

Roughly 300 households eyeing tapping fees for hookups to the system under the state required upgrades will not have to pay tapping fees and township officials expect to reimburse the fees to those households, affected by the upgrades, that have already paid.

Under the agreement, sewer rates, which are currently \$192 per quarter, would not increase before the end of 2017, but some residents expressed concerns about what might happen to rates after that date.

"Goes pretty darn fast, two years," said resident Barry Fenicle, referring to the 2017 date. "And then, there's no guarantee."

But, Ryan Flynn, owner of a mobile home park, who indicated he had expected to pay tapping fees for mandatory sewer hookups on his property – fees that he doesn't anticipate after the sale – said of the water company's offer, "I love it."

While residents' comments during the meeting were mixed, a round of applause went up after the vote to sell.

Resident Thomas Hooven during the public comment portion of the meeting said, "I did come here ready to shoot for bear...I really believe this is the best deal we're going to get, people...We're bankrupt. We gotta do something."

More information about the terms of the sale will be posted on the township's website at **www.fairview.twp.pa.us**.

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Davenport weighs selling sewer system

JANUARY 25, 2014 2:36 PM • BY [BRIAN WELLNER](#)

Davenport aldermen said Saturday they may want to get out of the sewer business.

During a study session on the city's proposed \$186.89 million budget for fiscal year 2015, they asked city staff for research on how successful other cities have been in privatizing their systems.

Davenport could be the first in Iowa to do so if the deal goes through City Administrator Craig Malin said.

Iowa American Water, the private utility that supplies water for the city, has made a "soft offer" to buy the system for \$40 million. Malin said Iowa American Water first approached the city in 2010.

An Iowa American Water representatives could not be reached Saturday for comment.

Malin said the city is considering the sale to offset rising sewer maintenance costs. The city is hiking its sewer fee 15 percent this year and next to fund \$62.4 million in improvements, finance director Brandon Wright said, adding that without the hikes the sewer fund would remain at its current deficit level.

Alderman Gene Meeker, at large, said there is a nationwide trend of cities looking to privatize their sewer systems.

Davenport is only at the discussion phase, Meeker said after the meeting. "No commitments. No obligations."

Alderman Bill Boom, 3rd Ward said after the meeting that even as Davenport raises its sewer fees, a private company most certainly would hike its rates for customers because unlike the city, a private firm wants profit.

"Rates will be higher if a private company operates our sewer system because of the profit alone," Boom said. "It gets us out of a short-term problem. But the long term solution, that's what we're talking about. I'm not sure this is the best approach for citizens."

To sell the sewer system, Wright said the city would have to re-evaluate its ownership of the Davenport Water Pollution Control Plant. The city owns the plant at 2606 S. Concord St. along with Bettendorf, Riverdale and Panorama Park, and cannot withdraw without permission of the other cities.

Malin said when he mentioned to city leaders in Bettendorf that Davenport was considering selling its sewer system, they were "curious."

Meanwhile, the \$62.4 million in proposed sewer repair work leads all of the infrastructure categories on the city's budget as the most expensive, ahead of even street repair, Wright



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City floats idea of selling sewer system

Revenue from sale
would go to NID debt

by Alan McArthur
Landmark reporter

The City of Parkville is pursuing a plan that would help it head off potentially rocky financial times in regard to some Neighborhood Improvement District (NID) debt the city faces.

Parkville is in the middle of negotiations with the Platte County Regional Sewer District, city officials acknowledged Tuesday night.

The potential deal would involve the city selling its entire sewer system to the regional sewer district to pay off more than \$4.9 million in debt by June 1.

On Tuesday night, the city's board of aldermen approved a memorandum of understanding to begin negotiations for the possible sale. According to a staff report by Lauren Palmer, city administrator, the sewer district approached the city about the possible purchase.

The sale is being seriously considered by Parkville largely because it could allow the city to pay off a large portion of debt from the construction of the Brush Creek Drainage Area Neighborhood Improvement District (NID).

The NID was established in 2006 to provide sewer service to the area along Interstate 435 near the intersection with Highway 45. The construction of the sewer line was through a cooperative agreement between the city and the sewer district.

According to the original agreement, the city took on the debt for construction of the sewer lines and when the cost is paid, then the Brush Creek sewer line will become the property of the sewer district.

Of the properties in the NID, only one has developed--that's the convenience store at 45 Highway and Brink-Myers Road. The remaining properties are owned by banks after development stalled and owners defaulted on notes. This situation has left the city with \$4,935,000 in debt from the construction.

On Tuesday night, the city also authorized the sale of general obligation bonds for the amount to be finalized by August 2014. This would cause the city to face its first bond payment in March 2015.

During the recent budgeting sessions for the city, some projects were defunded with the money going into the city's emergency reserve fund in anticipation of these NID bond payments.

In 2013 the city transferred \$450,000 to the emergency fund and in 2014 the city is budgeted to transfer another \$317,000.

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Daily Local News (<http://www.dailylocal.com>)

West Brandywine may sell public sewer system

By BILL RETTEW JR., 21st Century Media

Monday, February 10, 2014

WEST BRANDYWINE — Supervisors are exploring the possibility of disbanding the township's municipal authority and selling off its assets.

The authority is an independent entity charged with oversight, design, construction and financing of the township's public sanitary sewer infrastructure.

It was established in 1995 and serves about 470 township businesses and homes, including Brandywine Hospital, several Coatesville Area School District schools and the Brandywine YMCA.

Effluent is collected from both new and older public sewer customers and piped for processing to the Pennsylvania American Water Company plant in South Coatesville.

The township's supervisors identify where to put additional sewer infrastructure, such as pipe and pumping stations, and the municipal authority carries out those edicts.

If a resident's property line is within 150 feet of underground public sewer pipes capable of hookup, they must hook up to the system if they don't have a working on-site system.

On Thursday, supervisors' Chairman Bill Webb said the authority is on the hook for more than \$9 million of long term debt, which he said would need to be paid off prior to a sale. Builders of new construction in the township paid for all existing pump stations while the township took on long-term debt for engineering services and pipelines.

Webb said he favors selling the authority.

"The township is the middleman in this process," Webb said, "For that reason, I don't think we should be in business."

Supervisor Doug Smith said a sale is not something the township should dive into without more research.

"We're looking into this, but very carefully," Smith said. "I would like to know the impact on the residents."

Supervisor Joe Obernier predicted rates would skyrocket for township residents with a sale since the authority now pays Pennsylvania American bulk rates. With a sale, he argued, customers would likely lose such favored status and would have to pay higher individual rates.

"Every single household on public sewer – the bills would double or triple," Obernier said. "Any profit for a buyer comes directly from the users. I can't imagine there's any benefit for the township or the

According to the memorandum of understanding, the city will pay for a cost-benefit analysis of any possible transaction for the city's sewer system. The cost of the analysis is \$13,500 and if the city and sewer district make a deal, then the cost of the analysis would be split evenly.

Before a final sale can be approved, several items are listed for consideration in the memorandum of understanding.

The city and sewer district would have to agree on a fair purchase price, establish a method to pay existing sewer debt, and complete sewer improvements listed in the city's Capital Improvement Program.

The city is also requesting representation on the sewer district's board of directors.

Another issue would be the possible adjustment of sewer rates for existing Parkville customers.

According to the sewer district's 2014 budget, the current base rate for sewer service is \$26.22 with a charge of \$3.75 per 1,000 gallons of water used. The district takes the water usage average during the months of January, February, and March to estimate usage throughout the year.

In January, Parkville approved a rate increase for its sewer customers. The increase established a charge of \$0.56 per 100 gallons of water used and a base rate of \$11.86 per month. The city receives actual water usage information from Missouri American Water for billing purposes.

Based on an average monthly usage of 4,000 gallons of water, customers in the sewer district would pay \$40.22 per month and customers in Parkville pay \$34.26.

A legal analysis of the possible transfer will also be conducted with the work completed by March 15 and a decision on whether to move forward with the sale.

The possible sale would be for the entirety of the city's sewer system, leaving no part of the system for Parkville to control.

"At the end of the day, Parkville would be out of the business of providing sewer services," said Palmer.

According to the 2014 budget, the regional sewer district was established in 1992 to provide sewerage treatment for customers in unincorporated Platte County. The district currently serves more than 4100 customers with its largest customer areas being around or adjacent to Parkville's city limits. The regional sewer district operates 63 miles of sewer lines and has four treatment facilities.

The 2010 census shows the population of Parkville at 5,554 people. The 2013 annual report says the city operates 30 miles of sewer lines and has one sewer treatment plant.

The board of aldermen approved the memorandum of understanding with a vote of 7-0.

The board also established a committee to oversee the negotiations. That committee includes Aldermen Nan Johnston, Marc Sportsman, and Jim Werner along with Mayor Jim Brooks and Palmer.

said.

Boom said the current city council is taking the lead on repairing the sewers after previous councils went 15 years without ever raising the sewer fee.

"They put their heads in the sand," Boom said. "We're fixing it."

Boom added the sewer fund, being a system of "money in, money out," was never supposed to run at a deficit.

After this year's 15 percent hike goes in effect, Davenport's sewer fee will be slightly more expensive than Bettendorf but slightly less than Rock Island and Moline.

"It's not unreasonable considering the amount of improvements, the size of our system and the condition it's in," Wright said.

WHAT'S NEXT

The Davenport City Council has scheduled a series of discussions on topics related to its proposed \$189.86 million fiscal year 2015 budget. The first was held Jan. 19. Session also are scheduled for Feb. 1, 8 and 15.



Fairview Township to sell sewer system

Fairview Township Special Meeting Sale of Sewer System 2.jpg

More than 300 people attended Thursday's special meeting in Fairview Township to discuss the sale of the township's sewer system to Pennsylvania American Water Company. (*Allison Dougherty*)

Allison Dougherty | Special to PennLive By **Allison Dougherty | Special to PennLive**

Email the author

on May 28, 2015 at 11:52 PM, updated May 28, 2015 at 11:56 PM

FAIRVIEW TOWNSHIP – Fairview Township is getting out of the sewer business.

With one board member absent, township supervisors during a special meeting on Thu. voted 4-0 to sell the township's sanitary sewer system to Pennsylvania American Water Company.

More than 300 people attended the meeting held at Fairview Township Fire Station No. 1 to hear presentations by the water company and township officials, ask questions and air their opinions.

Residents expressed concerns about down the road rate increases and many said they would've liked more information about the terms of the purchase agreement before the meeting. Some wondered whether the township was getting the best deal.

Some of the terms of the agreement with water company include:

- The water company will pay the township \$16.8 million to acquire the system's utility assets, such as plant, pipes, pumps; the audited book value of the system's capital assets is roughly between \$15 and \$15.8 million.
- The water company will invest \$13.1 million in improvements to the sewer system, including completion of phase two of the township's state-required sewage facilities – Act 537 – upgrade plan.
- The water company will reimburse the township up to \$1 million for a sewer related turnpike relocation project.

Township officials said the sale will allow the township to pay off its roughly \$21 million in sewer debt – under the agreement, the township will keep cash on hand and accounts receivables – and will make unnecessary a possible \$14 million in additional debt that might've been incurred to complete planned projects.

The township is expected net roughly \$5 to \$5.5 million from the sale, according to Board of Supervisors Chairman Robert P. Stanley Jr.

Additionally, tapping fees for existing homes and businesses, which are \$9500 per EDU under township ownership of the system, won't be charged by the water company and fees for new homes and business will be \$4,000 per EDU.

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Cities consider selling water, sewer systems for cash

Updated 4/21/2010 8:58 AM | Comment | Recommend

By Judy Keen, USA TODAY

Tight budgets and falling revenues are prompting cities across the USA to consider selling municipal water and sewer systems to private companies.

American Water, which operates in 35 states, is discussing deals with 75 municipalities and other entities — the most in at least four years, CEO Don Correll says.

Aqua America, which operates in 14 states, sent letters to thousands of cities in the past year and is talking with about 40 of them, CEO Nick DeBenedictis says. He expects to acquire about 20 systems this year.

Selling or leasing water systems isn't always a good deal, says Wenonah Hauter of Food & Water Watch, a non-profit group. Some cities that do so are "mortgaging their future" by ceding control of a vital asset, she says, and rates often climb.

CASE STUDY: In Pekin, Ill., rates running high

Pekin, Ill., City Manager Denny Kief tracked rates for the first 20 years after Illinois American Water bought the water system from a local company and says rates — for 6,000 gallons a month — rose 204%.

Water companies "are having more doors opened to them" as the economy squeezes governments, says Michael Deane of the National Association of Water Companies. Besides providing cash, companies can run systems more efficiently and upgrade aging infrastructure, he says.

Cities react differently to the offers:

•In Temple, Ga., the City Council voted unanimously last week to reject an offer from a private company to lease its water and sewer systems for 30 years for \$2 million. "We didn't want to give up control," Mayor Rick Ford says.

•"If you have a chance and the deal is right, sell it," says Mayor John Klem of White Haven, Pa., where the sale of its systems in 2002 paid off water authority debts and allowed it to bank \$2.5 million. Rates were frozen for five years, he says, and have risen 5%-10% a year since.

•Marion, S.C., last week finalized the sale of its systems. Voters approved the deal in March. An \$11 million debt will be paid off, and the city gets \$2.6 million. "It's in the best interests of everybody involved," Mayor Rodney Berry says.

Of the USA's 51,592 community water systems, 24,290 are privately owned, 1,343 have shared ownership, and most others belong to local governments, the Environmental Protection Agency says.

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people on public sewer.”

Webb disagreed. The Public Utility Commission would have a say with any jump in rates and would likely not allow a two- or three-fold increase, Webb said.

Obernier also wondered whether borrowing to pay off debt prior to a sale might “cramp the borrowing ability of the township.”

A sale would be contingent on a buyer fully taking on the sewer authority debt, Webb countered.

Obernier said that several quarterly sewer bills distributed during the past two billing cycles contained apparent errors. He said a decimal point was misplaced by a staffer and bills were mailed reflecting just one tenth of the true fee owed for sewer service.

Webb also complained the authority recently received a “sweetheart deal” from the township for its offices.

The township previously charged the authority \$26,400 per year for office and meeting space at the municipal building. Through a new one-year lease signed in September, before Smith took office, the authority now pays \$1 annually to rent a 530-square-foot township-owned office across the street from the township building.

“Maybe they should pay their fair share,” Webb said. “The township took a huge loss.”

URL: <http://www.dailylocal.com/general-news/20140210/west-brandywine-may-sell-public-sewer-system>

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