

Big water companies are gobbling up public water systems | Opinion

This means a rate hike for Pa. residents. Here's why you should be concerned.



The Aqua Pennsylvania Pickering West wastewater treatment plant is seen here in September 2021 in Bryn Mawr, Pa. STEVEN M. FALK / Staff Photographer

Access to clean, abundant, and affordable water is a basic necessity for human life. However, certain water companies, politicians, and regulators are making water less affordable for Pennsylvanians by privatizing our state's water supply.

For generations, most water and sewer services in Pennsylvania have been provided by nonprofit local municipalities, but that is rapidly changing. In the

last six years, big water companies like [Aqua Pennsylvania](#) and [Pennsylvania American Water](#) have been aggressively acquiring municipal systems.

The process is simple. The companies [offer](#) a huge sum of [money](#), and municipalities are often quick to grab these deals.

But then comes a big rate increase for the Pennsylvanians who rely on this water. Water companies walk away with profits, and we are stuck footing the bill. A large share of private company water and sewer bills — 32% in the case of Aqua Pennsylvania — go directly to company shareholders.

How did we get here? Part of the answer comes from the actions of local lawmakers with ties to private utilities.

In 2016, [Act 12](#) — sponsored by former state representative [Robert Godshall](#) — passed the Pennsylvania House and Senate and was signed into law by Gov. Tom Wolf. This act allows private water companies to buy public utilities at a higher cost to residents. Act 12 was eased through with the help of [Rep. Mike Turzai](#), the then Speaker of the House, who happened to be close friends with [Christopher Franklin](#), CEO of Essential Utilities. (Aqua Pennsylvania is an [Essential Utilities company](#).) In an [ethically dubious move](#), Turzai then retired and took a job as General Counsel for Peoples Gas of Pittsburgh, a division of Essential Utilities that owns Aqua.



On Jan. 23, 2020, Mike Turzai announced at a news conference he would not run for another term as a Pennsylvania representative. Keith Srakocic / AP

We saw similar shenanigans at the Pennsylvania Public Utility Commission (PUC), the state regulatory body that is supposed to stand up for the people. After Robert Powelson [left his job as PUC commissioner in 2015](#), he was named the head of the [National Association of Water Companies](#), the private water lobby. In effect, Powelson is now paid by those he used to regulate.

Not only do private water companies offer huge up-front payments to municipalities, they also make promises that they have no intention of keeping. As residents of New Garden Township, we saw these false promises with the [2020 sale of our wastewater system to Aqua Pennsylvania](#).

It started out with [claims that New Garden would require large rate increases](#) to pay for necessary upgrades. Unsurprisingly, New Garden quickly took Aqua's [offer of \\$29.5 million](#) for the sale of the town's wastewater system. But both Aqua and New Garden failed to make it clear that in order for Aqua

to profit off its investment, we would be footing the bill.

The company is now asking for a rate increase that [would see our typical annual bill go from \\$876 to \\$1,204](#) — and that is set to increase even further, to \$1,720 per year.

A tactic Aqua used with New Garden — one that is similar to other deals across the country — was the [promise of a two-year rate freeze](#), and then a 4% per year cap on increases for a total of ten years. This would have limited rates for a typical home to \$1,107 per year after 10 years, compared to the actual \$1,720 we will soon face.

Their promise has been broken, and so far, Aqua has faced no consequences.

Aqua is now offering over \$400 million to acquire Chester Water Authority, a [non-profit municipal system that dates back to 1866](#) and [serves around 44,000 customers](#) in Delaware and Chester Counties.

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Margo Woodacre and Bill Ferguson

This sale is being promoted by public officials, including Governor Wolf, as a bailout for the bankrupt city of Chester. While the purchase price is a huge temptation, this is simply another case of ignoring the real cost. The city of Chester would benefit, but at the expense of users. It is [estimated](#) that a large [majority of Chester households](#) will have water bills greater than the [income threshold the EPA has set for water affordability](#). The Chester Water Authority Board unanimously opposes this sale because they know that the hidden costs of the deal will mean huge rate hikes.

Unless we stop them, private water companies will continue to sweep through Pennsylvania, gobbling up any municipal systems they can — especially if politicians in Harrisburg continue to smooth the way. Residents of Philadelphia and surrounding areas should be especially concerned because Aqua is attempting to acquire the [Delaware County Regional Water Authority \(DELCORA\)](#).

We need to take action.

[Write or call your state representatives](#), senators, and the governor to tell them to stop private water companies from taking over public utilities. Specifically, they should oppose [Senate bill 597](#) and support [Senate bill 452](#). In the House, representatives should support House bills [1936](#), [144](#), and [527](#). The future of our water bills depends on it.

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