

# The War Over Public Water in Pennsylvania

**Residents are uniting across political lines to battle corporations attempting to privatize their water systems.**

By [Hadas Thier](#)

August 8, 2022

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The town of Towamencin, Pa., is not known for being a hotbed of activism. Sitting 30 miles northwest of Philadelphia, it is a mostly middle-class, white commuter community of 18,000 that has long skewed Republican. But this past April, as the township's governing board of supervisors prepared to sell Towamencin's wastewater facility to a private water company, hundreds of residents packed town hall meetings in an effort to stop the sale, the culmination of a year-long campaign by a newly formed group called Neighbors Opposing Privatization Efforts ([NOPE](#)).<sup>1</sup>

Big water companies like American Water, Aqua America, and, in the case of Towamencin, the Florida-based NextEra have been buying up water and wastewater systems in Pennsylvania, after legislation passed there that allows municipalities to sell public utilities more easily.<sup>2</sup>

But in Towamencin and other towns of varying sizes, demographics, and political leanings, they're meeting unexpected resistance. At one town hall meeting, resident Kofi Osei called out, "Since [the town supervisors] have not gone out of their way to ask us what we want out of our sewer system, I want to ask everyone here: Who would like to keep the municipal control and ownership of our sewer system? Raise your hands." A near unanimous raising of hands swept the auditorium.<sup>3</sup>

According to the supervisors, selling off the sewer system is necessary to fund multimillion-dollar expenses that are on the horizon: maintenance and upgrades to the sewer and stormwater management systems as well as to the town's fire station. The supervisors did not respond to requests for comment, but in a *North Penn Now* editorial, they [wrote](#):<sup>4</sup>

The NextEra proposal offers our township a generational opportunity to reboot and reset our finances for the foreseeable future. With the money we collect in taxes, fees and the interest generated from the capital reserves, Towamencin will be in an outstanding position to meet its obligations.<sup>5</sup>

Yet every Towamencin resident I spoke with says they have not met a single person, other than the town's supervisors, who is in favor of selling the wastewater system. "Nobody, and I mean nobody, is saying anything positive about the sale," said Ryan Cooper (whose name has been changed here to protect him from workplace retaliation). Cooper, who works at Towamencin's wastewater treatment plant, said that his coworkers went "batshit crazy" when they heard of the plans to sell, not only fearing for their jobs and benefits but also angry that the municipality would, in the words of another employee, sell off a public "gold mine." Towamencin's sewage plant generates more than \$5 million in revenue each year. The facility is well organized and smoothly run, and many of its employees, including Cooper, have worked there for over 20 years.<sup>6</sup>

Wary of creating the perception of a labor-versus-township feud, Cooper linked up with Osei. Cooper told me that Osei has gained so much respect that if he ran for local office, he'd surely win: "The first meeting I went to that he was at, after he spoke, I told him, 'Kofi, man, the only thing is maybe you need to speak a little louder.'" <sup>7</sup>

Osei started attending the board of supervisors' meetings last summer, asking the supervisors to notify residents of their wastewater deliberations and to advertise public town halls. Where and how water and wastewater infrastructure is built and maintained needs to be under democratic control, he told me: "Water is a really fundamental thing. It's obvious that we should publicly own it." Seeing Pennsylvania's systems being sold off to private companies was disturbing, Osei said, and when the trend hit his own town, "I felt like I had a duty to protect my neighbors from this."<sup>8</sup>

Until recently, Towamencin's monthly meetings were typically attended by a single longtime resident. The township's leaders, it seems, expected to sell the sewer without public discussion and without the public even knowing about their deliberations. Osei said this has been common across the region: "In a lot of the townships that have done this, they've done it at a regular session. They didn't have any town halls."<sup>9</sup>

**Water protector:** Kofi Osei, a Towamencin resident, became one of his town's leading anti-privatization activists. (Uri Thier)

A Crossroads for Waterworks

The struggles in Towamencin and dozens of nearby towns are a warning of what could be on the horizon across the country. Water systems in the United States are a patchwork of regional and local arrangements. (Pennsylvania, for instance, has some 1,900 different systems.) Since the Progressive Era, when many of the nation's waterworks were municipalized, access to water has mostly been kept in public hands. In the

US, only [10 percent](#) of people get their water from private companies, and only [three out of 100](#) rely on private companies for wastewater treatment.<sup>10</sup>

But in Pennsylvania and New Jersey, the states where pro-privatization legislation has been most aggressively pursued, about a third of the population get their water from private companies. Not coincidentally, the country's biggest water companies, Aqua America (part of Essential Utilities) and American Water, are headquartered in Pennsylvania and New Jersey, respectively. Organizers say Aqua lobbyists spend so much time at the state capitol that they have become part of the furniture. (When Pennsylvania Speaker of the House Mike Turzai retired from public office in 2020, he took a job with Essential Utilities.) As Mary Grant, the director of Food and Water Watch's Public Water for All campaign, explained to me: "Pennsylvania is the trial where pro-privatization legislation is first passed and tested."<sup>11</sup>

In 1997, Pennsylvania was the first state to pass a "distribution system improvement charge," which allows water companies to raise certain rates without standard regulatory oversight. Then, in 2016, Pennsylvania passed Act 12, which authorized municipalities to sell their public utilities at "fair market value" (FMV), which bases the price not on expected cash flows but on what a knowledgeable buyer would be willing to pay. The act works alongside Act 11, passed a few years earlier, which allows water companies to recover the costs of acquisitions and investments by raising customers' rates.<sup>12</sup>

This combination allows companies to buy out systems at inflated prices, then use the cost of the acquisition to justify rate hikes. Local politicians, meanwhile, can use the influx of cash to pay off debt or build new projects without having to raise taxes. "It's like Oprah Winfrey," a wastewater operator at the Bucks County Water and Sewage Authority joked: "You get a park! You get a playground! Everybody gets something that's amazing!" Then, by the time the rates spike, the officials are out of office and the town's value-generating public assets are gone.<sup>13</sup>

Representatives from Aqua dispute these claims. In a phone call, Chris Franklin, the chairman and CEO of Essential Utilities, told me that his company spends "a billion dollars a year on infrastructure replacement" and has "developed not only deep experience but also deep staff and know-how capabilities to deal with just about anything that comes along associated with water or wastewater." Across the United States, Franklin continued, "there is a huge need for capital in infrastructure. The government has tried to fund some of it, but the need is estimated to be about a trillion dollars for water and wastewater. That trillion-dollar need is something that municipals have a difficult time addressing."<sup>14</sup>

Following Pennsylvania's and New Jersey's examples, another [10 states](#) have adopted FMV legislation. The number of people who depend on private systems for their water is therefore bound to increase. This will drive up costs, make it more difficult to protect the environment surrounding water sources, and take away local control of public assets, just as the budgetary and climate pressures on water infrastructure are increasing. "The water sector is facing huge challenges in this country," said Marcela González Rivas, a professor at the University of Pittsburgh's School of Public and International Affairs. "Climate change is exacting a toll on the infrastructure and putting costly pressures [on the ability] to operate and provide clean, safe, affordable water. Who's going to pay for it?"<sup>15</sup>

Indeed, water organizers at the other end of the state noted that decades of disinvestment in the Pittsburgh Water & Sewer Authority (PWSA) led to outdated technology and a deteriorating physical infrastructure, leaving the system vulnerable to claims that private companies could manage it better. Organizers with Pittsburgh's Our Water Campaign had to not only fend off privatization but also fight for greater public investment and accountability, eventually winning on demands for the full replacement of lead pipes, a moratorium on winter water shutoffs, and a program to provide low-income residents with financial relief for unpaid bills.<sup>16</sup>

According to Caitlin Schroering, a sociologist and a participant in the Our Water Campaign, "PWSA has had plenty of problems connected to the austerity and disinvestment in public systems that we're seeing at a national level. But PWSA was also more responsive to the community and to our mobilization and is starting to do the right thing."<sup>17</sup>

Federal funding for water systems peaked in the late 1970s and was cut dramatically in the 1980s. Since 1977, it has fallen by 77 percent. Last year's infrastructure bill sets aside \$55 billion over five years to invest in water systems. But the Environmental Protection Agency estimates that drinking water, wastewater, and stormwater systems need to spend at least [\\$744 billion](#) over the next 20 years for basic maintenance alone.<sup>18</sup>

"Affordability is going to be an increasing issue, because all of our water systems need upgrading," said Mildred Warner, a professor of city and regional planning at Cornell University. "Investment needs are very, very great. That will cause higher user fees going forward, which will fall particularly hard on the lowest income quintile." Even worse, she added, "if we unnecessarily inflate the cost of systems [as FMV legislation allows companies to do] before making the investments and upgrades that are needed," once those investments and upgrades happen, user fees will have to go up again.<sup>19</sup>

**NOPE's hopes:** Members of Neighbors Opposing Privatization Efforts pose for a group photo in Towamencin. (Uri Thier)

#### Water Whack-a-Mole

Approximately 70 miles southwest of Towamencin, at Pennsylvania's southern border, the Chester Water Authority (CWA) organized a Public Water Independence Day in June to mark the five-year anniversary of CWA's decision to reject Aqua America's \$320 million bid to buy it out. Despite being rebuffed, Aqua has since gone back to the city of Chester with a \$420 million offer to buy the water authority. The city—under receivership since 2020—wants to sell, but whether it has the jurisdiction to do so has been in litigation for several years. The water authority has used that time to build support for itself among residents of the 37 municipalities that get their water from CWA.<sup>20</sup>

Public Water Independence Day was therefore not just a celebration; it was an organizing festival, drawing residents and activists from across the region to eat, play, boat, and listen to speakers denounce the actions of "Big Water." One speaker, Bill Ferguson from New Garden

Township, exclaimed, “The Aqua Express is barreling down the tracks. This is not a train you want to get on. However, they’re not asking you if you want to get on the train; they’re trying to kidnap you.” And he should know: Aqua bought New Garden’s wastewater system.<sup>21</sup>

New Garden Township was among the first to sell its sewer system after Act 12 passed. When the sale was announced in 2017, New Garden residents watched their wastewater rates jump 30 percent, and when it was completed in 2020, rates spiked another 37 percent. The agreement between Aqua and New Garden initially included a two-year rate freeze, but this “guarantee” was rescinded in 2019.<sup>22</sup>

Recent research has confirmed what many residents have instinctively understood: When private companies take over water systems, rates go up. A [report](#) in *Water Policy* found that the average bill for customers of private water companies is 59 percent higher than that of public utilities in the country’s biggest water systems. Public systems were also found to be more likely to enact moratoriums on water shutoffs and more likely to implement conservation programs.<sup>23</sup>

Private companies are obligated to increase profits for their shareholders. What little cost savings might be gained through Big Water’s economies of scale—itsself a debatable point—are often paid out to shareholders as dividends. And because water utilities are natural monopolies, residents don’t have a choice about where they get their water from or who treats their wastewater. A privately owned utility faces no competitive pressures on pricing, water quality, or customer service.<sup>24</sup>

A [report](#) in *Utilities Policy* found that publicly run systems offer “more transparency and accountability, since board meetings must be public, officials are obligated to meet with residents, and residents are able to voice concerns and demand equitable (and safe) water policies.” A public system is not automatically democratic, but a private company is automatically accountable to its shareholders, not to residents. In Conshohocken, outside Philadelphia, Carol Smith, who’s been a member of the Municipal Sewer Authority Board for 12 years, explained how complaints from neighbors about a smell emanating from the plant led the board to invest more than \$1 million in an odor control system, despite receiving no citations from the state’s Department of Environmental Protection. What was the mechanism by which Conshohocken’s residents were able to make their voices heard, I asked her? “They would just call the Sewer Authority. We keep track of every complaint.”<sup>25</sup>

Thus, When David McMahon, a resident of Norristown, outside Philadelphia, heard about possible plans to sell the municipality’s wastewater system, he got worried. He’d been attending his borough’s council meetings regularly in 2020. At first, talk of a sale was cast in vague, exploratory terms. But one day in June of that year, council members announced that they had accepted a bid from Aqua and would advertise it for seven days before putting it to a vote. McMahon told me he was suddenly in a “mad scramble.”<sup>26</sup>

Norristown is one of a few dozen municipalities in Pennsylvania that have what’s known as a home rule charter, which includes a provision that allows voters to repeal council ordinances through petitions. McMahon and three other residents who opposed the sale moved quickly. But they were hard-pressed to gather some 2,000 signatures in seven days on a topic that nobody knew anything about. After they failed to do so, they tried to use the same provision to create a ballot question. That failed as well. But by speaking to hundreds of fellow residents during the early months of the pandemic, they were able to recruit volunteers and educate their neighbors. Then, when the sewer authority itself tried to back out of the deal with Aqua, the borough council of Norristown moved to dissolve the sewer authority and accept the bid without it. Now McMahon and the volunteers had a third chance to stop the sale. This time they gathered almost double the number of petition signatures they needed to repeal the ordinances. And it worked.<sup>27</sup>

After the win, McMahon and the group he founded, Norristown Opposes Privatization Efforts, the predecessor to Neighbors Opposing Privatization Efforts, took their organizing across the state. “We knew from the beginning that once we saw the route and who the players were and why, we had to help other places.” Like-minded Pennsylvanians were not hard to find. McMahon heard from the Towamencin Sewer Authority’s Ryan Cooper. A local blogger put him in touch with Carol Smith from Conshohocken. Then he heard from Henry Yordan, a resident of Willistown who had read about Norristown’s efforts in a local paper. Mike Greek, a CWA foreman of 21 years, found NOPE through its Facebook page. McMahon, a member of the Democratic Socialists of America, also sought the help of national organizations like Food and Water Watch and the Community Environmental Legal Defense Fund.<sup>28</sup>

When Smith heard about her town’s plan to sell off the wastewater facility, there wasn’t much time to act. With McMahon’s help, she and her neighbors launched a petition, covered nearly every street in Conshohocken with flyers and instructions to call the borough, and put up lawn signs all over town. “That really bothered the borough council,” Smith said. “We had over 100 lawn signs in Conshohocken. And that was my little unhappy toilet,” she added, pointing at a lawn sign featuring clip art of a dour, anthropomorphic toilet next to the words “NO TO SELLING OUR SEWER. Bad for residents, elderly, fixed income, businesses.”<sup>29</sup>

At a well-attended meeting on March 17, the council unanimously voted down the sale, contravening the wishes of Conshohocken’s borough manager. “We wouldn’t have been able to do it without David’s help,” Smith said.<sup>30</sup>

McMahon isn’t the only one traveling across the state to fight in Pennsylvania’s water wars. Residents in New Garden Township formed Keep Water Affordable and have been driving to meetings in other townships, including in Tredyffrin, where telling their story helped persuade the township to reject Aqua’s bid. Tom Tosti, the director of AFSCME’s District Council 88, has also been going to board meetings in municipalities throughout Bucks County to try to stop the sale of the Bucks County Water and Sewer Authority (BCWSA), one of the largest wastewater treatment authorities in the state. (Despite months of community opposition, BCWSA’s board agreed, in an unannounced vote on July 13, to enter into exclusive negotiations with Aqua. If Aqua’s \$1.1 billion bid is approved, it will be the largest sewer privatization in the country.)<sup>31</sup>

In town after town, the script is the same: “exploratory language” followed by sudden announcements of privatization bids when they are all but done deals and lavish promises of what the town will do with its newfound piles of cash. Once residents find out about the sales, they oppose them. And depending on the circumstances and ordinances, people in some towns manage to stop the takeovers, while others fail or remain locked in protracted legal struggles.<sup>32</sup>

**A dam sight:** Public Water Independence Day at the Octoraro Reservoir drew residents and anti-privatization activists from across the state. (Uri Thier)

Save the Chester Water Authority

The site of Public Water Independence Day was the Octoraro Reservoir. Through the stewardship of the Chester Water Authority, the reservoir provides water for Chester and Delaware counties, as well as hiking, fishing, birding, farming, and a picturesque palette of greens and blues that stretches across the horizon. The 2,000-acre reservoir, along with CWA's pipes and facilities, constitutes one of the state's biggest water systems and is among Big Water's most sought-after spoils.<sup>33</sup>

CWA supplies water drawn from the reservoir and the Susquehanna River to about 200,000 people. Its advocates point to its award-winning track record, its ongoing infrastructure development, and the fact that despite offering affordable rates, it has never, in its 83-year history, been in financial distress.<sup>34</sup>

In the 1950s, CWA built a dam on the Octoraro Creek to form the reservoir and planted 30,000 trees each year for a dozen years, creating a healthy and protected watershed and a forest that is open to the public. The authority also maintains and upgrades its infrastructure: Most recently, as part of a multimillion-dollar project, it installed acoustic listening devices along its main transmission lines to monitor for leaks. CWA is not a system in distress, but it is fighting for its life.<sup>35</sup>

The pretext for selling the authority to Aqua is to bail out the bankrupt city of Chester, which incorporated CWA in 1939 but has since played no role in its operations and makes up less than 20 percent of its customer base. The proposed acquisition, said Franklin, the Essential Utilities CEO, "has nothing to do with the capabilities of the authority, and everything to do with Chester being a poor, third-class city, which is trying to dig itself out of bankruptcy by selling one of their only remaining assets."<sup>36</sup>

The city, which has been struggling financially since 1995, was placed under receivership in 2020, when a casino—one of the few generators of revenue in the city—had to close because of the Covid-19 pandemic. Another major source of the city's financial woes is a police pension system that was intentionally inflated in 2009. Disinvestment and corruption have fed a cycle that has caused great harm to the city's population.<sup>37</sup>

Chester's demographics are a flip of Towamencin's. Towamencin is three-quarters white; Chester is almost three-quarters Black. Sixty-five percent of Towamencin's housing units are owner-occupied; 37 percent of Chester's are. The median income in Towamencin is about \$85,000; in Chester it's just below \$33,000. Yet a strong sentiment against privatization binds the two communities together.<sup>38</sup>

Greek, the CWA foreman, grew up in Chester and was, in his words, "welfare poor"—his parents received public assistance for most of their lives. He rejects the idea that there are only two options for Chester: bailing it out by selling CWA or hanging it out to dry. (In fact, CWA offered to pay \$60 million to Chester in exchange for keeping CWA in a trust for the next 40 years.) "I don't ever want to say 'Screw Chester' out of all this, because you can't. But is the state of Pennsylvania really helping them with grants and with other sources of money?" Greek asked. "The state doesn't want to be bothered. It's like they're saying, 'Can't you guys handle it yourself?' No, sometimes they can't."<sup>39</sup>

Many residents of Chester agree that selling off a prized public asset is not the solution. About 100 locals have volunteered with the [Save CWA](#) campaign, among them Kearni Warren, who was born and raised in Chester and was recently a Green Party candidate for the city council. Sitting on a rock by the shore of the Octoraro Reservoir, Warren explained to me that the Pennsylvania Constitution guarantees the right to clean air, pure water, and the preservation of the natural environment. It even declares that "Pennsylvania's public natural resources are the common property of all the people, including generations to come." But, she said, Chester is an environmentally overburdened community with the largest incinerator in the country. "We don't have clean air in Chester. But we do have clean water. Chester Water Authority is one of the only assets in Chester that has a positive impact on the community."<sup>40</sup>

"It's frustrating. It's infuriating," Warren said with a sigh. "It's just total disrespect that is taking place, because Chester is a predominantly Black city, and it's poor. And so all the ills of society are dumped upon poor and Black communities. To take away a company that is not in distress, because Aqua wants to own the water and wastewater systems—that is an extractive economy."<sup>41</sup>

Warren said that when Aqua purchased the Springton Reservoir, eight miles north of Chester, the company closed off public access to it and sold off much of the land to an upscale senior housing facility. Warren told me she has fond memories of going to the spring at the reservoir with her grandfather. Now, she said, it's a "space where only wealthy residents have access to walking paths and picnics and lake views out of their windows."<sup>42</sup>

Though many of Big Water's acquisitions have been in small boroughs and towns, there will be tremendous consequences if the sales of CWA and the sprawling BCWSA go through. Some organizers have noted recent visits by Aqua representatives to Philadelphia's city council offices and wonder if the Philadelphia Water Department, Pennsylvania's largest system, is next on the docket.<sup>43</sup>

Kevin Davis (whose name has been changed) has worked at BCWSA for over a dozen years and has two young kids. He told me he looked forward to what he hoped would be a long career. "I just always took for granted that my job would be secure and my future would be secure," he said. Stability is the main thing that he and his coworkers have wanted from their jobs. "We're not going to get rich here. I'm up to my shoulder sometimes in rags, digging deep into a pump, pulling stuff out. It's not glamorous, but it's stable. And everyone—everyone—agrees that having some sort of corporate entity come in here, it would be bad news."<sup>44</sup>

**Getting grilled:** Bruce Hauk, right, president of NextEra, and Scott Shearer, left, from the consultancy hired by Towamencin, at a town meeting. (Uri Thier)

#### Water Politics in a Swing State

Pennsylvania's ever-shifting political lines have made the state a focal point for strategists. This year's elections include a populist Democratic nominee for the Senate and a far-right Republican running in a tight race for governor. Much of southeastern Pennsylvania, where water and wastewater privatization is currently concentrated, is traditionally Republican territory. But many of the counties in the region voted Democratic in the last few presidential elections.<sup>45</sup>

The politics of the few dozen Pennsylvania water organizers that I met stretch across party lines. Cooper and Greek are both registered Republicans, but as Cooper told me, he now just votes for "the best candidate." Margo Woodacre, a retired teacher who started the group Keep Water Affordable in New Garden Township, was briefly a Republican state senator in Delaware but has since changed party affiliations. Meanwhile, McMahon is a socialist, and Smith is a Bernie Sanders supporter. As we walked by her car earlier this spring, Smith pointed to its bumper, plastered with stickers for Bernie, Medicare for All, and an assortment of other left causes. "I'm not trying to be a cliché," she said. "But it's a bit of a cliché."<sup>46</sup>

Among the many new organizers, everyone seemed to note the ease of working across the binary of the political parties. As McMahon put it: "We had Trump voters collecting petition signatures next to me, and I was saying, 'I am a socialist, by the way.' We were all fighting this corporate takeover."<sup>47</sup>

Organizing against water privatization is not going to cover over this country's political divides. Nor does it offer a shortcut to building a mass working-class politics. Challenging multibillion-dollar companies will also never be easy, but it does present an opportunity to link the growing disaffection with corporations and with the country's two main parties to concrete steps forward.<sup>48</sup>

Demands that run along a top-versus-bottom axis rather than a left-versus-right axis can provide political inroads. As Catherine Miller, who leads CWA's anti-privatization campaign, told me, "This really is a nonpartisan issue. It's more like public good versus corporate greed."<sup>49</sup>

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