

**CHESTER WATER AUTHORITY  
SPECIAL PUBLIC MEETING NOTICE**

January 24, 2019 at 2:00 p.m.

Neumann University

One University Place, Aston, Pa

Mullen Room in the Bruder Life Center

**Purpose of Meeting**

To consider a rate increase to avoid a forced sale of the Chester Water Authority ("CWA"). The forced sale of CWA would likely double (probably more) CWA's customers' current water rates.

**Background**

- CWA has not raised rates since 2010.
- The proposed water rate increase will be effective no earlier than Spring/Summer of 2019
- The proposed water rate increase is ten percent (10%).

The Real Choice: 10% Water Rate Increase vs. Prospect of Doubling of the Water Rates if CWA is sold to a *for profit company*.

**Why is the Board considering this?**

Since at least early 2017, the Act 47 Consultants, their attorneys and members of State Government have been continually encouraging the City of Chester Government ("City") to attempt to take over the assets of the CWA and allow a *for profit company* owned by investors to purchase CWA's assets and its customers.

The CWA Board has resisted these efforts because its evaluation is that upon the sale of CWA's assets and customers to a *for profit company*, the CWA customer water rates would double and then continue to increase over time. Further the Board's concern is that if the Authority was sold under this type of action the money would not go to the ratepayers/customers, and public control of the CWA's operations would cease forever.

The CWA Board recognized the continuing pressure being put on the City to sell the CWA's assets and customers to a *for profit company* so the Board authorized discussions with representatives of the City to find a solution that did not involve the sale of CWA's assets and customers. That proposed "settlement" is what will be voted on by the Board at its January 24, 2019 Board meeting.

If CWA was sold to a *for profit company*, customer rates would soon be raised to the same rates as the rates Pennsylvania *for profit company* customers currently pay – which is double in the CWA service area.

If CWA is taken over and customer rates double, customers can count on paying an **additional** One Billion Dollars (\$1,000,000,000) in water rates to the *for profit company* every 23 years.

If the proposed settlement is approved by the CWA Board and then approved by the City, it would then be submitted to the Delaware County Court of Common Pleas for Court approval. Public Notice of hearings would be given.

**How will this affect me?**

<b><u>If Current Bill is:</u></b>	<b><u>After the Increase your bill would be:</u></b>
\$110.00 per quarter	\$121.00*

\*This is equivalent to an increase of \$3.65 per month or 12 cents per day.

## Outline of Proposed Settlement

Specific terms are still being reviewed and will be made available when finalized.

The purpose of the rate increase as set forth on the Explanation of Proposed Rate Increase is to provide funding for the proposed settlement with the City of Chester. The main financial terms of the proposed settlement are as follows:

- A. Settlement Agreement will be in effect for forty (40) years. When the forty years is up the agreement ends by its terms and the parties return to the same legal positions that they have today.
  
- B. The Authority raises its water rates ten percent (10%) to support borrowing funds to allow for the payment of \$60,285,000.00 to the City in exchange for the City's express and binding written promise, covenant and agreement that it shall not, for a period of forty (40) years, exercise any claim it may have to terminate and/or acquire any project of CWA (any and all of which claims CWA disputes).
  
- C. To further protect and benefit CWA's present and future ratepayers in accordance with the CWA's duties as trustee under *Pennsylvania Environmental Defense Foundation v. Commonwealth*, 161 A.3d 911, 916 (Pa. 2017) and *Robinson Township v. Commonwealth*, 83 A.3d 901 (Pa. 2013) (plurality), the settlement agreement shall also provide for CWA to transfer certain of its assets into an express trust for the forty (40) year term of the settlement agreement.

## **What Can I do?**

- Visit this website and Facebook page regularly for updated information
- Communicate with the Board by emailing us your comments at

Contact CWA on the CWA website at:

<http://www.chesterwater.com/contact-us.html>

- Attending the public board meeting