

Stop privatization of public utilities

By Margo Woodacre
and Bill Ferguson

Access to clean, abundant, and affordable water is a basic necessity for human life. However, certain water companies, politicians, and regulators are making water less affordable for Pennsylvanians by privatizing our state's water supply.

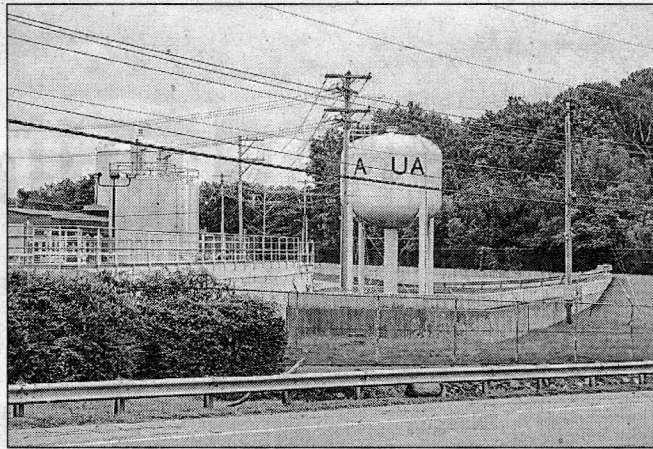
For generations, most water and sewer services in Pennsylvania have been provided by nonprofit local municipalities, but that is rapidly changing. In the last six years, big water companies like Aqua Pennsylvania and Pennsylvania American Water have been aggressively acquiring municipal systems.

The process is simple. The companies offer a huge sum of money, and municipalities are often quick to grab these deals.

But then comes a big rate increase for the Pennsylvanians who rely on this water. Water companies walk away with profits, and we are stuck footing the bill. A large share of private company water and sewer bills — 32% in the case of Aqua Pennsylvania — go directly to company shareholders.

How did we get here? Part of the answer comes from the actions of local lawmakers with ties to private utilities.

In 2016, Act 12 — sponsored by former State Rep. Robert Godshall — passed the Pennsylvania House and Senate and was signed into law by Gov. Tom Wolf. This act allows private water companies to buy public utilities at a higher cost to residents. Act 12 was eased through with the help of State Rep. Mike Turzai, the then-speaker of the House, who happened to be close friends with Christopher



The Aqua Pennsylvania Pickering West wastewater treatment plant in Bryn Mawr in September. STEVEN M. FALK / Staff Photographer

Franklin, CEO of Essential Utilities. (Aqua Pennsylvania is an Essential Utilities company.) In an ethically dubious move, Turzai then retired and took a job as general counsel for Peoples Gas of Pittsburgh, a division of Essential Utilities.

We saw similar shenanigans at the Pennsylvania Public Utility Commission (PUC), the state regulatory body that is supposed to stand up for the people. After Robert Powelson left his job as PUC commissioner in 2015, he was named the head of the National Association of Water Companies, the private water lobby. In effect, Powelson is now paid by those he used to regulate.

Not only do private water companies offer huge upfront payments to municipalities, they also make promises that they have no intention of keeping. As residents of New Garden Township, we saw these false promises with the 2020 sale of our wastewater system to Aqua Pennsylvania.

It started out with claims that New Garden would require large rate increases to pay for necessary upgrades. Unsurprisingly, New Gar-

den quickly took Aqua's offer of \$29.5 million for the sale of the town's wastewater system. But both Aqua and New Garden failed to make it clear that in order for Aqua to profit off its investment, we would be footing the bill.

The company is now asking for a rate increase that would see our typical annual bill go from \$876 to \$1,204 — and that is set to increase even further, to \$1,720 per year.

A tactic Aqua used with New Garden — one that is similar to other deals across the country — was the promise of a two-year rate freeze, and then a 4% per year cap on increases for a total of 10 years. This would have limited rates for a typical home to \$1,107 per year after 10 years, compared with the actual \$1,720 we will soon face.

Its promise has been broken, and so far, Aqua has faced no consequences.

Aqua is now offering over \$400 million to acquire Chester Water Authority, a nonprofit municipal system that dates back to 1866 and serves around 44,000 customers in Delaware and Chester Counties.

This sale is being promoted by public officials, including Gov. Wolf, as a bailout for the bankrupt city of Chester. While the purchase price is a huge temptation, this is simply another case of ignoring the real cost. The city of Chester would benefit but at the expense of users. It is estimated that a large majority of Chester households will have water bills greater than the income threshold the Environmental Protection Agency has set for water affordability. The Chester Water Authority Board unanimously opposes this sale because it knows that the hidden costs of the deal will mean huge rate hikes.

Unless we stop them, private water companies will continue to sweep through Pennsylvania, gobbling up any municipal systems they can — especially if politicians in Harrisburg continue to smooth the way. Residents of Philadelphia and surrounding areas should be especially concerned because Aqua is attempting to acquire the Delaware County Regional Water Authority (DELCO). (DELCO).

We need to take action.

Write or call your state representatives, state senators, and the governor to tell them to stop private water companies from taking over public utilities. Specifically, they should oppose Senate Bill 597 and support Senate Bill 452. In the House, representatives should support House Bills 1936, 144, and 527. The future of our water bills depends on it.

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