

**Business** 



### Proposed \$1.1 billion sale of Bucks sewer system to Aqua Pa. draws a crowd at first 'open house'

"I'm concerned about a corporate takeover of a public utility," a Doylestown resident said about the proposed sale.



Brian Maguire, of Warrington Township, asks a question of Bucks County Water and Sewer Authority officials during... TYGER WILLIAMS / Staff Photographer

by Andrew Maykuth Updated Jul 26, 2022

A campaign by Bucks County officials to reshape the dialogue about the proposed \$1.1 billion sale of the county sewer system went public on Tuesday with a pair of "open house" events to discuss the move toward privatization.

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give exclusive negotiation rights to Aqua has already drawn opposition from some municipal leaders and unionized workers at BCWSA.

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The process has been transparent, said John Cordisco, the BCWSA board chair.

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"There have been no backroom deals or have been no private meetings, no member of the water and sewer authority [board] has ever met privately with members of Aqua or their executive team," Cordisco said in an interview during the informational event Tuesday morning at Bucks County Community College-Perkasie.

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representatives from Aqua Pennsylvania and BCWSA. A second open house was conducted Tuesday evening at the community college's Newtown campus.

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John Cordisco, chairman of Bucks County Water and Sewer Authority, talks with a community member. TYGER WILLIAMS / Staff Photographer

### 'We lose local control'

Most of the members of the public who attended the Perkasie event appeared to be





"I'm concerned about a corporate takeover of a public utility," said Kara Raymond of Doylestown, who held a "Stop the Sewer Sale" pamphlet during an hour-long question-and answer-session. "People are here to ask questions and let their feelings be known. People aren't here for a corporate presentation."

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The proposed deal would be the latest privatization undertaken in Pennsylvania since the state in 2016 passed new rules encouraging private ownership of public

BCWSA officials largely cast the potential sale in a positive light, saying the county would net nearly a \$1 billion from the sale, allowing it to reduce debt, increase services and forego property tax increases for years to come.

But customers who attended Tuesday's event and criticized the sale said ratepayers would pay higher rates to allow Aqua to recover the purchase cost. BCWSA's current residential sewer rate of about \$48 a month compares to Aqua's rate of \$88.

"I see no benefit to the customers of the authority," said Randy Scott, a retiree from Warrington. "There isn't any benefit here. There is nothing they have proposed that they can't do themselves without selling the system. And we lose local control."



Pamphlets and signs opposing the sale were stacked on a

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because it faces about \$250 million in upgrades and repairs. The responsibility for those repairs, and compliance with a 2021 court settlement involving with environmental regulators, would shift to a buyer

BCWSA suggests the rate impact would be softened for about ten years if some of the sale proceeds were used to create a "rate stabilization" fund. The nature and mechanics of such a fund have not been spelled out, and are not part of Aqua's proposed sale agreement.

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Some town officials were skeptical about such a fund. Future county commissions would not be obligated to it, said Barry F. Luber, the township manager of Warrington.

after rejecting a higher offer from Aqua. He said the township is exploring ways to retake ownership of its system if BCWSA agrees to sell.



Chris Franklin, chairman and CEO of Essential Utilities, at the open-house in Perkasie, Pa.

TYGER WILLIAMS / Staff Photographer

### 'Part of the community'

The Bucks County Association of Township Officials, citing a report that found private water companies charge an average of 85% more than public entities, also expressed "grave concerns" about the sale in a July 15 letter to the Bucks County Commission, the county's governing body.

"We respectfully request the authority continue operating as an independent, nonprofit agency, as intended when it was

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FEATURED VIDEOS

Aqua and BCWSA met privately on Monday with municipal officials to explain the deal to local towns. The meeting was cordial, said township and Aqua officials.

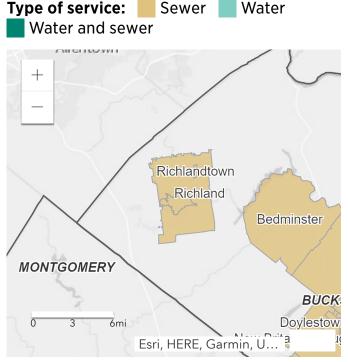
Christopher Franklin, the chief executive and chairman of Essential Utilities Inc., Aqua's parent company, said his company suggested setting up Tuesday's event as an open house where the public can mingle with officials rather than engaging in a formal presentation from a stage in an auditorium.

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Authority (BCWSA) serves about 100,000 households in 31 towns in Bucks, Montgomery, and Chester Counties. The authority announced on July 13 that it was considering a formal offer of \$1.1 billion from Aqua Pennsylvania to buy its sewer system, which makes up about three-quarters of BCWSA's customer base. If the sale is approved, the remaining BCWSA entity would serve only drinking water customers.

Click on the map for more information.



SOURCE: Bucks County Water and Sewer Authority

JOHN DUCHNESKIE / Staff Artist

"If you create rows of chairs, and you create an us-and-them situation, that's how a meeting typically goes," he said. "We don't

Food and Water Watch, a national advocacy group opposed to utility privatizations, and a local group, Neighbors Opposing Privatization Efforts, set up informational tables in a hallway outside the event to encourage residents opposed to the sale to organize their neighbors.

Cordisco said there is no timeline set on when the board will make a final decision on Aqua's offer.



Kara Raymond, at left, of Doylestown, Pa., holds a "Stop the Sewer Sale" pamphlet. "I'm concerned about a... TYGER WILLIAMS / Staff Photographer

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### Andrew Maykuth 🞽 🍠



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