44TH DISTRICT STATE SENATOR KATIE MUTH

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RULES

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July 26, 2022

Mr. Benjamin Jones CEO Bucks County Water & Sewer Authority 1275 Almshouse Rd. Warrington, PA 18976 Mr. Robert Harvie, Jr. Chair Bucks County Board of Commissioners 55 E. Court St. Doylestown, PA 18901

Dear Mr. Jones and Commissioner Harvey:

As the Senator representing West Vincent Township in Chester County, whose sewer plants are owned and operated by the Bucks County Water and Sewer Authority (BCWSA), I am writing to oppose any privatization that would result in significant and perpetual rate increases for my constituents and your ratepayers across Southeastern Pennsylvania.

The BCWSA website highlights graphics indicating the Authority's commitment to keeping rates consistently stable while all other utilities are passing along consistent increases to consumers. The decision to privatize would completely contradict this commitment and would push extraordinary and unaffordable rate increases onto BCWSA ratepayers. In Royersford, Limerick, New Garden, York and other towns across Pennsylvania, big water and sewer companies have aggressively pursued and acquired municipal systems – walking away with a profit and forcing your residents to foot the bill through sharp and steady monthly rate increases.

Prior to my time in the legislature, the General Assembly passed Act 12 of 2016 which made it attractive for municipal officials to sell water and wastewater systems to private buyers – this law also allows for the buyer to recover the sale price from their consumers through higher rates. In my hometown of Royersford, our municipal sewer system that serves 1,600 customers was sold last year to Pennsylvania American Water. At the time of the sale, our rates averaged \$30 per month. Under the agreement of sale, those rates will increase to \$78.41 per month under a rate increase approved by the Pennsylvania Public Utility Commission. This sale and subsequent rate increase is not an outlier, rather the norm that Pennsylvanians see with each privatization deal.

Earlier this year, rates for 440,000 Aqua water customers went up about 10% while Aqua's 40,000 wastewater customers saw their rates increase 51% or more. The continued ascension of utility rates is unaffordable for Pennsylvania families. I strongly urge you to reconsider your plans to privatize the BCWSA so that ratepayers in West Vincent Township and across your service area are not victimized by greedy corporations seeking to profit off of Pennsylvania families.

I have also heard from concerned families and communities about the potential negative impacts to current employees at BCWSA and their pension security. Under no circumstances should corporate profits be allowed to deprive hard-working people of family sustaining jobs.

I request that if BCWSA leadership move forward in any privatization discussions, that an income-based fee provision is included in the contract because of the significant burden some of these families would face in the event of even a slight rate increase. I encourage you to pursue an income-based pay scale that goes well-beyond the Aqua low-income assistance programs that were recently approved by the PUC that provide discounted rates for customers based on household income relative to the federal poverty level. So many families in our region and across the Commonwealth earn slightly above the poverty line and need similar payment assistance with the prospects of their rates more than doubling due to privatization.

Thank you in advance for your attention and your consideration. Please do not hesitate to contact my office if you have additional questions or concerns.

Sincerely,

Katie Muth State Senator

44th Senatorial District

cc: Mr. Bernie Couris, Chair, West Vincent Township Board of Supervisors

Mr. Tom Tosti, Director, AFSCME District Council 88

Ms. Stacey Mulholland, Executive Director, Bucks County Association of Township Officials