

WARRINGTON TOWNSHIP BOARD OF SUPERVISORS MINUTES FOR APRIL 23, 2019 – 2:00 PM WATER AND SEWER SYSTEMS

The written minutes are a summary of the April 23, 2019 Board of Supervisors meeting. For a complete dialog visit the Township's website, www.warringtontownship.org.

ATTENDANCE

Fred R. Gaines, Chairman; Ruth L. Schemm, Vice Chair; and Shirley A. Yannich, Member.

Staff present was Barry P. Luber, Township Manager and Barbara J. Livrone, Executive Assistant to the Township Manager/Board Secretary.

CALL TO ORDER: Mr. Gaines called the meeting to order at 2:05 P.M. and stated this meeting is a special meeting of the Board of Supervisors to hear presentations of a potential sale of water and/or sewer systems in Warrington Township. Mr. Gaines further stated that both presentations will occur again at the regularly scheduled Board of Supervisors meeting starting at 7:00 P.M. Both meetings are properly advertised and also recorded live. Both meetings can be viewed live stream through the township's website.

Mr. Gaines stated Aqua was invited to give a presentation to the Board of Supervisors and to the public.

PLEDGE OF ALLEGIANCE

Mr. Gaines followed the Call to Order with a pledge to the flag.

PRESENTATION OF POTENTIAL SALE OF WATER AND/OR SEWER SYSTEMS OF WARRINGTON TOWNSHIP FROM AQUA. (Attachment "A")

Representing Aqua Pennsylvania was President, Marc A. Lucca. Mr. Lucca introduced Vice President/Chief Environmental Officer, Christopher Crockett, Ph.D., P.E and Jonathan A. Gault, Manager of Business Development.

In the audience presenting Aqua Pennsylvania was Terrence Roman, Area Director; Lesley Dix, Customer Care Coordinator II; Donna Alston, Communications Manager II; Matt Miller, Treatment Director and Tom Rafferty, Director of Business Development.

Mr. Gault gave background information based on research Aqua performed on Warrington Township's water and sewer system.

Mr. Lucca spoke about customer service, placing emphases on cyber security. Mr. Lucca reported that Aqua Northeast was third in the J.D. Power 2018 Water Utility Residential Survey for the northeast region. Mr. Lucca stated that Aqua has not raised their rates in seven (7) years. Mr. Lucca also spoke about reliability and emergency response and emergency response in action. Mr. Lucca stated all employees from the township water and/or sewer department would be hired. Mr. Lucca also presented to the Board how a sale to Aqua would benefit the township.

Dr. Crockett spoke about environmental and sustainable solutions, environmental stewardship and conservation communication.

Board comments:

Ms. Yannich commented on Aqua not charging tapping fees and residents currently on well and septic systems. Mr. Lucca stated a fee will be charged to those residents to bring the pipe to the curb.

Ms. Schemm questioned the source of water, contaminated wells and water quality. Mr. Lucca stated the source is the Neshaminy Creek and groundwater but Aqua would continue the contract Warrington Township has with NWWA. Dr. Crockett stated Aqua abides by all government regulations and they have their own lab that runs testing and continuously samples their system.

Mr. Gaines asked if Aqua would use more than one source of water. Mr. Lucca stated Aqua would continue the contract with NWWA. If they needed more water, they would place granulated activated carbon on the Township wells.

Mr. Gaines questioned PFOS/PFOA and zero detect. Dr. Crockett stated PFOS/PFOA will be handled rapidly in the next five years. Dr. Crocket said there is not a non-detect regulation set by the EPA or State.

Mr. Gaines stated the wastewater at Tradesville Sewage Treatment Plant may need to be expanded for reduction to nutrients. Dr. Crocket said this will be based on a new permit cycle. Rates will be adjusted to accommodate capital improvements to our system. Mr. Lucca stated any rate increase is set by the PA Utility Commission.

Public Comment:

Maureen McGovern (2302 Birch Court) questioned the township's current rate versus Aqua's rate and if a consumer report is available. Aqua has not submitted a proposal to the township; therefore, the rates are not available. Mr. Gaines stated a consumer confidence report is provided to the public annually. A cost analysis will be produced for the long term.

Barbara Connolly (700 Bryans Way) questioned a business model from Aqua versus NWWA. Ms. Connolly commented that since Aqua does not charge a tapping fee, this encourages development. Ms. Connolly questioned plastics and pharmaceuticals in water. Mr. Lucca said Aqua is a regulated utility and a third party is used to audit the financials. Dr. Crockett said pharmaceuticals are found in the groundwater.

William Connolly (700 Bryans Way) questioned what the rates would be for Warrington Township. Mr. Lucca said the rates are set by the PAUC and different rates are applied per region. The closet region to Warrington pays approximately \$65 per month for 4,000 gallons of water and the same rate for sewer.

Mr. Connolly questioned the sale of a public asset – would Warrington take the highest bidder? Mr. Gaines stated Warrington Township does not have to go out to public bid to sell either or both systems.

Mr. Connolly expressed concern that the residents would lose their decision to demand non-detect in the water. Mr. Lucca said Aqua goes by the state level.

Mr. Luber stated the data was produced by Keystone Alliance and data produced by the Director of the Water and Sewer Department, Christian Jones. Both reports will be posted to the township's website.

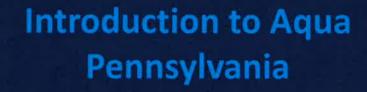
Also posted to the website will be all three power point presentations.

ADJOURNMENT

There being no further business, Ms. Schemm motioned, seconded by Ms. Yannich to adjourn the meeting at 3:40 PM.

> Respectfully Submitted By: Barbara J. Livrene, Board Secretary

Attachment "A"









April 23, 2019



What Brought Us All Together?

- 1. Township received unsolicited bids and term sheets
- 2. We saw the advertised meetings and requested permission to participate
- 3. Warrington has allowed Aqua to participate in the public process
- 4. We would like to talk to you about:
 - Your employees
 - Management of your system
 - Water and wastewater rates
 - Other ways we can help you



Warrington's Water and Wastewater Systems

Water System

- 1. ~8,200 customers
- 2. Purchase 100% of water supply from North Wales Water Authority
- 3. Warrington shutdown all nine wells by August 2017 due to PFAS at Horsham Air National Guard Station

Wastewater System

- 1. Warrington owns the Tradesville wastewater plant
- Intermunicipal agreement with Warminster: 1.9 MGD capacity of their wastewater plant



National Issue

- American Society of Civil Engineers: PA Infrastructure Report Card
 - 2018 Infrastructure Report Card: C-
 - Drinking water: D
 - Wastewater: D-
 - Avg age of most PA sewer systems: almost 70 years
 - 50% of PA sewage facilities' plans over 20 years old
 - >40% increase in breaks for PA's aging water mains
- National and PA problem
 - Funding gap for PA: \$10.2B for water and \$8.4B for sewer
 - Extended age and lack of consistent funding
 - Increased health risks, environmental impacts and financial losses
- "The replacement era of...systems is upon us"

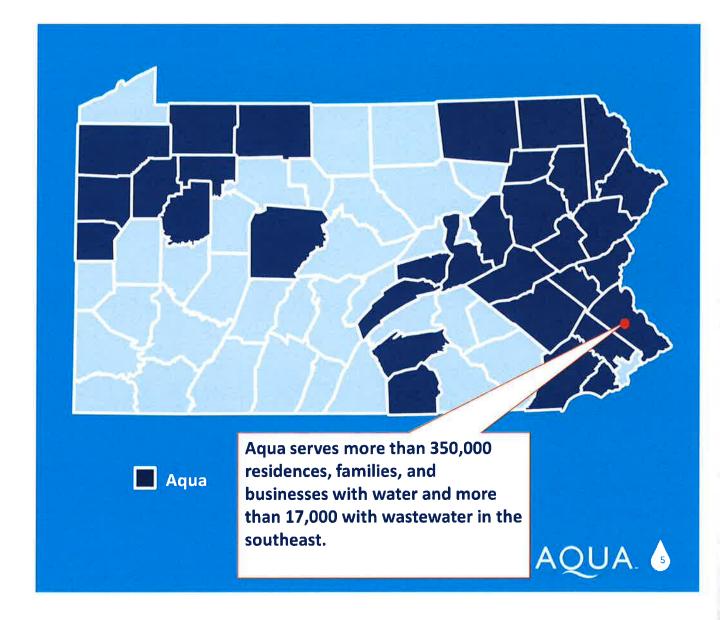






Our Mission:

Protecting and providing Earth's most essential resource.



Another Community's Story



AQUA.

How We Can Help Your Community

- 1. Customer service that is second-to-none
- 2. Rates that are regulated by the PA Public Utility Commission
- 3. Experts in Environmental and Sustainable Solutions
- 4. Reliability and Emergency Response
- 5. Employees Opportunities with Aqua

Enable Warrington to focus on your community!



Robust Customer Service



- 24/7/365 operations
 - Operations control center
 - Emergency customer service
- Convenient bill pay options:
 - Online account access
 - Daily balance access
 - Reminders and bill-pay via text message
- Extensive data management system to protect customer information

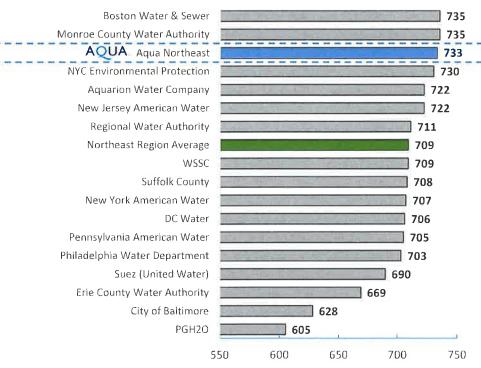


J.D. Power 2018 Water Utility Residential Survey









By customer satisfaction, according to J.D. Power's survey, Aqua is the top-rated regulated utility in the Northeast region.



Rates Information

- Heavily regulated Aqua does not set customers rates
- The PA Public Utility Commission must approve customer rates
 - Expenditures must be deemed prudent
- Rates can only change as a result of a legal rate proceeding, which includes:
 - Public hearings
 - Review by Office of Consumer Advocate and other advocates
 - Analysis of expenditures to ensure prudency



Environmental and Sustainable Solutions

- Work with PA DEP, DRBC and county conservation districts
- Active watershed protection and stewardship partners:
 - Schuylkill Action Network
 - Chester Ridley Crum Watershed Association
 - Brandywine Red Clay Association
- Experts in handling the toughest challenges:
 - Fix and restore troubled systems
 - World-class, on-site, state-certified lab: 270k tests per year



Environmental Stewardship

- Partnership with "TreeVitalize" grant program
- Aqua Pennsylvania planted more than 43,000 trees, equivalent to 303 acres of forest, in the last 11 years



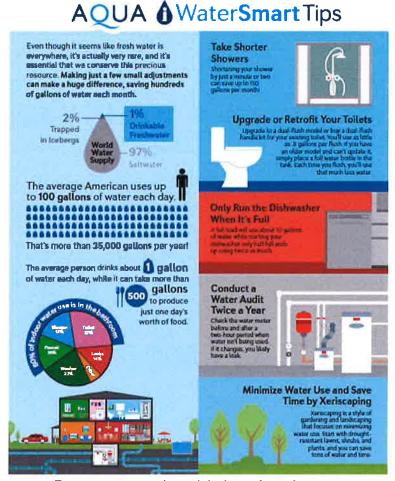






Conservation Communication

- We treat the water and wastewater, and are active community members who keep residents up-to-date on conservation and ways to save money.
- www.aquawatersmart.com
 - Preventing blockages caused by fats/oils/grease
 - Prevent frozen pipes in your home
 - At-home water conservation tips
- Sharing information with customers about our efforts to improve their experience



Reliability and Emergency Response

- Multiple resources to address water and wastewater emergencies
 - On-call employees and contractors including operators, engineers, and environmental specialists
 - Operations control center in Bryn Mawr staffed 24/7/365 for critical operations and security checks
- Aqua has withstood critical weather emergencies
 - Superstorm Sandy
 - Hurricane Ike
 - Hurricane Irene/Tropical Storm Lee



Emergency Response In Action – Cheltenham Sinkhole January 2017



Date: January 25, 2017

Aqua was on site immediately and, within one day, restored water service to the neighborhood and repaired the sinkhole and road within three days.





Employees

Employees are our most important asset

- Aqua has ALWAYS offered all employees jobs as part of an acquisition
- We'd like to meet with Warrington employees when appropriate to discuss opportunities
- Aqua provides a unique opportunity to operations staff to learn and grow with the company
- What do our operators say about their experience?
 - Close-knit, "family"
 - Proud of their work
 - Values diverse perspectives
 - Focused on quality service to the customer



Committed to Our Employees



The biggest difference I've found working at Aqua is the opportunity I've had to expand my experience and learn more about the water business.

Byron Moat, Assistant Superintendent, Crum Creek and Ridley

Life at Aqua

Dave Rinehart

Majournians A

The training material that's available is very helpful –
I have never seen anything like it. We can now better
educate our team and watch them grow.



How Would a Sale to Aqua Help You?

- 1. Flow of funds into the community
 - Community priorities such as a police station
- 2. Regulated utility that works with your local officials
 - Team of experts that stays on top of pressing issues and regulations
 - Wastewater: Still maintain control through Act 537 process
- 3. Lower overall costs for projects: (economies of scale)
 - 200 wells, 11 water treatment plants, 36 wastewater plants
 - Aqua contributes to paving costs of towns where we replace main
- 4. No tapping fees or charges





We're Ready for Your Questions

WaterFacts.com WaterByAqua.com

