



CITY OF PHILADELPHIA

WATER DEPARTMENT
ARAMARK Tower
1101 Market Street
Philadelphia, PA 19107-2994

HOWARD M. NEUKRUG, P.E.
Water Commissioner

May 19, 2015

The Honorable Darrell Clarke
City Council President
City Hall, Room 490
Philadelphia, PA 19107

Dear Council President Clarke:

This letter is in response to questions raised at the April 28th, 2015 hearing before the Committee of the Whole on the Fiscal Year 2016 proposed budget for the Water Department. The questions were recorded as follows:

From Councilwoman Blackwell:

1. What percent of workers are contract employees?

PWD's "contract employees" are generally consultants working for a firm that has a professional services contract with the Department to provide specific services. While we do track individual hours worked per invoice per consultant and subconsultant per contract, the job of aggregating that data for all consultants would be massive.

2. How much was appropriated for the rebranding of the Water Department?

The Philadelphia Water Department has evolved tremendously over the years and we're updating our brand and logo to reflect who we are today and our vision for the future. As Philadelphia Water, we are emphasizing a renewed commitment to protecting the environment, quality customer service and significant infrastructure re-investment. The new logo is our pledge to an ever increasing level of service to our customers.

The "rebranding" process included much more than simply a new logo. It included interviews with customers, employees and stakeholders to determine what we do well and where we need to improve, management audits of our call centers, field operations, and capital works programs

and related construction, the development of our strategic plan and its implementation and dissemination. So far, in addition to a new logo and brand definition, the process has resulted in:

- A new culture for the department based on safety, professionalism and service
- Improved training and support for our customer service representatives
- New technology for the Water and WRB Call Centers
- Improved level of customer services for field operations
- New "Quality of life" specifications for our construction contracts
- New digital communications strategies for interacting with our customers
- Improved communications with our customers, our employees, City Council and other stakeholders
- A pledge to our employees to support them by creating opportunities for training and advancement

The "rebranding" process was timed to occur slowly over 3 fiscal years such that all of the concurrent management development programs could be launched together over time. From FY13 to the present, we have invested approximately \$273,000.

From Councilman Jones:

3. What are the top ten customers of the Water Department?

- 1 CITY OF PHILADELPHIA including AVIATION
- 2 PHILADELPHIA HOUSING AUTHORITY
- 3 SCHOOL DISTRICT
- 4 VEOLIA ENERGY PHILADELPHIA
- 5 UNIVERSITY OF PENNSYLVANIA
- 6 FEDERAL GOVERNMENT
- 7 HONEYWELL RESIN & CHEMICALS LLC
- 8 TEMPLE UNIVERSITY
- 9 PAPERWORKS INDUSTRIES INC
- 10 HOSPITAL OF UNIV. OF PA

4. What are the top ten industrial accounts for the Water Department?

- 1 HONEYWELL RESIN & CHEMICALS LLC
- 2 PAPERWORKS INDUSTRIES INC
- 3 HP HOOD LLC
- 4 DIETZ & WATSON INC
- 5 PHILA COCA COLA BOTTLING
- 6 PHILADELPHIA IND DEV CORP
- 7 PEPSI COLA METRO BOTTLING CO
- 8 SWEET OVATIONS LLC
- 9 MRS RESSLERS FOOD PRODUCT
- 10 NEWMAN & COMPANY INC

From Councilman Neilson:

5. How much does the School District pay for water annually?

The School District of Philadelphia was billed approximately \$6.1 million in FY2014, \$6.1 million in FY2013, and \$6.2 million in FY2012 for water & sewer services.

From Councilman Squilla:

6. Can you provide the savings that we receive from the stormwater initiatives?

To understand the savings of our stormwater initiatives, it is first necessary to understand its costs. Our city's sewer system was designed to discharge runoff, sewage, litter and industrial waste to our rivers and streams. In 1994, the US EPA issued National Policy requiring cities to limit these overflows. Most cities in the US have seen their wastewater and stormwater bills increase several fold in order to pay for huge underground storage tanks and tunnels. A tunnel in Philadelphia to fix this problem was estimated at \$8 billion. Instead, the City proposed to EPA a first-in-the nation approach to reduce water entering the sewer instead of ever-expanding the sewer capacity. This consent order will help Philadelphians avoid billions of dollars in costs over the next several decades.

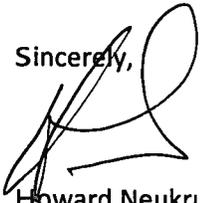
Without setting price values to the benefits of stormwater management, here are a number of its benefits:

- Reduced flooding
- Improved river quality, access and attractiveness
- Improved Drinking Water quality
- New green space
- Community jobs
- New green industry
- Green schoolyards, rec centers and parks
- Green Streets

Please know that we are constantly reviewing our suite of stormwater programs to ensure that we are implementing our Green City, Clean Water programs at the least cost to our customers. Most importantly, perhaps, we are leveraging opportunities from other city agencies, developers, non-profit organizations and Philadelphia Water itself. By communicating, planning, coordinating, and integrating our public works activities with our partners, projects gain new partners and can reduced overall costs.

Please feel free to contact me with any questions you may have about the information provided in this response.

Sincerely,

A handwritten signature in black ink, appearing to read 'Howard Neukrug', written over a horizontal line.

Howard Neukrug, PE
Water Commissioner
City of Philadelphia

cc: Everett Gillison, Chief of Staff
Rob Dubow, Director of Finance
Rebecca Rhynhart, Budget Director
Cintya Ramos, Deputy Budget Director