



Swarthmore Rotary Cog Notes

P.O. Box 4, Swarthmore, PA 19081



May 4, 2023

Jennifer Jones
RI President 2022-23
David Houtz
District 7450 Governor

Swarthmore Rotary Leaders

Heather Saunders
President

Lori Markusfeld
President-Elect

Brian Casey
Club Executive Secretary

Patrick Gunnin
Treasurer

George C. Whitfield Jr.
Secretary

Jane C. Billings
Youth Services Chair

Perri Ann Evanson
Public Relations Chair

Carr Everbach
Membership Chair

David Firn
Service Projects Chair

Betty Ann A. Flynn
Club Director

William Clinton Hale
Past President

Sergeant-at-Arms

Anne C. Hansen
International Service Chair

Kathryn Jones
iPast President

Jeannine Osayande
Youth Services Chair

Hillard Pouncy
Club Programs Chair

Joshua Twersky
Club Director

Barbara Whitaker-Shimko
Rotary Foundation Chair

Kenneth J. Wright
Club Director

Cathleen Darrell
Attendance Secretary

Richard Shimko
Bulletin Editor

Karen Aleta Mazzarella
Assistant Governor

Happy Dollars

pledge \$3,467
2021-2022 \$4,476

Rotary Celebrations!

Birthdays

No Birthdays Found

Wedding Anniversaries

Meetings and Events

May 4th, 12:15-1:30 PM

Swarthmore Weekly Club Meeting

Speaker: Andrew Feick, Assoc VP, Swarthmore College

Subject: Campus Tour

May 18th, 12:15-1:30 PM

Swarthmore Weekly Club Meeting

Speaker: Bill Cumby, Jr and Donald Delson,

Subject: Changes since our last presentation and what's next for 110 Park

May 11th, 12:15-1:30 PM

Swarthmore Weekly Club Meeting

Speaker: Hold for Andrew Bunting

Subject: The Pennsylvania Horticultural Society: Transforming Lives Through Horticulture

Service Quotation

"It is easier to interest men in war than in peace; it therefore requires more moral courage to talk peace than war." Paul Harris, 1917

4 Way Test

Of the things we think, say or do

1. Is it the TRUTH?
2. Is it FAIR to all concerned?
3. Will it build GOODWILL and BETTER FRIENDSHIPS?
4. Will it be BENEFICIAL to all concerned?

Club News

Club news

Anne Hansen reported that Brian Casey and Joy Charlton received the "Service Above Self" award at the District meeting.

Joy Charlton told us that some of our donations to The Rotary Foundation come back to the District and are distributed to our local projects through District grants. Our contributions support Rotary efforts locally as well as internationally.

George Whitfield warned against using other organizations' logos when advertising Rotary events. Rotary has been sued for doing this.

Ken Wright thanked Club members for helping make the first season of the Rotary Arts Project a success. There will be one more event this season on May 19.



Elizabeth Church, in the Rotary Moment, told us April 22 is Earth Day. Since the first Earth Day 53 years ago, rotary Clubs throughout the world have initiated projects to clean-up debris in waterways and on the land. Rotary International established the Environmental Sustainability Rotary Action Group to assist local clubs in environmental action. In closing, Elizabeth made an appeal for other Club members to present the

Rotary Moment.

Joy Charlton provided the following photo of Rotary volunteers at the Loaves & Fishes Food Bank on April 25.

The persons in the photo are **Marge Firn, Dave Firn, Jane Billings, Heather Saunders, Carr Everbach, Joy Charlton, David Page.**

Brian H. Craig
May 6th
Barbara Whitaker-Shimko
May 7th
Richard Shimko
May 7th

Years of Service

No Years Of Service Found

Guests Last Meeting

Beth Rowan



Last Meeting Summary



The problem facing the various stakeholders controlling the Chester Water Authority (CWA), as described by Frank Catania, is reminiscent of the classic experiment where children are offered one cookie now or, if they wait, two cookies later. The experiment was supposed to measure impulse control.

The impulsive choice, in this case, is to accept the offer of \$320 million by Aqua to purchase CWA. According to Frank, the alternative of not selling CWA will result in much lower water rates for CWA customers in the future. Therefore, by waiting, that is, not selling CWA, each customer will receive long-term benefits.

Unfortunately, the real case is a lot more complicated than the cookie experiment. First of all, the group of customers who will benefit from lower rates in the future is much different than the group that will benefit from the immediate sale of CWA. The CWA customer base, which does not include Swarthmore, covers southwest Delaware County and southern Chester County. Frank said these customers will benefit if CWA is not sold because their rates will remain low. The money from the sale of CWA, according to the latest court case, will go only to the City of Chester and not to all the current CWA customers.

The second complication is that there are many decision makers. The decision makers include the CWA, the City of Chester, the state Public Utility Commission, and, ultimately, various courts. Frank said the CWA does not want to be sold. The City of Chester, which is in desperate need of money right now, wants the sale to go through. Frank believes the PUC is in favor of the sale because of its interpretation of a recent law that promotes consolidation of public utilities.

Newspaper articles excerpted below provide additional background on this topic.

Frank provided some historical information about water suppliers in our area. He said Aqua started in Swarthmore. The West Hill Land Company, a Swarthmore developer, provided water to the borough. Eventually it grew into Aqua. Delaware County water providers originally took their water from the Delaware River until it became too contaminated. In this area, Aqua gets its water from the Springton Reservoir. The source of CWA's water is the Susquehanna River, with some water coming from the Octorado Reservoir.

The questions regarding the sale of CWA and who will get the money if it is sold are going to be decided in the courts. For now, the only beneficiaries are the lawyers.

CWA Background Articles

Here are some background articles on the CWA sale.

From *The Inquirer*, 4/12/22:

The Pennsylvania Supreme Court on Monday [agreed to hear CWA's appeal](#) of a lower-court ruling that would allow the financially strapped City of Chester to sell the sprawling water system that serves 49,000 customers in 33 towns in Delaware and Chester Counties. The sale would get the city out of hock.

The Commonwealth Court ruled in September that Chester, as the founder of the water system in 1939, was CWA's sole owner and can entertain sale offers for the utility, despite objections from suburban interests that represent the vast majority of its customers.

CWA says the authority, where six of the nine members are appointed by Delaware and Chester Counties, controls the assets and does not want to sell. CWA says [suburban customers' water rates](#) would rise significantly under private ownership, while the benefits of the system's sale would flow mostly to the city.

The Supreme Court's decision will sort out whether an authority's board, or the founding municipality, controls its assets. CWA, as a counterproposal, in 2019 [offered to give the City of Chester \\$60.2 million](#) to pay down the city's obligations in exchange for a 40-year-agreement by the city to drop efforts to sell the water authority. CWA said the payment would result in a smaller rate increase than if the authority was sold to a private company. Aqua moved to block that agreement, and the matter is in litigation.

The CWA sale is among the largest proposed transactions in [a frenzy of water and wastewater system privatizations](#) in Pennsylvania. Those sales are being driven by a 2016 state law that encourages the consolidation of smaller systems under private ownership.

The law, called Act 12, allows investor-owned utilities to pay an appraised fair-market value for an acquired system, rather than its lower depreciated cost or "book value," resulting in very attractive revenue opportunities for municipalities looking to avoid tax increases. Critics worry that the high prices utilities are paying for the systems will boost water and sewer rates for existing and newly acquired customers for decades to come.

From Bloomberg news 12/22/22:

In 2017, Aqua made an unsolicited \$320 million offer to Chester Water Authority — a practice that Essential Utilities Chairman and Chief Executive Officer Chris Franklin said in an interview is commonplace at the company. The water authority rejected it. Chester City Council in 2019 then issued a [request for proposals](#), which Aqua won.

Since then, the issue of who owns and has the rights to sell the water authority has [moved through the courts](#). In September 2021, the Commonwealth Court ruled that the city of Chester is the sole owner of the water authority. Following that decision, Chester City Council unanimously voted to approve a \$410 million agreement with Aqua, while the Chester Water Authority appealed the decision to the state Supreme Court, which was supposed to hear the case on Nov. 30.

The city's November federal bankruptcy filing paused that litigation. After the Dec. 15 hearing where Walrath was appointed, the next steps involve mediation.