



City of Philadelphia  
Law Department  
City Solicitor, Renee Garcia

## MEMORANDUM

**TO:** James Leonard, Records Commissioner

**FROM:** Kathleen McColgan, Revenue Commissioner

**DATE:** October 8, 2025

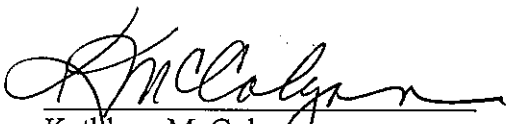
**RE:** Report of the Revenue & Water Commissioners on the Public Hearing with Respect to the Proposed Amendments to the Water Revenue Bureau & Water Department Regulations: Chapter 2 – Section 207 (Charity Water Rates & Charges Program)

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On May 14, 2025, pursuant to Section 8-407(a) of the Philadelphia Home Rule Charter, the Department of Revenue and the Water Department jointly filed with the Department of Records proposed amendments to Chapter 2 of the Water Department regulations. In accordance with Section 8-407(b) of the Charter, a hearing was requested; pursuant to Section 8-407(c) of the Charter, a hearing was held on August 20, 2025.

Pursuant to Section 8-407(c) of the Charter, I am forwarding herewith the Report of the Revenue and Water Commissioners on the Public Hearing. A memorandum of approval from the Law Department is attached.

Thank you for your assistance in this matter.

  
Kathleen McColgan  
Revenue Commissioner

cc: Frances Beckley, Revenue Chief Counsel  
Laurice Smith, Divisional Deputy City Solicitor



CITY OF PHILADELPHIA LAW DEPARTMENT  
TAX & REVENUE UNIT  
MUNICIPAL SERVICES BUILDING  
1401 JFK BLVD., 5<sup>TH</sup> FLOOR  
PHILADELPHIA, PA 19102

Frances R. Beckley  
Revenue Chief Counsel  
(215) 686-0515 (Tel)  
[frances.beckley@phila.gov](mailto:frances.beckley@phila.gov) (Email)

## MEMORANDUM

**TO:** Kathleen McColgan, Revenue Commissioner

**FROM:** Frances R. Beckley, Chief Revenue Counsel

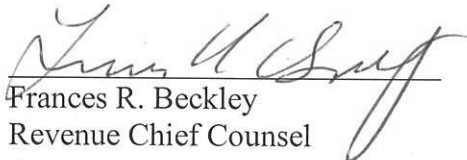
**DATE:** October 8, 2025

**RE:** Report of the Revenue & Water Commissioners on the Public Hearing with Respect to the Proposed Amendments to the Water Revenue Bureau & Water Department Regulations: Chapter 2 – Section 207 (Charity Water Rates & Charges Program)

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I have reviewed the attached report of the public hearing on the proposed amendment to Philadelphia Water Department Regulation Chapter 2 and find the report and accompanying regulations to be legal and in proper form.

In accordance with Section 8-407(c) of the Philadelphia Home Rule Charter, you may forward the report and amended regulations to the Department of Records where they will be available for public inspection.

  
Frances R. Beckley  
Revenue Chief Counsel

Attachment



## MEMORANDUM

**To:** James Leonard, Records Commissioner

**From:** Benjamin Jewell, Acting Water Commissioner

**Date:** October 8, 2025

**Subject:** Report of Public Hearing on Amendment to Philadelphia Water Department Regulations Chapter 2

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Please find attached for filing the report of the public hearing that was held on the proposed amendments to Chapter 2 of the Philadelphia Water Department's regulations. This report is being filed jointly by the Philadelphia Department of Revenue (Revenue) and the Philadelphia Water Department (PWD).

In accordance with Section 8-407 of the Philadelphia Home Rule Charter, Revenue and PWD are jointly filing this report and amendment with your Department to initiate the public inspection period. Please also find attached a memorandum from the Law Department approving these amendments.

Thank you for your assistance in this matter.

A handwritten signature in black ink, appearing to read "Ben Jewell", written over a horizontal line.

Benjamin Jewell  
Acting Water Commissioner

Attachment



# CITY OF PHILADELPHIA

LAW DEPARTMENT  
One Parkway  
1515 Arch Street  
Philadelphia, PA 19102-1595

## MEMORANDUM

To: Benjamin Jewell, Acting Water Commissioner  
From: Laurice Smith, Divisional Deputy City Solicitor  
Date: October 8, 2025  
Re: Report of Public Hearing on Amendment to Philadelphia Water Department Regulation:  
Chapter 2

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I have reviewed the attached report of the public hearing on the proposed amendment to Philadelphia Water Department Regulation Chapter 2 and find the report and accompanying regulations to be legal and in proper form.

In according with Section 8-407(c) of the Philadelphia Home Rule Charter, you may forward the report and amended regulations to the Department of Records where they will be available for public inspection.

*Laurice I. Smith*

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Laurice Smith  
Divisional Deputy City Solicitor

Attachment

# MEMORANDUM

**To:** Kathleen McColgan, Revenue Commissioner  
Benjamin C. Jewell, Acting Water Commissioner  
**From:** Elizabeth Scattergood, Assistant City Solicitor  
Laurice Smith, Divisional Deputy City Solicitor  
**Date:** September 12, 2025  
**Re:** Charity Water Discount Program Public Hearing

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## **COMMISSIONERS' REPORT ON** **CHARITY WATER DISCOUNT PROGRAM PUBLIC HEARING**

**August 20, 2025**

On May 14, 2025, the Philadelphia Water Department (PWD) and Water Revenue Bureau (WRB) jointly filed with the Department of Records, pursuant to Section 8-407(a) of the Philadelphia Home Rule Charter, the proposed amendments to the PWD/WRB Regulations. These proposed amendments would add Section 207 and, in turn, codify the Water Revenue Charity Discount Program (hereinafter “Program”) to be administered by the WRB.<sup>1</sup>

Public notice of the filing of these proposed amendments was published, and on June 13, 2025, a written request for a public hearing was made on behalf of the Philadelphia Large Users Group (PLUG). A public hearing was first scheduled for July 21, 2025 before being rescheduled for August 20, 2025.

The public hearing was held at 9:00am on August 20, 2025 in Room 330 of the Municipal Services Building, located at 1401 John F. Kennedy Boulevard, in Philadelphia, Pennsylvania. The following individuals attended and signed in to note their presence:

- Kathleen McColgan, Revenue Commissioner
- Benjamin Jewell, Acting Water Commissioner
- On behalf of WRB:
  - o Susan Crosby, Deputy Revenue Commissioner
  - o Frances Beckley, Chief Revenue Counsel
  - o Elizabeth Scattergood, Assistant City Solicitor
  - o Keitshawna Williams, Assistant City Solicitor
- On behalf of PWD:
  - o Lawrence Yangalay, Deputy Commissioner-Finance
  - o Nina Rivera, Chief Deputy City Solicitor, Regulatory Law Unit
  - o Laurice Smith, Divisional Deputy City Solicitor
- Adeolu A. Bakare, McNees Wallace & Nurick LLC, on behalf of PLUG

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<sup>1</sup> See *Addition to the Philadelphia Water Department Regulations: Chapter 2 – Section 207*, (May 14, 2025), available at <https://www.phila.gov/departments/departments-of-records/regulations/207.0-charity-rates-and-charges-program-regulations.pdf>.

Revenue Commissioner McColgan and Acting Water Commissioner Jewell testified on behalf of the WRB and PWD at the hearing. Mr. Bakare testified on behalf of PLUG. In addition to the testimony provided at the hearing, PWD and WRB sought written comments through August 19, 2025. Mr. Bakare submitted written recommendations on behalf of PLUG. No other written comments or recommendations were submitted.<sup>2</sup>

The Commissioners provided an overview of the proposed amendment to Chapter 2 of the PWD Regulations. Mr. Bakare read his client's written testimony into the record, which is summarized below.

#### **A. Scope of Section 207.6 – removal from the Program for violation of City laws/regulations**

PLUG's primary concern appeared to be the potential for unilateral abuse of discretion in determining what constitutes a violation of City Code sufficient to warrant a participant's removal from the Program. Specifically, PLUG takes issue with subsection 207.6(c)<sup>3</sup> and notes the following in its written testimony:

PLUG is concerned that approval of this language could subject PWD's customers to vague and arbitrary law. Eliminating an otherwise qualified customer from the Charity Rate Program for violation of even the most minor infraction has the potential to render the program inoperable . . . Reasonableness demands a nexus between the violation and the City's recourse.

PLUG believes that the "violation of city law or regulation" should be limited in scope to those violations that directly address PWD's concerns. For example, only allowing customers to be removed from the Program for delinquent water bills or tax liabilities. However, PLUG has suggested that actively disputed amounts be excluded from consideration when evaluating the participant's or applicant's compliance.

The Commissioners do not share this concern and do not intend to amend the regulations in this manner. Removal and denial are already authorized under the Rates and Charges Section 5.7—providing that organizations "which have violated City law or regulations" are considered to have "forfeited such privileges as the Charity Rates and Charges." The proposed section 207.6 (Removal from Program) makes no substantive change to the law. Organizations have always been required to comply with City codes and regulations. The proposed regulations merely afford the WRB a process and avenue to confirm that applicants and participants are compliant and thus maintain the integrity of the Program.

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<sup>2</sup> To the extent that this Report refers to and discusses public comments, those references and discussions pertain solely to those presented by/on behalf of PLUG.

<sup>3</sup> The text of Section 207.6(c) reads: "Nothing in this section shall limit the WRB on its own finding or at the request of another City department from removing Applicants from the Program who have violated any City law or regulation."

## B. Due process concerns

PLUG expressed skepticism that the due process avenues set forth in section 207.9<sup>4</sup> are sufficient to protect the rights of applicants and participants who were denied or removed, respectively, from the Program. In particular, PLUG highlighted the dearth of guidance in the regulations as to when a customer may be removed following notice of their removal but prior to any opportunity to dispute that decision:

PWD may counter that Section 207.9 of the proposed regulation provides an opportunity for customers to request a hearing to address concerns with any claimed violation of a City law or regulation. However, the terms of this provision also fail to avoid arbitrary and capricious results, as the regulation lacks clarity as to whether the customer can be removed from the program in advance of a hearing.

PLUG's recommendation was to amend the proposed regulations and clarify that customers will not be removed from the Program until the conclusion of any administrative or judicial review of that decision. Commissioner McColgan and Acting Commissioner Jewell agreed and suggested adding a subsection (only to this particular item) indicating that the delinquent balance can be disputed and the customer would not be removed prior to that dispute being adjudicated.

Section 207.9 of the proposed amendment would read as follows (changes in bold font):

Applicants that have been denied eligibility or been removed from the Program may request an Informal Hearing pursuant to PWD and Department of Revenue joint Regulations section 100.7(a).

- (a) Nothing in this section shall prohibit or otherwise restrict customers that were denied eligibility from seeking administrative or judicial review of that decision, as set forth in Section 100.7 of these Regulations.**
- (b) Customers that receive notice of removal under subsection 207.6(d) and choose to pursue administrative or judicial review of the WRB's decision will not be removed from the Program prior to that decision's adjudication.**

A revised copy of the proposed amendment has been attached to this Report. The stenographer has not produced the transcript of the hearing as of September 12, 2025.

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<sup>4</sup> "Applicants that have been denied eligibility or been removed from the Program may request an Informal Hearing pursuant to PWD and Department of Revenue joint Regulations section 100.7(a)." § 207.9.

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COMMONWEALTH OF PENNSYLVANIA

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IN RE: WATER REVENUE BUREAU CHARITY RATE  
PROGRAM REGULATIONS HEARING

\* \* \* \* \*

BEFORE: Kathleen McColgan, Chair  
Benjamin Jewell, Member

HEARING: Wednesday, August 20, 2025  
9:12 a.m.

LOCATION: 1401 JFK Boulevard  
Room 330  
Philadelphia, PA 19102

WITNESSES: Adeolu Bakare

Reporter: Nicole Dehaven

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1 A P P E A R A N C E S

2

3 KEITSHAWNA WILLIAMS, ESQUIRE

4 City of Philadelphia Law Department

5 1515 Arch Street

6 Philadelphia, PA 19103

7 COUNSEL FOR

8

9 ALSO PRESENT:

10 Susan Crosby

11 Frances Bedley

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I N D E X

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P R O C E E D I N G S

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MS. MCCOLGAN: Thank you for your patience as we got set up this morning. I'm Kathy McColgan, Revenue Commissioner. We're here today to hear testimony on the proposed amendments to the Charity Water Discount Program regulations. These amendments to Chapter 2 of the Philadelphia Water Department and the Water Revenue Bureau regulations are designed to improve program efficiency and offer applicants better defined guidance.

We are joined today by members of the team who help draft these regulations and update the program application materials to reflect the Water Revenue Bureau's role in administering the program. These regulations are the result of collaboration across several city departments along with valuable input from representatives of Philadelphia's water customers.

On May 14, 2025, the Philadelphia Water Department and the Water Revenue Bureau jointly filed the proposed amendments with the City's Department of records.

On June 13, 2025, the Philadelphia Large

1 User Group PLUG formally requested a hearing on  
2 these amendments. A hearing was initially  
3 scheduled for July 20th, 2025, but was rescheduled  
4 for today. The proposed regulations move the  
5 program from the Rates and Charges chapter of the  
6 Philadelphia Water Department, Water Revenue  
7 Bureau and joint regulations into Chapter two.

8 This transition places administration of the  
9 program with the Water Revenue Bureau, which  
10 already administers other water assistance and  
11 discount programs.

12 Consolidating these programs under the Water  
13 Revenue Bureau will make it easier for customers  
14 to resolve billing and eligibility issues in one  
15 place, while also improving the City's use of  
16 resources.

17 The substantive changes to the Charity  
18 Discount Program regulations are limited to three  
19 areas. First, eligibility standards. These  
20 remain largely unchanged, but the regulations now  
21 specify the types of documentation applicants must  
22 provide.

23 Two, removal of denial --- removal or denial  
24 of participation. The proposed language mirrors  
25 existing provisions under Section 5.7, which

1 already authorized removal of organizations that  
2 violate city laws or regulations. This is not a  
3 new requirement.

4 Three, renewal of eligibility. Current  
5 participants will now need to renew every two  
6 years. This requirement helps ensure that the  
7 program remains limited to those who are eligible  
8 and provides the Water Revenue Bureau with updated  
9 information on property use.

10 Applicants to the Charity Water Discount  
11 Program continue to have the right to an  
12 administrative appeal if their application is  
13 denied.

14 MR. JEWELL: Good morning. My name is  
15 Benjamin Jewell, acting Commissioner of the  
16 Philadelphia Water Department. Thank you all for  
17 being here today. Today we will hear your  
18 thoughts and recommendations for proposed  
19 regulations.

20 Following today's hearing, the departments  
21 will draft a report, outline the issues raised  
22 here and providing a response to those issues.  
23 Additionally, the Department may opt to make  
24 amendments to the proposed regulations. The  
25 Revenue Commissioner's report, the Water

1 Commissioner's report and any amendment to the  
2 proposed regulations will be filed with the City's  
3 Department of Records. The proposed regulations  
4 will become effective ten days after those  
5 filings.

6 Today we'll hear testimony from PLUG and its  
7 representatives of the party that requested this  
8 hearing and anyone else who may appear to testify  
9 may do so.

10 If you have not signed in, the sign-in sheet  
11 will be coming around for --- as a record for  
12 those who are in attendance.

13 We have a stenographer here today taking  
14 down the proceedings. So please state your name  
15 for the record and make sure you speak clearly.

16 We also will accept written testimony if you  
17 would rather not speak here today or you want to  
18 offer shorter remarks.

19 Thank you all again for your presence today.  
20 We're very proud of the Charity Water Discount  
21 Program and we are dedicated to giving  
22 organizations the guidance they need to  
23 participate in this program and stay compliant.  
24 Your partnership today and as we move forward is  
25 greatly appreciated.

1           You can call the first speaker.

2           ATTORNEY BAKARE: Good morning. I thank you  
3 for the opportunity to appear here before  
4 everybody today. My name Adeolu Bakare. That's  
5 spelled A-D-E-O-L-U. Last name B, as in boy,  
6 A-K-A-R-E.

7           From the outset, I'd like to note that my  
8 client appreciates the opportunity to provide  
9 comments before representatives of the Water  
10 Department and the Water Revenue Bureau this  
11 morning.

12           I want to state that PLUG is appreciative of  
13 the Department's constant efforts to provide  
14 service to the customers. We understand it's a  
15 difficult job. There are a lot of constituents, a  
16 lot of perspectives to consider and that is  
17 understood.

18           This is not meant as a overarching criticism  
19 of the efforts to prepare the regulations, nor as  
20 a few points that my client believes could improve  
21 the operation of the Charitable Discount Program  
22 for --- particularly for the large users affected  
23 by the language that I'll discuss in my comments  
24 this morning.

25           Also, we appreciate that although the



1 regulations, particularly the eligibility rules  
2 that allow to remove customers from the program  
3 may not be changing as they're adopted by the  
4 Water Revenue Bureau. But the fact that this  
5 presents an amendment to the regulations provides  
6 an opportunity to review the regulations at this  
7 point in time with the idea of improving the  
8 operation of the program.

9         So with those remarks I will now proceed  
10 with my more formal comments which are also  
11 provided in written format and I can give those  
12 out to anybody here. I have some hard copies, but  
13 I also emailed them to council for the Water  
14 Department yesterday morning.

15         So with that I'll proceed. These comments  
16 set forth the recommendations of the Philadelphia  
17 Water Users Group, better known as PLUG, regarding  
18 the proposed amendments to Chapter 2 of the  
19 Philadelphia Water Department's regulations dated  
20 May 7, 2025. The proposed amendments modify PWD's  
21 Charity Rate Program by transferring  
22 administration of the program from PWD to the  
23 Water Revenue Bureau, or WRB under the  
24 Philadelphia Department of Revenue. This proposal  
25 was submitted as part of PWD's pending rate case

1 before the Philadelphia Water, Sewer and  
2 Stormwater Rate Board, but the modified regulation  
3 was also submitted to the Department for approval.

4 PLUG raised concerns the proposal in the  
5 rate case proceedings through the expert witness  
6 testimony of Richard A. Baudino. That's  
7 B-A-U-D-I-N-O. Before the Rate Board.

8 On July 1, 2025 the hearing officer for that  
9 matter proceeded to report to the Rate Board  
10 determining that Plug's concern regarding changes  
11 to the eligibility requirements for the Charity  
12 Rate Program fell within the purview of this  
13 Department and not the Rate Board.

14 That finding was substantially adopted by  
15 the Rate Board itself, which brings us to this  
16 hearing this morning.

17 PLUG is concerned that the proposed  
18 regulations include language that allows the WRB  
19 or PWD to unilaterally remove customers from the  
20 Charity Rate Program for unjust costs. In  
21 particular, Section 207.6(c) of the proposed  
22 regulation includes the following language.

23 Nothing in this section shall limit the WRB  
24 on its own finding or at the request of another  
25 City Department for removing applicants from the

1 program who have violated any city law or  
2 regulation. PLUG is concerned that approval of  
3 this language could subject PWD's customers to  
4 vague and --- to a vague and arbitrary bond.  
5 Eliminating an otherwise qualified customer from  
6 the Charity Rate Program for violation of even the  
7 most minor infraction has the potential to render  
8 the program inoperable.

9 As testified by Mr. Baudino before the Rate  
10 Board, the Department of Revenue also failed to  
11 explain or justify why a customer that violates a  
12 city law regulation that is minor, such as a  
13 parking violation and/or completely unrelated to  
14 PWD services should be removed from the Charity  
15 Rate Program.

16 Reasonableness demands a necessity between  
17 the violation and the City's recourse. If PWD is  
18 concerned about getting a discount --- or granting  
19 a discount to customers with outstanding balances,  
20 then the regulation should be modified to  
21 specifically define violations for purposes of  
22 this rule as limited to unresolved outstanding  
23 payments or taxes.

24 In light of the fact that affected customers  
25 should reserve their rights to challenge any

1 collection disputes within the city, actively  
2 disputed payments or taxes should not be  
3 considered violations under the rule.

4 PWD may count to the exception 207.9 of the  
5 proposed regulation provides an opportunity for  
6 customers to request a hearing to address concerns  
7 with any claim violation of the City law or  
8 regulation. However, the terms of this proceeding  
9 also fail to avoid arbitrary capricious results as  
10 the regulation lacks clarity as to whether the  
11 customer should be removed from the program in  
12 advance of the hearing. At minimum, the  
13 Department should modify this provision to ensure  
14 that a customer is entitled to a hearing before  
15 the Department of Revenue or other applicable City  
16 Department prior to removal from the Charity Rate  
17 Program and neither PWD nor WRD can remove  
18 customers from the Charity Rate Program until the  
19 Department of Revenue or other applicable City  
20 Department has issued a final determination  
21 following such hearing.

22 Again, on behalf of PLUG, thank you for  
23 hearing and considering these comments.

24 MS. MCCOLGAN: Thank you.

25 MS. CROSBY: Susan Crosby, Department of

1 Revenue. If you have a copy of your comments we  
2 can attach those as an exhibit to the transcript  
3 today.

4 ATTORNEY BAKARE: I do. However I did just  
5 pick up one errant typographical error as I read  
6 through them. Can I possibly email you a copy of  
7 the comments today or do you need the hardcopy  
8 right now?

9 COURT REPORTER: That'S fine. Either way.

10 MS. MCCOLGAN: Her email address is on the  
11 sign-up sheet.

12 Is there anyone else present who would like  
13 to testify? Okay. That concludes our hearing for  
14 today. All right. Thank you very much for  
15 attending. I appreciate that.

16 \* \* \* \* \*

17 MEETING CONCLUDED AT 9:25 A.M.

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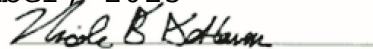
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CERTIFICATE

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I hereby certify, as the stenographic reporter,  
that the foregoing proceedings were taken  
stenographically by me, and thereafter reduced to  
typewriting by me or under my direction; and that this  
transcript is a true and accurate record to the best of  
my ability.

Dated the 26th day of September, 2025



Nicole B. DeHaven,  
Court Reporter

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<b>1</b>	<b>A</b>	10:3	<b>ted</b>	<b>B</b>	5:16
<b>1</b>	<b>A-D-E-O-</b>	11:14	8:25	<b>B-A-U-D-</b>	<hr/>
11:8	<b>L-U</b>	<b>advance</b>	<b>apprecia</b>	<b>I-N-O</b>	<b>C</b>
<b>13</b>	9:5	13:12	<b>tes</b>	11:7	<b>call</b>
5:25	<b>A-K-A-R-</b>	<b>affected</b>	9:8	<b>Bakare</b>	9:1
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<b>2</b>	14:17	<b>t</b>	<b>approval</b>	12:19	<b>case</b>
<b>2</b>	<b>accept</b>	8:1	11:3	<b>Baudino</b>	10:25
5:8	8:16	10:5	12:2	11:6	11:5
10:18	<b>acting</b>	<b>amendmen</b>	<b>arbitrar</b>	12:9	<b>challeng</b>
<b>2025</b>	7:15	<b>ts</b>	<b>y</b>	<b>behalf</b>	<b>e</b>
5:21,25	<b>actively</b>	5:6,8,	12:4	13:22	12:25
6:3	13:1	23 6:2	13:9	<b>believes</b>	<b>changing</b>
10:20	<b>Addition</b>	7:24	<b>areas</b>	9:20	10:3
11:8	<b>ally</b>	10:18,	6:19	<b>Benjamin</b>	<b>chapter</b>
<b>207.6(c)</b>	7:23	20	<b>assistan</b>	7:15	5:8
11:21	<b>address</b>	<b>and/or</b>	<b>ce</b>	<b>billing</b>	6:5,7
<b>207.9</b>	13:6	12:13	6:10	6:14	10:18
13:4	14:10	<b>appeal</b>	<b>attach</b>	<b>Board</b>	<b>Charges</b>
<b>20th</b>	<b>Adeolu</b>	7:12	14:2	11:2,7,	6:5
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<b>5</b>	<b>ers</b>	13:15,	8:12	<b>bond</b>	9:21
<b>5.7</b>	6:10	19	<b>attendin</b>	12:4	<b>Charity</b>
6:25	<b>administ</b>	<b>ts</b>	<b>g</b>	<b>boy</b>	5:7
<hr/>	<b>rating</b>	5:11	14:15	9:5	6:17
<b>7</b>	5:16	6:21	<b>ATTORNEY</b>	<b>brings</b>	7:10
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10:20	<b>ration</b>	11:25	14:4	<b>Bureau</b>	10:21
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<b>9:25</b>	<b>administ</b>	5:15	7:1	13 7:8	12:6,14
14:17	<b>rative</b>	7:12	<b>avoid</b>	9:10	13:16,
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**COMMENTS OF THE PHILADELPHIA LARGE USERS GROUP**  
**BEFORE THE COMMISSIONERS OF THE PHILADELPHIA WATER DEPARTMENT AND THE**  
**PHILADELPHIA DEPARTMENT OF REVENUE**

**AUGUST 20, 2025**

These comments set forth the recommendations of the Philadelphia Large Users Group (PLUG) regarding the proposed amendments to Chapter 2 of the Philadelphia Water Department (“PWD”) Regulations, dated May 7, 2025.

The proposed amendments modify PWD’s Charity Rate Program by transferring administration of the program from PWD to the Water Revenue Bureau (“WRB”) under the Philadelphia Department of Revenue (“Department”). This proposal was submitted as part of PWD’s pending rate case before the Philadelphia Water, Sewer and Storm Water Rate Board (“Rate Board”), but the modified regulation was also submitted to the Department for approval. PLUG raised concerns with the proposal in the rate case proceedings through the expert witness testimony of Richard A. Baudino before the Rate Board. On July 1, 2025, the Hearing Officer for that matter issued a Report to the Rate Board determining that PLUG’s concerns regarding changes to the eligibility requirements for the Charity Rate Program fell within the purview of this Department and not the Rate Board.<sup>1</sup>

PLUG is concerned that the proposed regulations include language that allows the WRB or PWD to unilaterally remove customers from the Charity Rate Program for unjust cause. In particular, Section 207.6(c) of the proposed regulation includes the following language:

*Nothing in this section shall limit the WRB on its own finding or at the request of another City department from removing Applicants from the Program who have violated any City law or regulation.*

PLUG is concerned that approval of this language could subject PWD’s customers to vague and arbitrary law. Eliminating an otherwise qualified customer from the Charity Rate Program for violation of even the most minor infraction has the potential to render the program inoperable. As testified by Mr. Baudino before the Rate Board, “the Department of Revenue also failed to explain or justify why a customer that violates a City law or regulation that is minor (such as a parking violations), and/or completely unrelated to

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<sup>1</sup> Hearing Officer Report before the Philadelphia Water Sewer and Storm Water Rate Board (July 1, 2025), at 42-43 available at [2025-GRP-hearing-report-final.pdf](#).

PWD's service, should be removed from the Charity Rate program.”<sup>2</sup> Reasonableness demands a nexus between the violation and the City’s recourse. If PWD is concerned about granting a discount to customers with outstanding balances, then the regulation should be modified to specifically define violations for purposes of this rule as limited to unresolved outstanding payments or taxes. In light of the fact that affected customers should reserve their rights to challenge any collection disputes with the City, actively disputed payments or taxes should not be considered violations under the rule.

PWD may counter that Section 207.9 of the proposed regulation provides an opportunity for customers to request a hearing to address concerns with any claimed violation of a City law or regulation. However, the terms of this provision also fail to avoid arbitrary and capricious results, as the regulation lacks clarity as to whether the customer can be removed from the program in advance of a hearing. At minimum, the Department should modify this provision to ensure that a customer is entitled to a hearing before the Department of Revenue or other applicable City department prior to removal from the Charity Rate Program and neither PWD nor the WRB can remove the customers from the Charity Rate Program until the Department of Revenue or other applicable City department has issued a final determination following the hearing.

On behalf of PLUG, thank you for considering these comments.

Respectfully submitted,

Adeolu Bakare, Esq.

Counsel to the Philadelphia Large Users Group

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<sup>2</sup> Direct Testimony of Richard A. Baudino before the Philadelphia Water Sewer and Storm Water Rate Board (May 1, 2025), at 19 *available at* [PLUG-Direct-Testimony-of-Baudino-2025.pdf](#).

## **207.0 CHARITY WATER RATES AND CHARGES PROGRAM**

### **207.1 Purpose:**

The City of Philadelphia has determined that public and private schools, institutions of purely public charity, and places used for actual religious worship should be afforded a discounted rate for water and sewer rents if the institution meets the criteria as set forth in this Section. Pursuant to City Code section 13-101(4)(e), the Philadelphia Water Department (“PWD”) and the Department of Revenue are promulgating regulations that define such a program and its administration. An approved Applicant will receive the discount pursuant to these Regulations.

### **207.2 Eligibility:**

A customer may apply to the Water Revenue Bureau (“WRB”) for enrollment into the Charity Water Rates and Charges Program (the “Program”). To be eligible for the Program, all of the following conditions must be met:

(a) Applicant is a public or private school, a place used for actual religious worship, or meets all the requirements of a purely public charity as defined by the Institutions of Purely Public Charity Act, 10 P. S. section 371, et seq., (the “Act”).

(b) Applicant is either the owner of the property or a tenant of the property. In the event the Applicant does not occupy the entire property, the area occupied by the Applicant must have a dedicated supply line and meter with a corresponding water/sewer account with the WRB.

(c) The property’s principal use is devoted to the advancement of the Applicant’s stated charitable purpose.

(d) Applicant is in compliance with City Code section 17-1303.

(e) Applicant is in compliance with City Code section 17-107(12).

(f) Applicant is in compliance with all other PWD Regulations.

(g) Applicant does not have any outstanding PWD violations.

(h) Applicant is in compliance with City Code 4-200(Subcode P).

(i) If the Applicant’s property has water and sewer service, the property must have an operating water meter that is in compliance with current PWD specifications, and the property must have a current water meter readings.

### **207.3 Discount:**

Subject to approval of a complete application by the WRB as set forth in Section 204.4, an Applicant meeting the criteria in Section 204.2 shall be afforded a discounted rate on water/sewer usage and stormwater charges as established by the Water, Sewer and Storm Water Rate Board.

### **207.4 Application Process:**

(a) An application for the discount shall be made on a form provided by the WRB. A complete application includes all of the following:

(1) Proof of eligibility by submitting:

(A) Documentation of valid tax exemption from the Commonwealth as a purely public charity as defined in the Act, or

(B) Documentation that the Applicant otherwise meets the requirements under section 204.2, including but not limited to:

(i) State or federal tax documentation indicating charitable status; or

(ii) Corporate formation documents; or

(iii) Certification of charitable status by another state; or

(iv) Proof of establishment as a public school within the City of Philadelphia; or

(v) Proof of registration or licensure as a nonpublic or private school from the Commonwealth; or

(vi) Proof that the Applicant's property is primarily used for actual religious worship.

(2) Proof of compliance with City Code section 17-1303.

(3) An attestation by the Applicant to 204.2(b) and (g).

(b) An application shall be signed by an officer or authorized agent of the Applicant.

(c) The City may inspect any property seeking a discount under this Regulation at any time in order to ascertain whether it meets the criteria set forth in City Code sections 17-1303 and 17-102(12), the Act, and these Regulations.

#### **207.5 Renewal:**

A discount provided under 204.3 shall expire after 2 years and may be renewed upon submittal of a newly completed application.

#### **207.6 Removal from Program:**

(a) A customer enrolled in the Program may request to be removed from the Program at any time.

(b) The WRB may remove customers from the Program if:

(1) The customer fails to comply with City Code sections 17-1303 and 17-107(12), the Act, or these Regulations; or

(2) The property ceases to be used for the stated charitable purpose by the Applicant; or

(3) The property ceases to be owned or occupied by the Applicant; or

(4) The customer fails to make full and on-time payments for two (2) consecutive billing cycles; or



(5) It is discovered that the customer submitted intentionally false enrollment or renewal information and/or documentation.

(c) Nothing in this section shall limit the WRB on its own findings or at the request of another City department from removing Applicants from the Program who have violated any City law or regulation.

(d) Customers shall be informed of their removal from the Program by first-class mail.

(e) Removal from the Program shall remain in effect for a minimum of twelve (12) months from the date on the notice of removal.

denied eligibility from seeking administrative or judicial review of that decision.

(b) Customers that receive notice under subsection 207.6(d) and choose to pursue administrative or judicial review of the WRB's decision will not be removed from the Program prior to that decision's adjudication.

#### **207.7 Effective Date of Discount:**

Any discount provided under this Section shall be effective the date the completed application is received.

#### **207.8 Exclusions:**

Any separate or adjoining facilities or structures not used exclusively for the principal purpose of the Applicant shall be excluded from the Program.

#### **207.9Hearing:**

Applicants that have been denied eligibility or been removed from the Program may request an Informal Hearing pursuant to PWD and Department of Revenue joint Regulations section 100.7(a).

(a) Nothing in this section shall prohibit or otherwise restrict customers that were