

**WATER RATE BOARD  
FISCAL YEAR 2026 BUDGET TESTIMONY**

**INTRODUCTION**

Please find below written testimony in support of the Philadelphia Water, Sewer and Storm Water Rate Board's Fiscal Year 2026 Operating Budget.

**DEPARTMENT MISSION & PLANS**

**Mission:** The Philadelphia Water, Sewer & Storm Water Rate Board's mission is to independently set fair and reasonable rates and charges for water, sewer, and stormwater services within the City, ensuring adequate funding for the Philadelphia Water Department under the standards set by City Council while balancing the needs of the City and its residents and businesses.

- **Independent Rate Setting:**  
The board operates independently to ensure a balanced approach to rate-setting, taking into account the interests of small residential customers, small businesses, and other customers as well as the needs of the Water Department and the City as a whole.
- **Fair and Reasonable Rates:**  
The board's goal is to establish rates that are fair and reasonable to customers and provide sufficient funding for the Philadelphia Water Department's operations and capital needs.
- **Public Involvement:**  
To arrive at rate decisions, the board conducts hearings and considers testimony and documentation from the Water Department, a Public Advocate funded by the board, and other individuals and groups that register as participants in rate proceedings. Participants may also request and exchange information, and other members of the public may testify at public hearings or provide written comments. The board posts the entire record on its website, ensuring transparency.
- **Financial Stability:**  
The board plays a role in maintaining the financial stability of the Philadelphia Water Department, ensuring it can meet its immediate and long-term operating and capital needs and that these needs will not require spikes in rates.
- **Cost Allocation:**  
The board aims to provide a fair allocation of costs among different customer groups, based on cost-of-service principles.
- **Established in 2015:**  
The voters amended the Home Rule Charter in 2012 to authorize Council to establish an independent rate-making body to fix and regulate rates and charges of the Water Department, replacing the prior method of having the Department itself determine the rates. Council used this authority by ordinance approved in January 2014 and confirmed the Mayor's initial appointments of board members in February 2015. The Philadelphia Water, Sewer and Storm Water Rate Board adopted its first Report, now called a Rate Determination, in June 2016 for rates that went into effect on July 1, 2016.

## WATER RATE BOARD

**Plans for Fiscal Year 2026:** The board's five members are unpaid volunteers. To date, the board has funded one Law Department position, a legal assistant, in return for both administrative and legal services from the Law Department. For FY26, the board is requesting funding for both in-house counsel and an office manager to handle administrative tasks. The board's Class 200 request remains level with FY25.

## WATER RATE BOARD

### PROPOSED BUDGET OVERVIEW & OTHER BUDGET DRIVERS

General Fund Financial Summary by Class						
	FY24 Original Appropriations	FY24 Actual Obligations	FY25 Original Appropriations	FY25 Estimated Obligations	FY26 Proposed Appropriations	Difference: FY26 Proposed-FY25 Estimated
Class 100 - Employee Compensation	\$50,361	\$52,288	\$59,652	\$59,652	\$193,493	\$133,840
Class 200 - Purchase of Services	\$745,700	\$408,503	\$745,700	\$745,700	\$745,700	\$0
	<b>\$796,061</b>	<b>\$460,791</b>	<b>\$805,352</b>	<b>\$805,352</b>	<b>\$939,192</b>	<b>\$133,840</b>

*Contracts Summary and Total M/W/DSBE Contract Participation Goal not applicable.*

#### Proposed Funding Request:

Water Rate Board appropriations are from the Water Fund. The proposed Fiscal Year 2026 Water Rate Board budget totals \$939,192, an increase of \$133,840 over Fiscal Year 2025 estimated obligation levels. This increase is primarily due to the salary of one additional full-time staff person.

The proposed budget includes:

- \$193,493 in Class 100, a \$133,840 increase over FY25. This funding will support the salaries of two full-time staff.
- \$745,700 in Class 200, which is level with FY25.

## WATER RATE BOARD

### STAFFING LEVELS

The department is requesting two budgeted positions for FY26, an increase of one position from FY25.

The increase is attributed to the addition of one Deputy City Solicitor position and the substitution of an Office Manager for a Legal Assistant.

Employment Levels (as of November 2024)			
	FY25 Budgeted	Filled as of November 2024	FY26 Proposed
Number of Full-Time Positions	1	1	2
Number of Exempt Positions	1	1	2
Average Salary of All Full-Time Positions		\$59,652	
Median Salary of All Full-Time Positions		\$59,652	

### NEW HIRES

*New Hires not applicable.*

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**OTHER BUDGETARY IMPACTS**

**Federal and State (Where Applicable)**

N/A

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**CONTRACTING EXPERIENCE**

*M/W/DSBE Participation on Large Professional Services Contracts and Non-Profit Vendor Demographics not applicable.*