

Bucks County township officials oppose sale of sewer system

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The Bucks County Association of Township Officials is imploring the county's commissioners to drop all negotiations with Aqua Pennsylvania to buy the Bucks County Water and Sewer Authority's sewer system.

In a resolution to the three-member board, BCATO's president Maggie Rash said the rate increases that will follow such a sale will harm the approximately 100,000 households in 31 Bucks municipalities.

"Our main responsibility is to watch out for our residents," said Rash, a longtime Buckingham Township supervisor.

Stacey Mulholland, executive director of the township officials association, said the staggering \$1.1 billion offer from Aqua is "sort of a side issue, the real issue is the rate increases for payers.

If Aqua is such a sweet deal, just look at other municipalities' (where Aqua owns utility services) rates."

BCATO's resolution states that Aqua "has a history of increasing its sewer rates substantially." The association cites hikes in Limerick Township (82 percent), East Bradford Township (64 percent), Cheltenham Township (65 percent), East Norriton Township (57 percent) and New Garden Township (53 percent).

While Aqua rate increases must be approved by the Pennsylvania Public Utilities Commission, which routinely supports them, it has also rejected some. A recent Aqua increase request was higher than the 59 percent jump approved by the PUC, according to BCATO.

"The BCATO executive board believes it is unconscionable for BCWSA to sell

its assets to Aqua as the long-term financial impacts that major increases in sewer rates will have on the residents and businesses being served and on Bucks County in general.”

To date, the commissioners have stuck to a statement they made in April- “The Bucks County Board of Commissioners would not receive a request to approve an agreement of this kind unless first independently approved by the BCWSA.”

The commissioners appoint the BCWSA’s five-member board and, by law, can dissolve the municipal authority, which the county established in 1962. Pennsylvania created municipal authorities in 1935.

In its resolution, BCATO said, it “respectfully implores the County Commissioners to take all reasonable and necessary steps to compel BCWSA to abandon its negotiations and to continue operating as an independent, non-profit agency.”

Should that prove impossible, the association wrote, “we believe the County should disband the BCWSA and take over the assets and operation of the sewer system until a public entity is found to sell it to.”

BCATO is encouraging its members to adopt a similar resolution.

The Pennsylvania Municipal Authorities Association, which represents interests of some 2,600 municipal authorities across the state, also objects to the sale. In a letter to Bucks County municipal and community leaders it outlined a wide range of reasons for its opposition to privatizing public water and sewer systems.

Customers are always the ones paying for the privatization and the profit made by the corporations who buy public utilities with rate increases, the PMAA explained.

Municipal authorities, said PMAA, “operate with long-term stability, typically without influences from political interest or corporate influences. For nearly 100 years, the system has worked very well.”

A BCWSA website page – BCWSAcommitment.org – said, it was their “fiduciary responsibility” to examine Aqua PA’s offer, which, they said, was unsolicited, and “make the most beneficial decision for all concerned.”

Highlighted in the statement, were assurances that consumers’ rates would be protected, taxpayers would see financial benefits, environmental protections would continue and employees’ current pay and benefits would

not “be negatively impacted.”

Board chair, John Cordisco, noted in the letter that “along with creating a fund for customers, the county can allocate the money for needs that it deems appropriate, such as eliminating its debt, freezing any tax increases over an extended period of time, and other essential needs to benefit residents.”

Net proceeds from the sale, estimated to be about \$1 billion after the authority’s wastewater system debt is paid off, would equal approximately five times Bucks County’s annual tax revenue.

The deal is for the authority’s sewer system, which represents about three-quarters of its assets.

BCWSA will continue to operate its water system.

The Pennsylvania Public Utility Commission will have the final say on the sale, as well as rate hikes, which it historically approves.

Aqua Pennsylvania is a subsidiary of Essential Utilities, Inc. based in Bryn Mawr.