

CHESTER WATER AUTHORITY INFORMATION UPDATE

Dear Customer,

We write to provide you with additional information regarding two recent newspaper articles;

- **“Water Wars”** the cover story in the Sunday August 27, 2017 edition of the *Delaware County Daily Times*
- **“Chester Water Authority resists sale”** in the Tuesday, August 29, 2017 edition of the *Daily Local News*.

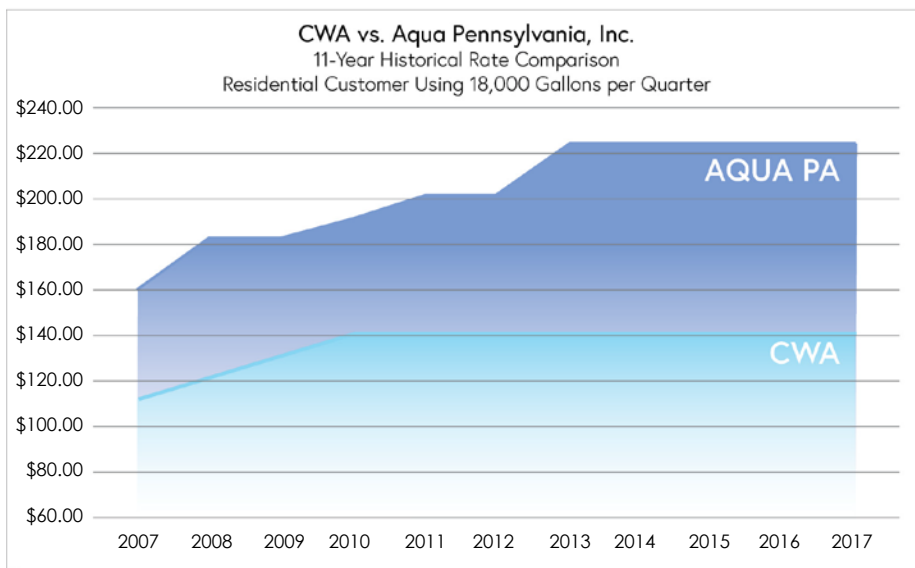
SUMMARY

The current CWA Board has never tried to sell its customers and assets but this past May, Aqua, a for-profit water company, made an unsolicited offer to buy them.

The current CWA Board voted 9–0 to reject the offer, but the current Board members’ terms are up this year (2017) and a new Board could be appointed and which could then vote to sell CWA’s customers and assets.

The current CWA Board has not raised rates during their five (5) year terms and under their leadership CWA has won national awards for its operations and water quality.

Typically, privatization of municipal water system eventually results in higher customer rates - it is only a question of when.



Since the end of 1987, the Chester Water Authority has only raised rates nine (9) times in 30 years, providing customers with some of the lowest water rates in the region. In 2017, a Chester County residential customer using an average of 18,000 gallons a quarter pays \$142.86. Compared to a private utility such as Aqua, that same residential customer today would pay \$226.85. CWA takes pride in its core mission of providing clean, quality drinking water to our customers at the most affordable rates possible.

***IF YOU HAVE AN OPINION ON THESE ISSUES, NOW IS THE TIME TO BE HEARD--
CONTACT YOUR COUNTY COMMISSIONERS ABOUT CWA AND THE IMPENDING CWA
BOARD REAPPOINTMENTS/APPOINTMENTS.***

9/6/2017

Who runs CWA?

- A nine (9) member Board of Directors (since 2012)
 - o 3 appointed by the City of Chester
 - o 3 appointed by Delaware County Council
 - o 3 appointed by the Chester County Commissioners.
 - Paul Andriole, Leonard Rivera, Esq. and Thomas Chiomento
- CWA Board members serve five year terms and are eligible for reappointment. All nine Board members' terms end in 2017.

Delaware County reappointed its three current CWA members for 5 more years.

Chester County; Paul Andriole and Len Rivera, Esq. have asked the Chester County Commissioners to reappoint them to the CWA Board – No Response yet. Thomas Chiomento has asked not to be reappointed.

City of Chester government - No action yet.

Background

On May 8, 2017, the CWA Board received an **unsolicited** offer from Aqua to purchase the customers and assets of the Chester Water Authority for Three Hundred and Twenty Million Dollars (\$320,000,000). The offer letter invited the CWA Board to decide how to divide the proceeds of any sale among the City of Chester, Delaware County and Chester County. The letter from Aqua, also offered to establish a compensated nine-member advisory board if the CWA Board voted to approve the sale. At its May 18, 2017 meeting, the current CWA Board voted 9 to 0 to reject the offer.

Before May 8, 2017

- Aqua tried to meet with the City and both County governments
- Aqua never met with or talked with the CWA Board as a group
- Delaware County Council declined to meet with Aqua
- Chester's Mayor hosted a meeting with Aqua and Chester CWA Board members

How does this concern you?

The current CWA Board has consistently said that it views its mission as providing the highest quality drinking water to its customers at the lowest possible price, always acting in the best interests of its ratepayer customers.

There currently is no offer before the CWA Board to purchase CWA's customers or assets. However, because of CWA's low rates, good service record and financial health it may receive another proposal at any time. A simple majority of CWA Board (5 of the 9 members) could decide to accept an offer and sell CWA's customers and assets at any time.

If you have an opinion on any of these matters, now is the time to be heard. Your elected Chester County Commissioners decide who will be Chester County's representatives on the CWA Board. And those appointees can decide to sell CWA's customers and assets. It is your water and it should be your decision.

Take the time to have your opinion heard!

The Chester County Commissioner's Office telephone is 610-344-6100

Commissioner Michelle H. Kichline mkichline@chesco.org

Commissioner Kathi Cozzone kcozzone@chesco.org

Commissioner Terence Farrell tfarrell@chesco.org

The next public Chester County Commissioner's Sunshine meeting is September 20, 2017 and the next public Commissioner's voting meeting is September 21, 2017.

To contact CWA on the website go to the "Contact CWA" button at <http://www.chesterwater.com/>