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NEWS

'Disappointed' by opposition, Aqua calls off Bucks County sewer system sale



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Bucks County Courier Times

Published 4:53 p.m. ET Sept. 7, 2022 | Updated 10:05 a.m. ET Sept. 9, 2022

The sale of the Bucks County Water and Sewer Authority's sewer system is now off, the head of Aqua Pennsylvania said.

Christopher Franklin, chairman and CEO of Essential Utilities, Aqua's parent company, said he was "surprised and disappointed" by the Bucks County Commissioners' unanimous decision to disapprove of \$1.1 billion potential sale.

"While we were surprised and disappointed by the sudden turn of events (Tuesday) we respect the opinions of the Bucks County elected officials and have offered to remain a resource to them," Franklin said in a statement. "The professionalism of the staff at BCWSA was exemplary and we hope to continue those collegial relationships as we work together to solve the water and sewer challenges in our region."

Essential, based in Bryn Mawr, has water and sewer holdings in 10 states serving 5 million people. It is one of the largest water utilities in the United States.

"We remain committed to partner with communities that will benefit from our technical expertise and proactive infrastructure investment as a viable solution to tackle increasing environmental regulations and necessary system improvements," Franklin continued. "As we watch the dire situation unfold in Jackson, Mississippi, we are reminded of the importance of, and the need for, proactive and ongoing investment in water and wastewater infrastructure to sustain and protect communities and the environment."

Rally in Doylestown

About 25 people rallied on the front lawn of the Bucks County Administration Building on Wednesday to celebrate the public's presumed win against Aqua Pennsylvania in the battle

over the future of the Bucks County Water and Sewer Authority's sewer system, and to urge legal measures so that water and sewer rights cannot be bought by private companies.

The county commissioners opposed the potential sale of the sewer system to Aqua Tuesday after hearing comments and receiving letters against the proposal, and so John Cordisco, chair of the BCWSA board, said the deal with Aqua would be axed. The board has yet to meet and vote.

The vote to rescind negotiations with Aqua most likely won't take place until the BCWSA's next board meeting on Sept. 28.

Tom Tosti, Southeastern Pennsylvania director with the American Federation of State, County and Municipal Employees, sounded the alarm about the sale possibility when he heard about it last winter. He is still concerned that the vote needs to be taken by the BCWSA board to end negotiations with Aqua, which was given a year's exclusivity agreement to iron out the sale earlier this summer.

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"They still have that vote. That's why we have to stay vigilant. We have to stay on them. We have to make sure we attend the meeting. We have to make sure they vote the way we want them to vote," he said.

Bucks County to lose \$700M over sale forfeiture

Despite opposing the sale, Commissioner Chairman Bob Harvie said water and sewer infrastructure is a major concern for municipalities around the country and the BCWSA will still have to deal with the issues of aging, leaking pipes.

"They're going to have to do rate increases and borrow bonds. Rates will go up," he said.

He said the the county will lose about \$700 million or more when the BCWSA forfeits the sale, but he said the needs of the communities served by the BCWSA to keep their rates from rising sharply in the next decade, as expected under the Aqua deal, needed to be taken into consideration.

State Rep. Perry Warren, D-31, of Newtown said funding is always an issue. "The state can and should work with the counties. There may be opportunity for private-public partnership," he said, but he said the members of the public have spoken. "The role of government is to be responsible to the citizens. They listen. They heard," Warren said.

Ray Post of Middletown, who opposed the sale later spoke at the county commissioners' meeting, calling for more control of water and sewer systems in the county, especially when the BCWSA, which serves only 18% of Bucks County residents, can command a pricetag of \$1.1 billion for its sewer service. He said at the very least, the county should require a voter referendum to allow such a sale.

State Sen. Steven Santarsiero, D-10, of Lower Makefield, who attended the rally and later spoke at the commissioners' meeting, said that addressing infrastructure needs might be something that should be looked at on the statewide level.

The state legislature and Gov. Tom Wolf approved Act 12 of 2016 which enticed private companies to purchase public water and sewer systems by allowing them to be priced at fair market value. "How we address this, that will be for the next governor and legislature to take up," he said.

More: Bucks County Commissioners: We don't support \$1.1B sale of BCWSA sewer system to private Aqua

A consortium of four municipalities that are planning to hire legal counsel if the sale would have proceeded will continue to work together and seek other municipalities to join them to keep water and sewer authorities as public entities, said Maggie Rash, a Buckingham supervisor and chair of the Bucks County Association of Township Officials.

Several other municipalities signed resolutions opposing the sale citing Aqua's history of asking the Pennsylvania Public Utility Commission for rate increases.

A resolution signed by Middletown officials stated that rates in Limerick Township increased by 82%.

The BCWSA said that Aqua planned to hold rates in Bucks stable for about a year but if the rates were raised for the authority's approximately 100,000 customers over the next 10 years, the authority would need a fund of between \$136 million to \$294 million to offset the increases for ratepayers. This would have reduced the proceeds that Bucks County was to receive from the sale.

BCWSA Board Member Dennis Cowley attended the rally Wednesday.

"From day one, my whole thought has been about the employees and the ratepayers," Cowley said. "Now that public support is out there, it's great," he said because the board will need to raise rates to address the \$254 million in repairs it needs to make.

Cordisco, BCWSA board chairman, said that the authority most likely will vote to rescind the potential sale to Aqua Pennsylvania at its next board meeting, scheduled for Sept. 28, but was the confirming the legality of that move with its solicitor.