

Editorial: Eyebrows still being raised over possible sale of water authority

It turns out that Delaware County is not the only place where eyebrows are being raised about the legal machinations swirling around the Chester Water Authority, and the future of the beloved local utility.

Remember, in addition to 19 towns in Delaware County, including, of course, the city of Chester, CWA also provides water for another 16 municipalities in Chester County, along the Route 1 corridor. In total, CWA has about 42,000 customers, 7,300 of which live in Chester County. And don't forget all that gorgeous, sparkling water comes from the Susquehanna River and Octoraro Reservoir on the Lancaster County border just outside Oxford.

When last we checked in on this legal saga, the authority was up to its neck in legal actions vs. both the city of Chester and the giant utility Aqua America.

To quickly recap, this whole thing dates back to 2017, when the Chester Water Authority board rejected an unsolicited \$320 million bid from Aqua.

Turns out that was just the beginning of this watery tale.

The city of Chester, which the company has called home since 1866, has been struggling mightily to escape Act 47 "distressed" status. The state-appointed consultants guiding them out of their fiscal morass had an idea where they could find some revenue. Why not consider a possible sale of the water authority. Instead, the city and CWA reached a tentative deal calling for CWA to kick in \$60 million to the city coffers. In exchange the city would relinquish

any right to sell all or part of the company for 40 years. In order to raise the money, CWA would hike rates 10 percent. The CWA board quickly approved the deal, but Chester City Council never signed off on it.

At that point, Aqua jumped back into the fray, going to court to block the deal as a CWA customer, say they and other customers were getting nothing out of the deal but higher rates.

The city grew frustrated with the delay in the deal and then decided to seek bids to buy Chester Water again.

In June, CWA asked a Common Pleas judge in Delaware County to grant an injunction against Chester City and Aqua halting a proposed sale. The CWA complaint alleged a "corrupt bargain" between the city and Aqua. In early July, Judge James Bradley granted the injunction, while dismissing Aqua from the action.

Now we're starting to hear from some of the Chester County entities that are served by Chester Water Authority. Those towns sit along some of the 600-plus miles of pipeline that carry the water to Delaware County every day.

The reason they are speaking up now is because the Chester County commissioners are considering a new appointment to the Chester Water Authority Board. The board is made up of representatives from both Delaware and Chester counties. The three representatives from Chester County are appointed by the commissioners. They are currently mulling a replacement for Christopher Burkett, who is leaving the

board because the firm he works for has done work for Aqua.

It comes at a time when word has been spreading about a possible move in Harrisburg to expand the board. Opponents of a possible sale of the water company fear the move would lay the groundwork for a new board that would be more receptive to a sale of the company.

Last week leaders from both London Grove and Penn Township sent letters to the Chester County Commissioners, urging them to appoint Leonard Rivera, a former board member. They also stressed their towns' desire to preserve Chester Water as its own entity.

Rivera had voted against accepting the original \$320 million bid from Aqua for the company.

The commissioners did likewise as they continue to mull their decision. Applications to be considered for the appointment are due by Aug. 31, with the commissioners saying they will make their selection shortly thereafter.

"In all decisions that we make as commissioners our intent is to best service Chester County citizens," a statement from Commissioners Chairman Michelle Kichline said.

But they also mentioned that when Aqua made its bid to buy Chester Water back in 2017, they sat in on a meeting that detailed by Aqua offer. And who might have brokered that meeting? That would be none other than Chester County lawyer and then

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DAILY TIMES

Tuesday, July 30, 2019

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chairman of the state Republican Party Val DiGiorgio. He of course has had issues of his own recently, forcing him to step down as GOP boss.

Commissioners Chairman Michelle Kichline said all the board did was “look, listen and learn,” taking no position on the potential sale.

Interesting. Then again, just about everything about this saga is.

Kichline noted that while it is not up to county commissioners to vote on any sale of the company, “we believe that privatization is not the right decision for southern Chester County ratepayers.”

There are a lot of people in Delaware County who agree with her.

We’ll see whether or not that position changes with the news board member.