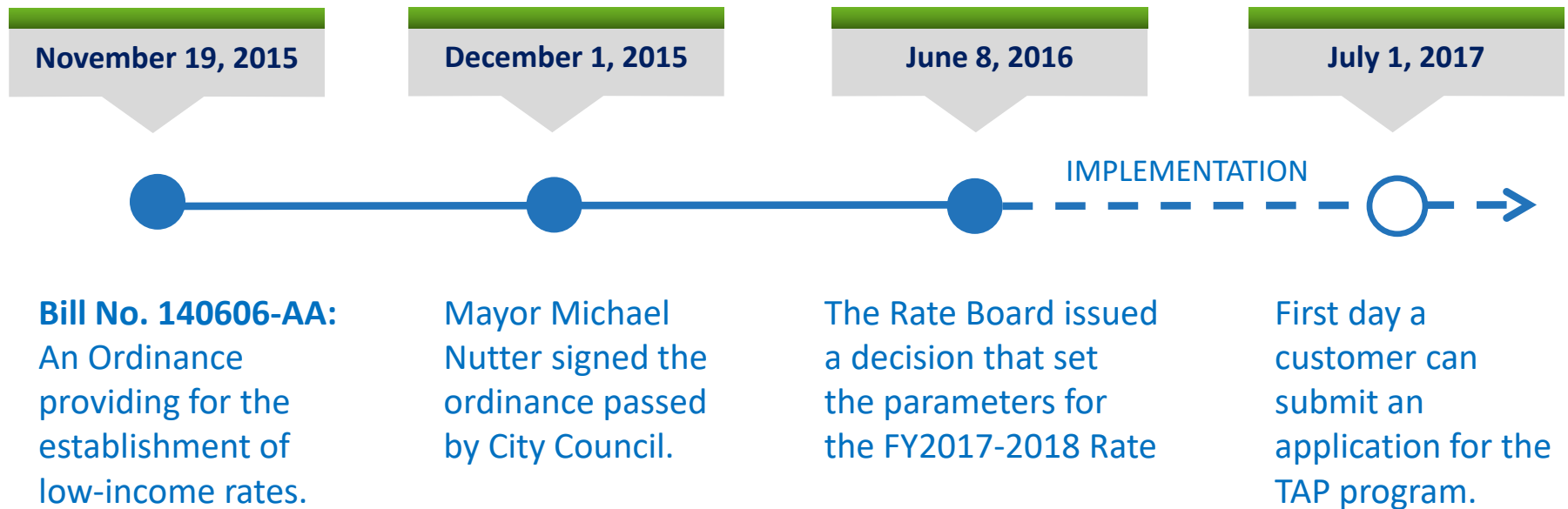


Approximate total of all assistance programs in fiscal year 2017:

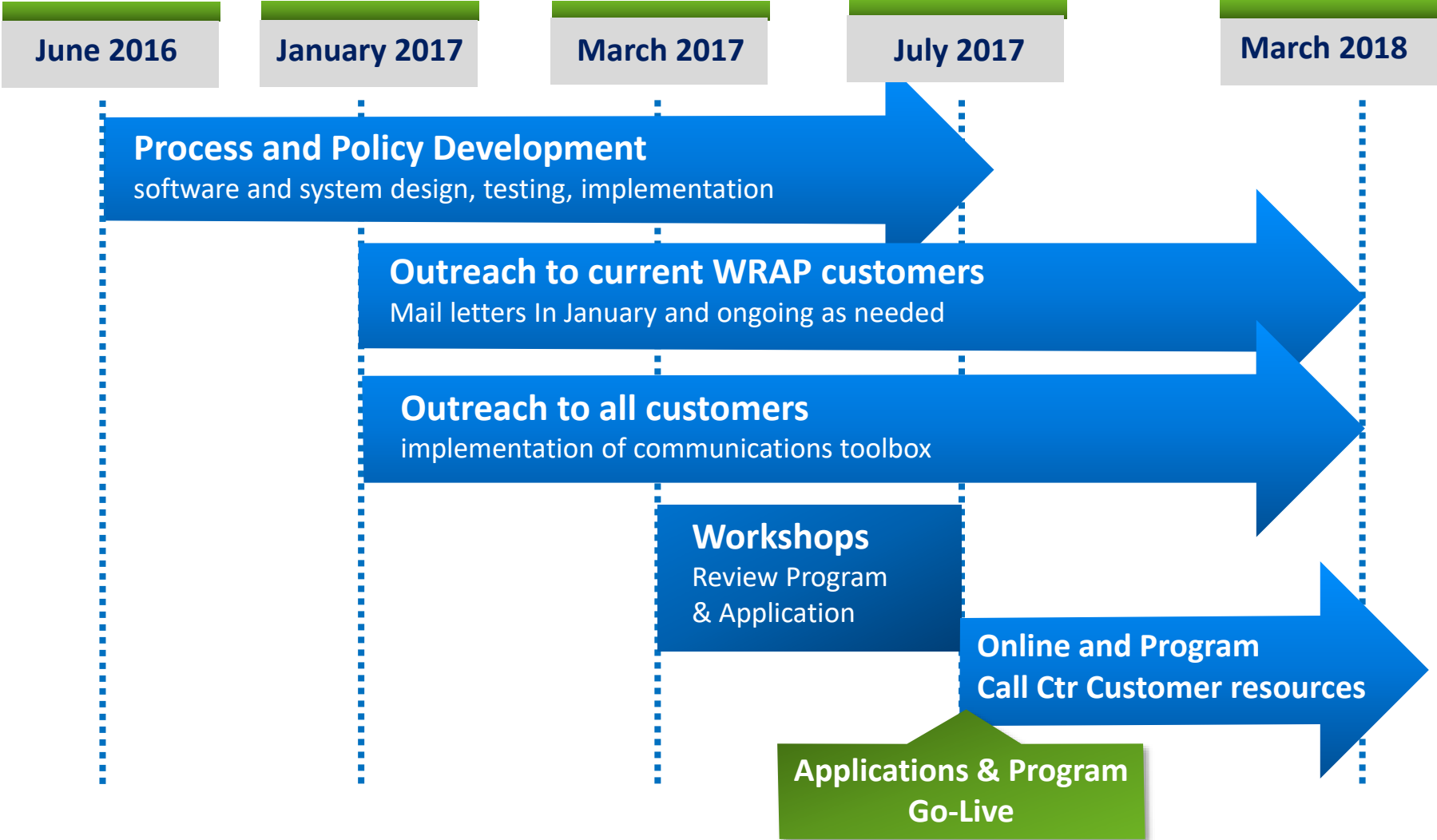
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