

# Authority Times

News and Information for Customers  
of the Borough of Conshohocken Authority

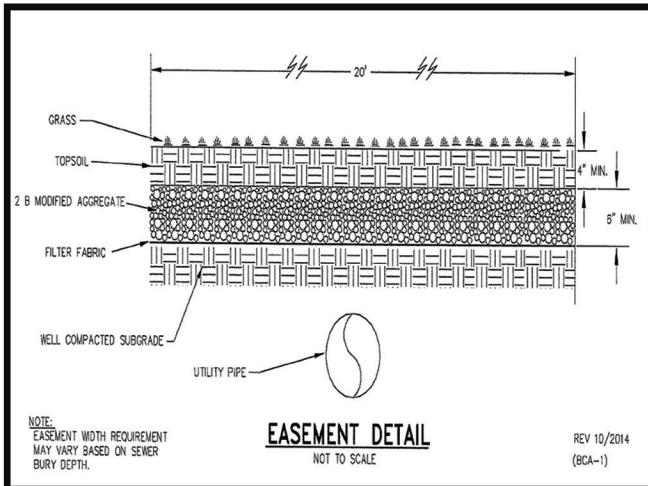


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## Definition of an easement

An easement is an agreement that is recorded against the deed for a property that allows another entity, such as the Authority, to go onto the property for various reasons. For the Authority, this is primarily for maintaining or repairing sewer mains that serve properties throughout the Borough.

Oftentimes these mains are located in the streets or alleyways in the Borough, but sometimes they are located in the rear of the property, and the Authority needs to be able to access the property if the line needs maintenance. The easement agreement also notifies the property owner specifically where the easement is located, so that structures such as fences or pools are not placed on top of the sewer main.



## BCA Buys Neighboring System

The Borough of Conshohocken Authority recently closed on the sale of the West Conshohocken wastewater collection and conveyance system, ultimately outbidding two competitors, a for-profit private utility company and a large regional municipal Authority based in Bucks County. Owning the system of one of its long-time bulk customers is the best possible outcome for the Borough Authority and its ratepayers.

In July 2016, West Conshohocken officials shared with the Authority that their system would soon be put on the market. Felix Raimondo, Borough Authority Chairman, said the Board was immediately interested.

**"We're going to be very receptive and responsive to any concerns of West Conshohocken residents, whereas a for-profit entity is motivated differently."**

**Felix Raimondo,**  
Borough of Conshohocken  
Authority Chairman

"We didn't think an outside entity would serve the community's best interests," Raimondo said. "We knew we would be able to leverage that for West Conshohocken residents in a very fair and equitable manner."

The Board lives in the community it serves, is appointed by local elected officials and is committed to delivering high-quality wastewater treatment services in the most cost-effective manner. They answer to the community, not shareholders.

"We're going to be very receptive and responsive to any concerns of West Conshohocken residents, whereas a for-profit entity is motivated differently," Raimondo said.

Carol Smith, Borough Authority Vice Chair and finance committee member, said the Board has a vested interest in being good stewards of the community's assets.

(Continued on Back Page)

### BOARD MEMBERS

**FELIX RAIMONDO**  
Chairman

**CAROL SMITH**  
Vice Chairman

**KYLE ELLIOTT**  
Treasurer

**ANITA BARTON**  
Secretary

**JANENE REILLY**  
Board Member

*Have a Safe  
and Happy  
New Year*

### MEETINGS

January 23  
February 27  
March 27  
April 24  
May 22  
June 26

Meetings are held in  
the Authority Office:  
601 East Elm St.  
Conshohocken

Meeting time 6:30 PM

# Authority Buys Neighboring System

(Continued From Front Page)

In addition to the possibility of losing local control had the public company or the large regional Authority purchased the system, there were many other things at stake had the Authority not placed the winning bid, Conshohocken Borough Authority Executive Director Stephen Clark said. Had Aqua Pennsylvania or Bucks County Water & Sewer Authority purchased the West Conshohocken system, Conshohocken could have seen flows diverted when the agreement between Conshohocken and West Conshohocken expired in August 2025. That would have meant losing 20 percent in shared capital costs annually and a 25 percent reduction in shared operating costs.

Further, privatizing the system could have meant significantly higher rates, according to data compiled by Russ McIntosh, Vice President of civil engineering firm Herbert, Rowland & Grubic, Inc. McIntosh was tasked with providing a cost and value analysis. McIntosh noted that post acquisition user rates will generally increase in order to reflect the cost of the system. "We've seen this when Bucks County Water & Sewer Authority acquired the Springfield Township System. According to their official statement issued in connection with financing the acquisition in the year immediately following the purchase. McIntosh also noted that Aqua wastewater rates vary dramatically according to their current tariff on file with the PUC.

According to a report compiled by Food & Water Watch, private water costs an average of 55 percent more than water from systems run by municipalities and public entities. The City of Bethlehem charges an average cost of \$355 per 60,000 gallons as compared to the \$782 average cost of Aqua PA.

Ownership by either Bucks County Water & Sewer Authority or Aqua would have caused West Conshohocken to pay much more than the current fee structure of \$90 per quarter, which includes the first 10,000 gallons of wastewater and \$9.10 per thousand gallons above 10,000 gallons. Conshohocken customers would likely have also seen an increase in their current rates of and \$3.07 per thousand gallons and a \$45 service fee.

"Municipalities see the sale of a sewer system as a quick, easy fix," said Authority Solicitor Michael Clarke, of the law firm Rudolph Clarke. "No one thinks about it until the rates go up."

Under Act 12, which was adopted in the state legislature in 2016, rates under a for-profit ownership structure could spiral out of

control. Act 12 allows private companies such as Aqua Pennsylvania to pay the purchase price equal to the fair market value of the asset and include the appraisal value in the rate base. Prior to Act 12 adoption, McIntosh said purchasers instead incorporated the depreciated cost in the rate.

Bidding wars among utility companies are a net effect of Act 12. In 2016, Aqua Pennsylvania bid 43 percent higher than the next highest bidder, Bucks County Water & Sewer Authority, to purchase the Limerick Township wastewater system for \$75.1 million. It's too soon to know the true impact of utility purchases made since Act 12, according to McIntosh.

"You don't see the rate increase until about three or four years down the road," McIntosh said. "There is a definite impact. It's not likely to be a matter of 10 or 20 percent."

McIntosh assisted the Authority in setting its winning bid of \$9.55 million.

"We gave it our best offer," Clark said.

Raimondo added, "We went in aggressive. We didn't want to lose. We saw value in maintaining them as great customers."

The Board viewed the acquisition as a means to prevent an outside entity from purchasing the Authority's system, as well as those in neighboring communities. In addition to Conshohocken and West Conshohocken, the Authority also receives flows from Whitemarsh and serves Plymouth Township.

Authority attorney Lauren Gallagher, of Rudolph Clarke, said the goal was to bid at least 10 percent more than the other bids to prevent the need to submit another offer.

Even though the cost was a bit higher than the other two bidders, McIntosh noted that Conshohocken gained much in terms of efficiency from the acquisition. Many of the costs for a utility are fixed. When more customers are figured in, the cost per customer goes down. For instance, the Authority already has maintenance crews and personnel to handle billing, so additional employees are not needed.

Also, as bulk customers, West Conshohocken and Plymouth Township own capacity in the East Elm Street plant. The acquisition enabled the Authority to essentially buy back West Conshohocken's roughly 7 percent surplus capacity at the 3 million gallon per day plant, capacity that would have cost about \$2 million to purchase from West Conshohocken or another purchaser, according to McIntosh.

"It gives the Borough of Conshohocken Authority the opportunity to acquire more customers," he said.



## Tips to Avoid Frozen Pipes

Leaky pipes that go unnoticed can easily become a broken pipe, and in freezing temperatures even healthy pipes are vulnerable. Here are ways to prevent pipes from breaking:

- Insulate exposed pipes and faucets outside and around your home, including those in unheated areas like basements, garages, attics or crawl-spaces.

- In severe cold, let cold water drip from faucets served by exposed pipes.

Running a drip of water through the pipes helps prevent pipes from freezing because the temperature of the water is above freezing.

- If a pipe does break on your property, know where your water meter is and how to turn water off immediately to avoid further damage and water waste.

- If you are taking a vacation or will be away for several days, turn off your water at the meter in case damage occurs or ask someone to monitor your home in your absence.