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PRESS RELEASE

OPPOSITION DECLARATION TO THE SALE OF THE BUCKS COUNTY WATER AND SEWER AUTHORITY'S SANITARY SEWER SYSTEM TO AQUA PENNSYLVANIA (ESSENTIAL UTILITIES INC.)

August 18, 2022

AQUA Pennsylvania has made a formal offer for the acquisition of the Bucks County Water and Sewer Authority's sanitary sewer system for \$1.1 billion dollars. The Northampton Bucks County Municipal Authority is one of the largest if not the largest wholesale customer of the Bucks County Water & Sewer Authority for the conveyance and treatment of our sanitary sewer discharge from our collection system.

Our Authority services more than 14,000 sanitary sewer customers equating to approximately 37,000 residents.

Prior recent acquisitions by Aqua America in Southeastern Pennsylvania have been followed in short order by massive rate increases to the rate-paying public calculated as a function of those inflated acquisition prices, including rate increases of 57%; 64%; and 82% for former municipal sanitary sewer customers after Aqua Pennsylvania, Inc. acquired the municipal sanitary sewer systems in East Norriton Township, East Bradford Township, and Limerick Township

As a result of this injustice, the Board of the Northampton Bucks County Municipal Authority passed RESOLUTION NO. 2022-1266 at its public meeting of August 17, 2022 in opposition to the sale.

Regards,

Thomas A. Zeuner

EXECUTIVE DIRECTOR

RESOLUTION NO. 2022-1266

WHEREAS, in 1962 the Commissioners of Bucks County created the Bucks County Water and Sewer Authority under the authority of the Pennsylvania Municipality Authorities Act as an independent agency of the Commonwealth of Pennsylvania for the purpose of constructing and maintaining public potable water and public sanitary sewer service infrastructure to serve Bucks County in furtherance of public health, safety, and welfare; and,

WHEREAS, in its current form as a Pennsylvania Municipal Authority, the Bucks County Water and Sewer Authority is required by law to set its sanitary sewer rates to consist of the sum of its maintenance, debt service, and operating expenses without profit; and,

WHEREAS, the Bucks County Water and Sewer Authority, as a Municipal Authority, is governed by its Board, the members of which are appointed by the elected officials of Bucks County and as such are responsive to the democratic process by way of County elections; and

WHEREAS, the Board meetings and deliberations of the Bucks County Water and Sewer Authority as currently constituted are required by Pennsylvania law to be held in a public forum upon prior written public notice and open to public comment, input; and

WHEREAS, the rates of the Bucks County Water and Sewer Authority as currently constituted, as well as the "adequacy, safety, and reasonableness" of its services are subject to challenge under Pennsylvania law by "any person" by way of a lawsuit in the Court of Common Pleas of Bucks County; and

WHEREAS, the Board Members, Executive Director, and Staff of the Northampton, Bucks County, Municipal Authority have reviewed the terms of the publicly available documents which would affect the proposed sale of the Bucks County Water and Sewer Authority's sanitary sewer infrastructure to the publicly traded, for profit utility provider Aqua Pennsylvania, Inc.; and

WHEREAS, Pennsylvania's Act 12 of 2016, the law which permits the private acquisition of municipally owned sanitary sewer service systems by private, for-profit entities was intended by the Legislature to permit the acquisition of poorly-run, financially distressed municipal water and sewer systems in need of substantial unfunded improvements; and,

WHEREAS, the Board Members, Executive Director, and Staff of the Northampton, Bucks County, Municipal Authority have investigated prior acquisitions of municipal sanitary sewer infrastructure from Municipal Authorities by private utilities including Aqua Pennsylvania, Inc., and

WHEREAS, such prior acquisitions have been made upon exorbitant values for municipally owned sewer infrastructure systems which were often not mismanaged or financially distressed, and which exorbitant values served as the basis and justification for future rate setting by the acquiring private utilities; and

WHEREAS, such prior acquisitions in Southeastern Pennsylvania have been followed in short order by massive rate increases to the rate-paying public calculated as a function of those inflated acquisition prices, including rate increases of 57%; 64%; and 82% for former municipal sewer customers after Aqua Pennsylvania, Inc. acquired the municipal sanitary sewer systems in East Norriton Township, East Bradford Township, and Limerick Township respectively; and

WHEREAS, the Board Members of the Northampton, Bucks County, Municipal Authority have determined that the sale of municipally owned sanitary sewer systems to private, for-profit utility entities is tantamount to delivering rate-paying customers who are required to have been connected to those systems as a matter of law into the hands of a private, profit-generating monopoly which is not responsive to the democratic process; and,

WHEREAS, the Board Members of the Northampton, Bucks County, Municipal Authority understand that any guarantees that the proceeds of the sale of the sanitary sewer system by the Bucks County Water and Sewer Authority including the Rate Stabilization Fund are not enforceable against future elected officials, and future elected officials may dispose of the sale proceeds in ways entirely unrelated to sanitary sewer service and direct them to other unrelated priorities; and

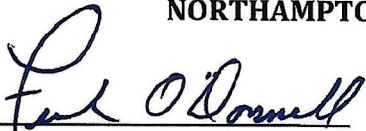
NOW, THEREFORE, be it RESOLVED by the Board of the Northampton, Bucks County, Municipal Authority that the Authority is opposed to the sale of the Bucks County Water and Sewer Authority's municipal sanitary sewer system to Aqua Pennsylvania, Inc. or any other private, for-profit utility entity in the strongest possible terms, and,

FURTHER, the Board of the Northampton, Bucks County, Municipal Authority respectfully implores the Commissioners of Bucks County to compel the Bucks County Water and Sewer Authority to immediately and without delay abandon all negotiations with Aqua Pennsylvania, Inc. or any other private, for-profit utility entity for the acquisition of the Bucks County Water and Sewer Authority's sanitary sewer system. In the event that the Bucks County Water and Sewer Authority shall refuse to immediately abandon its negotiations with Aqua Pennsylvania, Inc., the Board of the Northampton, Bucks County, Municipal Authority proposes that the Commissioners move to disband the Authority and have Bucks County itself acquire the sewer system and operations, thereby preserving the non-profit, publicly accountable nature of the infrastructure for the people and commercial enterprises of Bucks County.

APPROVED AND ADOPTED this 17th day of August 2022.

NORTHAMPTON, BUCKS COUNTY, MUNICIPAL AUTHORITY

Attest:


Secretary, Frank O'Donnell


Chairperson, Vincent J. Deon