

BCWSA



## MINUTES OF THE REGULAR BOARD MEETING

August 24, 2022

**PRESENT:**

John Cordisco, Dennis Cowley, Patricia Poprik, and George Hutt

Benjamin W. Jones, CEO; Jason Hillaert, CFO; Alex Dyke, P.E.; Nathaniel Rafalski, CTO and Anne M. O'Toole, Executive Assistant

**NOT PRESENT:**

Bryan Allen

**VIA ZOOM:**

Scott Holbert, Esquire Flager and Associates

**VISITORS:**

Jeanne Voronin, 4286 Maladies Lane  
Linda Smith 5068 Rain Tree Court, Doylestown PA 18901  
Kathy Rinehart 1418 Upper State Road, Doylestown PA 18901  
Len Hughes, AFSCME  
Marc Lucca, Aqua Essentials  
Tom Burns 205 Traymore Avenue  
Kofi Osei, NOPE  
Mike Sullivan, WTWSA  
Brad Montgomery, 5502 Jillian Way, Pipersville PA  
David McMahon, 721 Hans Ave. Norristown PA  
Patty Knight, 37 Pine Run Place Holland PA  
Mylene Greenwood, 90 Buttonwood Lane, Doylestown PA  
John Strat, Penndel Borough  
Greg Bankos, 4935 Cabin Run Road Plumsteadville  
Gary Edwards, 43 Addis Drive, Northampton  
Michael Miller, 23 Carmelita Drive Richboro PA  
Jan Diel, 3340 Smiles Lane Doylestown 18902  
RT Diel, 3340 Smiles Lane, Doylestown 18902  
Bob Tagert, NBCMA  
Denise Luna, AFSCME  
Nicholas Trefolskfi, 135 Kitty Knight Drive Southampton PA  
Richard Lucarini, 71 Hampton Drive  
Suzanne Les, 51 Clydes Dale Drive, New Hope  
Dawn DiLugia, 32 Golfview Drive Warrington PA  
Dr. Fleschar, 806 Yearling Drive New Hope PA  
Tom Rodman, 34 Pepperrell Drive, Langhorne PA 19053  
Chris (self)  
Tom Hayes, Conservation Voters of PA 716 Manor Dr Dublin PA  
Jeff Greenwood, 90 Buttonwood Lane, Doylestown PA  
Jen Mackerchar, 99 Addis Drive Churchville PA  
Dennis Folweiler, 4220 Milords Lane, Doylestown PA  
Thomas McDonald, 10 Friesland Drive Churchville PA  
Maureen McDonald, 10 Friesland Drive Churchville, PA  
John Harris, 846 Almshouse Road, Ivyland



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Alex Entin, 211 Bristol Road Churchville  
Laurie Berien, 150 Livery Drive Churchville  
Peg Quann, Bucks County Courier Times  
Rob Nielson, BCWSA  
Angie Beatty 366 Buck Road Holland PA  
Greg Beatty, 510 Buck Road Holland PA  
Vince Mirack, 48 Wagon Wheel Lane Doylestown  
Elizabeth Fleschar, 806 Yearling Drive New Hope  
Margie McKeivitt, East Court Street, Doylestown PA  
Tom Tosti, AFSCME  
Beth Rodman, 34 Pepperell Drive PA  
Ranjan Makherjee, 40 Brown Dr Churchville PA 18901  
Ryan Connors Jamison PA  
Dan Berrien, 1510 Livery Drive Churchville PA  
Warren & Lisa Harner, 38 Highland Drive Richboro  
Mary Jane Grande, 533 Clydesdale Drive New Hop PA  
Dennis and Carol Baker, 863 Euclid Drive Warrington  
Chris Franklin, Aqua  
Liz Youse, Northampton Township

**CALL TO ORDER:**

BCWSA's Chairman, John Cordisco called the Regular Meeting of the BCWSA to order at 7:00 pm.

**PLEDGE OF ALLEGIANCE:**

Those present, pledged allegiance to the flag.

**PUBLIC COMMENT:**

Mr. Cordisco stated that Public Comment would be moved to the end of the Meeting.

**MINUTES:**

Ms. Poprik moved, Mr. Hutt seconded the motion that unanimously approved the Minutes of the BCWSA Board Meeting held on July 27, 2022. (Minutes are attached to the Minute Book)

**REPORT OF THE CEO: *Benjamin W. Jones***

***-Reservation of Capacity Agreement; Doylestown Borough-***

Ms. Poprik moved, Mr. Cowley seconded the motion that unanimously approved the ROC Agreement with CTK Calkins Doylestown LLC, associated with the proposed construction of 234 residential apartments and retail space on North Broad Street, Doylestown Borough. (agreement is attached to the Minute Book)



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**ENGINEERS REPORT: *Gilmore & Associates*)**

Alexander Dyke, P.E., reviewed the Engineer's Report with the Board of Directors. (report is attached to the Minute Book)

***-BCWSA Paving Services-***

Ms. Poprik moved, Mr. Cowley seconded the motion that unanimously approved awarding the BCWSA Paving Services Contract to the 2<sup>nd</sup> lowest bidder, James D. Morrissey who was found by the engineer to meet all the requirements of the Responsible Contractors bid.

**SOLICITOR'S REPORT: *Scott Holbert, Esquire***

The Solicitor stated that the Board met in Executive Session for approximately thirty minutes prior to the start of the Board Meeting to discuss BCWSA Real Estate. No action was required by the Board of Directors.

***-Sewer Construction Agreement; Richland Township-***

Ms. Poprik moved, Mr. Hutt seconded the motion that unanimously approved the Construction Agreement associated with the installation of sanitary sewer lines for the proposed construction of a car wash in Richland Township. (agreement is attached to the minute book)

**CFO's Report: *Jason Hillaert, CFO***

***-Bills for Payment-***

Jason Hillaert, CFO presented a List of Bills and Requisitions that were prepared by in-house staff and he recommended Board approval.

Ms. Poprik moved, Mr. Cowley seconded the motion that unanimously approved the Bills for Payment dated August 24, 2022. (bills are attached to the Minute Book)

***-Univest Bank Line of Credit-***

Ms. Poprik moved, Mr. Hutt seconded the motion unanimously adopting Resolution No. 2022-02 associated with renewing the Univest Line of Credit (LOC) to expire on July 30, 2023. (Resolution No. 2022-02 is attached to the Minute Book)

***-Rate Resolution No. 2022-03-***

Mr. Poprik moved, Mr. Hutt seconded the motion unanimously adopting Rate Resolution No. 2022-03 reflecting additional updates to the rates that include Bristol Borough and water meters with new fees. (Rate Resolution is attached to the Minute Book)

**OTHER OLD BUSINESS:** Nothing to Report



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**OTHER NEW BUSINESS:** Nothing to Report

**PUBLIC COMMENT:**

Mr. Cordisco opened the meeting for public comment.

Jeanne Voronin 4246 Maladies Lane, Doylestown addressed the Board and pleaded with them not to proceed with the sale of the sewer facilities. She had quoted rate increases from 50 to 100%, coupled with a lack of customer service and accountability. She also stated that the CEO of Aqua earns 4 million dollars a year. There is talk of controlled rates for ten (10) years. When the proposed rate freeze goes away, she will be a senior. She feels that Aqua will find a way to raise rates. She is confused as to why there is even discussion on a sale, when the authority is so well run. She has no comfort that the rates will be controlled. She stated that the residents would be better served with a non-profit company vs. a for-profit obligated to on the shareholders. She asked the Board of Directors reconsider the sale of the sewer facilities.

Mr. Cordisco clarified on behalf of the Board of Directors that they are not advocating the sale of the wastewater facilities. Nothing is concrete with the sale. He stated a meeting took place with the Bucks County Association of Township Officials BCATO to gather additional information and input. Everyone involved in the process has spent an extensive amount of time evaluating the \$1.1 billion dollar offer. The County Commissioners submitted questions that will need to be responded by Friday, August 26. He cannot answer the question of how the net proceeds will be spent. If the county were to reinvest the funds, the county could avoid a tax increase for Bucks County residents. The sale of the water facilities was never part of the negotiations. He also answered the question about the private laterals and BCWSA limited ability to do the work because of a lawsuit filed by the Plumbing, Heating and Cooling Contractors (PHCC) Also, EPA had asked us to force the homeowners to fix the laterals. Aqua would be able to do so without any restrictions.

Ms. Voronin thanked Mr. Cordisco for his response.

Alex Entin addressed the Board of Directors and thanked Aqua representatives for being in attendance so they can hear how the residents of Bucks County feel about the potential sale. He questioned why the asset should be sold when you will get the money back through rate stabilization. After ten (10) years we will no longer have the asset nor the proceeds from the sale. Aqua has the resources to pay the \$1.1 billion dollars because they know they will recover the money back through the ratepayers. He also addressed the comment that Aqua would have the ability to repair private laterals. The repairs would fall back on the homeowners. He also questioned the consent decree that Benjamin Jones discussed at the open house in Newtown regarding the EPA and DOJ and he asked why the DOJ would be involved with BCWSA. Mr. Jones will be happy to answer the questions after the meeting.

John Stretch, Councilman from Penndel Borough appeared before the Board and asked them to reconsider the talks of a potential sale of the sewer facilities. Aqua has an agenda and will raise its rates to make profits for the shareholders. He asked the Board to reject the sale and think of the ratepayers.

Mr. Cordisco thanked John for his service and he reiterated that there has been no decision made. Mr. Stretch also asked a question concerning the laterals and the responsibility of the homeowners. Why has the laterals been extended to the street vs. the curb. Mr. Jones responded that it is due to the lawsuit with the plumbers, which was extended to the Right of Way.



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Tom Tosti from Middletown Township appeared before the Board and questioned Mr. Cordisco's comments regarding Aqua's offer and the Board's fiduciary responsibility to review the offer. Mr. Tosti stated that he disagrees. Mr. Cordisco stated he disagrees with Mr. Tosti and it is the responsibility of the Board of Directors. Mr. Tosti also questioned the 10-year rate freeze. Mr. Cordisco said there are two (2) options. If the authority is sold, BCWSA can hold the funds held aside for the rate stabilization, and the County could create a rate stabilization fund for 10 to 20 years to ensure ratepayer protection. Mr. Tosti stated he feels that the statement on the website which states that there is a ratepayer protection over the next ten (10) years is misleading to the public. This is not necessarily true and he requested that the statement be adjusted on the website. Mr. Cordisco will look into and make adjustments if necessary, but there is no intent to mislead the public.

Mr. Tosti addressed Benjamin Jones, CEO. He stated he has been attending all the meetings regarding the potential sale and has done extensive research, and can't confirm, but heard that Mr. Jones was currently no longer working for BCWSA and now an employee of Aqua and if the sale goes through, Mr. Jones would be part of Aqua's transition team moving forward as Aqua continues to acquire additional water and sewer systems. He said if this is the case that Mr. Jones should resign and step down, that he would be advocating for himself and not the residents.

Mr. Jones stated that if, in fact, the sewer facilities are sold, as part of the Asset Purchase Agreement that employees would be offered employment with Aqua or have the option to stay with the water authority. He does not have a contract with Aqua. Mr. Jones asked Mr. Tosti what research he was referring to. Mr. Tosti stated he cannot confirm where he had gotten the information. Mr. Jones stated that he was offered the same employment arrangements as other staff.

Mr. Cordisco stated that Ben is an employee and he had not advocated at any time for or against the sale of the system. Ben has done his due diligence effectively and has had no independent conversations with Aqua. Mr. Cordisco stated that since working with Ben, he has found him to be a person of character and integrity and would defend him against those who do not know him and a part of the rumor mill against him.

Carol Baker, from Warrington Township is one of the supervisors that approved the sale of the sewer system to BCWSA. Several months prior to the sale, the Warrington Township Board rejected the bid from Aqua. They wanted to stay with the Authority. The sole purpose of private companies is to satisfy shareholders and make a profit. She feels that it is a stab in the back that this is being considered. The PUC neglected to mention they are regulated by State law to cover the full purchase price and reasonable profits. This was clear to Warrington in the beginning. She had asked that the Board not sell to Aqua and keep the authority local. She feels that for the future, this deal is a loser for Bucks County citizens.

Ms. Dawn DeLuigi, Asst. Committee Woman from Northampton Township asked why there has been so much time spent on entertaining the concept of the Aqua purchase if they are not contemplating a sale. Mr. Cordisco said it's our fiduciary responsibility, that no one is advocating one way or another and no decision has been made. She asked the Board of Directors to stop the sale. We have heard your vague talk about a rate freeze. She had insinuated that there was a backroom deal made with Aqua. She stated that the population of Northampton Township is 40,000 people and all of the residents were opposed to the sale. She is a senior citizen on a fixed income and the potential rate increases could cause a hardship for her and many residents. Mr. Cowley stated that there had been no backroom deals and feels the statement was uncalled for. Ms. DeLuigi said it is an opinion. Mr. Cowley stated that he was insulted by the statement and that has never happened.



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Ms. Elizabeth Flescher appeared before the board voicing her concerns about the sale of the authority and that Aqua is on a quest to purchase water and sewer utilities throughout the area, and has an unlimited ability to set prices without any recourse from customers. Customers can expect huge rate increases without increasing the quality of service. She has a degree in chemistry and an MBA. She is currently a customer residing in Peddlers View. She had examined the two (2) DEP permits for the subdivision to see what was being done under Aqua's umbrella. Aqua is not a good steward of its customers. There is a lagoon in the development that was the most beautiful color of green. The spray irrigation in the field is no longer in use since Aqua acquired the system. As a customer, rates have increased approximately 79% per household who is using 4000 gallons a month and went from \$78 to \$138 currently. The numbers are based on actual gallons used per month. There was no notice on her June bill about a rate increase. If you don't fight this acquisition, you're going to give a for-profit company carte blanche to have full control over customers rates and the quality of service. She asked the board to reject the offer from Aqua.

Mr. Cordisco asked about spray irrigation and Mr. Jones explained the process. Mr. Jones stated that Buckingham Township has a spray irrigation system and the process causes rates to be so much higher. BCWSA waste is treated in the treatment plants and discharged into the stream. The spray irrigation procedure gets sprayed over fields. Some of the negative aspects are in the winter months the spray freezes.

Laurie Bernin, Northampton Township appeared before the Board of Directors and stated that she was bothered that more local officials have not come out to publicly oppose the sale. She has been door knocking and did not come across one resident in favor of the sale. The concern is that things are progressing quickly. She attended the open house at Bucks County Community college and asked about the one-year exclusivity agreement. Mr. Cordisco stated that the agreement was approved so that Aqua could release information, and in return we would not negotiate with any other entity. BCWSA had never run across a deal this large and we are making every effort to explore all avenues. We are getting closer to coming to a decision. She appreciates the open forum. However, she will knock on every house in Bucks County to oppose the sale. She asked that the Board of Directors slow the process down. We have answered questions from the County Commissioners and are listening to all of the questions. Mr. Cordisco said that we are doing as much as we can.

She also wanted to mention that our state constitution declares that all people have the right to clean water, and that the natural resources are the common property of all the people including generations yet to come. Water is not owned, it is ours to protect and pass on. Public water and sewer should not be sold like a commodity and controlled by Wall Street investors and profitters. Her vote was to reject the sale of the sewer facility and thanked the Board again for the open forum. Mr. Cordisco thanked her for her input.

Gary Edwards, Northampton Township thanked the Board for the opportunity to address this issue. The Philadelphia Inquirer in an August 18<sup>th</sup> article stated that if the sale is approved, residents will see an average increase from \$44 to \$88 based on 4000 gallons a month usage. In other towns where water and sewer facilities were acquired by Aqua, Limerick Township rates increased up 98%, New Garden Township, 90% East Norriton 73% Cheltenham 69, and East Bradford 47%. He asked the Board Members to please put the people of Bucks County first and reject this bid.



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Ranjan Makherjee, from Northampton Township appeared before the Board and asked why would anyone sell a local municipal entity managing a good system Why would you move to a for-profit company. Most people are retired, and he has lived in the township for 19 years and very happy with the service. He also asked about the funds and who will manage, and why would the county want to go to a for-profit company where our rates will increase almost double. He asked why if Aqua acquires mainly water systems and does not have much experience with sewer systems why they are interested in acquiring wastewater. Mr. Cordisco stated the Aqua's Water company is larger. He asked the Board of Directors to do their due diligence and ultimately listen to the community and reject Aqua's bid.

Jen Mackercher from Northampton Township asked if anyone has come forward approving the sale of the sewer facilities. Mr. Cordisco was unsure and that we are still gathering information. If the authority moves forward, she has a concern for the residents who are elderly, do not have internet access and on fixed incomes and not unaware of the potential sale. We should inform all residents. No one thinks it's a good idea. She asked if the sale is approved, what would be the justification? Mr. Cordisco stated that we have gotten a lot of information and are sifting through each concern. This process has been very helpful to address issues. She questioned the Northampton rates being raised because of the improvements that need to be done to the facilities. Mr. Cordisco stated that Northampton is a wholesale customer. She asked the Board not to approve the sale.

Patty Knight, from Holland PA feels that Aqua can offer \$1.1 billion dollars, because it is a for profit company and she questioned why Aqua would want to buy a wastewater facility. She spoke about Act 11 and Aqua's ability to raise rates. This is governed by the PUC. Mr. Cordisco explained about the fair market value. Aqua sued BCWSA in 2017 because of the nonprofit status that gave BCWSA a non-fair advantage. There is no option for the residents. She feels this is a moral dilemma. She asked the Board to vote no on the sale of the Authority. It would be a disservice to the community. They would not take care of the community if they allow a for-profit company to acquire the system and she asked the Board of Directors not to do that.

Tom Rodman, Northampton Township addressed the Board. He was an executive for several fortune 500 companies and has background on private companies. He stated that elected officials have a responsibility to the residents. Also, what is going to happen to the employees, the pensions and the senior citizens. Mr. Cordisco stated that all of those issues have been addressed. What is the cost benefit analysis? Once the sewer system is sold, he feels it is only a matter of time before the water is sold. He is a customer of Aqua and has a house in Carbon County. He called their customer service line with questions and they had no idea how to respond. He hopes the Board will look at the long term affect if the sale goes through. When a private company comes in the first thing that goes are the pensions. Mr. Cordisco asked when the last time rates were raised in Carbon County. Mr. Rodman did not know. Aqua is a monopoly and BCWSA does a fantastic job. Please listen to the residents and don't sell.

Greg Beatty appeared before the Board and had asked that an insert be placed in the bill for to see who is in favor of the sale or opposed to the sale and ask all of the residents to respond. What are you doing with the money. Will the \$1.1 billion dollars be used to replace all the laterals in the county. Mr. Cordisco again stated that we are not able to repair laterals because of a lawsuit. We are prohibited to go on homeowners' properties. However, all repairs will need to be done because of the environmental issues and in being in violation with the EPA. He also suggested that residents have a vote on where the money will go. Mr. Cordisco stated that we will not be controlling the money but the proceeds will go to the county. We don't use tax dollars. We have opened this up to allow people voice their opinions and it has been a complicated process.



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Liz Youse from Northampton Township questioned the time frame as to when the public was notified of the potential sale. She did not understand why the ratepayers were not notified, and asked if price was the only consideration. Mr. Cordisco went through the whole process from start to finish regarding the time line and the amount of work that was required. He commended all staff that was involved. After the initial interest from Aqua, there was a term sheet created with the priority of employees, pensions and rate payers. After that was completed, two (2) entities were able to bid on the system. Aqua and PA American Water. We needed experienced counsel with this type of sale. The process was well over six months. She asked about the upgrades to the system that was mentioned at the open house at the community college. Mr. Cordisco stated that no municipality wants to raise rates but there are some that have not taken care of their systems. It was mentioned that wholesale customers will not be affected. Mr. Cordisco stated that the wholesale municipalities will need to address Aqua regarding their contract themselves.

**ADJOURNMENT:**

There being no further business to be presented to the Board, Ms. Poprik moved, Mr. Hutt seconded the motion that unanimously adjourned the meeting.

9-28-2022  
Date

Assistant Secretary Treasurer

***NEXT REGULAR BOARD MEETING: WEDNESDAY SEPTEMBER 28, 2022 9:30 am***



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