

Editorial: Another anti-sale voice rejoins the Chester Water board

There is a sliver of good news for those fretting about the murky future of the iconic, beloved Chester Water Authority.

And it comes from Chester County.

On Wednesday the Chester County Commissioners appointed Kennett Square attorney Leonard Rivera to the utility's board of directors. The nine-member board is made up of members from both Delaware and Chester County, as well as the city of Chester.

Why is the appointment of Rivera – who gave up his seat on the body two years ago – important?

Because Chester Water Authority, which has provided sparkling tap water to 42,000 customers in Delaware County and southern Chester County for more than a century, continues to be in a fight for its life.

The private entity, which pipes all that glorious water from the Octoraro Reservoir outside Oxford on the Chester-Lancaster county border, is in the midst of a power struggle in which it has alternately been targeted for takeover by the giant public utility Aqua America, as well as in-house challenge from the city of Chester, which would like to sell off the company and use the revenue in its own epic fight to climb out of Act 47 “distressed” city status.

Rivera is known as a Chester Water booster who has opposed any sale in the past. That includes an unsolicited \$320 million offer from Aqua back in 2017 that kicked off all this speculation about CWA.

That's why, after the CWA board resoundingly rejected the Aqua offer,

and promptly found itself in a tiff with the city of Chester over whether or not the city actually had the authority to sell off any or all of the company assets, there was speculation about a push to “stack” the board with those who would look favorable on a sale, including a possible expansion of the nine-member panel to give the city a bit more muscle in its push for a sale.

The selection of Rivera to return to the board seems to quash that concern, although Chester County Commissioners have another selection to make, to replace board member Thomas Chiomento, who resigned his post last week.

Both Republicans on the board, Terrence Farrell and Michele Kichline, voted in favor of Rivera. The lone Democrat on the Chester County ruling body, Kathi Cozzone, voiced reservations about the choice of Rivera, saying she was not comfortable with the pick, but went along with her fellow commissioners.

“I do not believe that Mr. Rivera is the best appointment for the board, but I understand that the residents have a lot of faith in Mr. Rivera,” Cozzone said.

She also alluded to the choppy waters that have been swirling around Chester Water now for months.

“There is enough angst relative to this issue, and I am not going to add to it,” Cozzone said after the meeting, declining to elaborate on her reservations about Rivera's qualifications. “(His supporters) have faith in him, and I trust he will not let them down.”

Kichline seemed to reference something very much on the mind of Chester Water

customers.

“We take into account that these individuals will be stewards of a critical public asset – water,” the commissioner said. “The nine-member CWA must ensure that the authority continues to provide high quality, safe water for its customers, and that the infrastructure to provide that water is sound.”

That future remains up in the air, as all sides continue to battle it out in a legal frenzy that likely will be tied up in court for months, if not years.

It's not only Chester Water's board members who have opposed a sale. It's not exactly a hit with customers either. They fear a spike in rates if the company were to be sold to Aqua, and also the possibility that the Octoraro Reservoir, a very popular recreational destination, would be made off limits to the public, despite the fact that Aqua boss Chris Franklin has pledge not to ban the public, and also offered a freeze on rates.

All three parties in this legal donnybrook were in Delaware County Common Pleas Court recently to state their case.

There are four separate lawsuits currently winding their way through the Delaware County Common Pleas Court.

This legal saga traces its roots to nearly two years back, when Aqua made an unsolicited \$320 million offer for Chester Water. The CWA board quickly turned thumb's down on that deal, but it was not long before rumblings from the city of Chester again clouded the future of the company. The city, from which the company draws its name and where it resides, continues to need revenue to climb out of Act 47 status. Econsult,

(continued)

the firm hired by the state to oversee city finances, suggested a place they could find a lot of cash – by selling off the water company.

Eventually, the two sides reached an agreement that would see Chester Water kick in a cool \$60 million to the city coffers. In exchange, the city would relinquish any rights to sell all or part of the company for forty years. To raise the money, CWA announced it would raise rates 10 percent.

Most customers – who seemed to

overwhelmingly oppose a sale of the local company – gritted their teeth and were ready to go along with the plan.

But it was not unanimous. One loud voice raised against the plan belonged to Aqua. They happen to be a customer of Chester Water. They went to court to block the deal, saying the deal was little more than a bailout for the city that offered little to ratepayers but higher costs.

With the deal seemingly stuck in quicksand, an impatient city of Chester

decided to strike out on its own again, seeking requests for proposal and bids to buy Chester Water.

And wouldn't you know who was first in line to make an offer? That would be Aqua.

In the meantime, those who don't like the idea of Chester Water being swallowed up by a giant utility should take heart that someone sympathetic to their belief – Leonard Rivera – is returning to the board.