

## Public Comment Record

August 16<sup>th</sup>, 2018 Steelton Borough Authority Public Input  
Meeting

Steelton Highspire School District High School Auditorium

7:00 PM

The following log summarizes comments made to the Steelton Borough Authority by residents and customers of the Steelton Water System at its meeting soliciting input related to the potential sale of the water plant and system. The responses include summaries of responses provided directly at the meeting as well as responses articulated after the meeting.

NAME	ADDRESS	COMMENT
John Hollenbach	Suez Water	<p><b>Comment:</b> Mr. Hollenbach commented regarding Suez’s water distribution system in relation to Steelton’s.</p> <p><b>Response:</b> Proposers had the opportunity to provide any information related to their in the formal written proposal as per the Request for Proposal (RFP) process. The Authority Board will continue to evaluate the information in the written proposals accordingly.</p>
Nancy Petrowski	2046 South Third Street	<p><b>Comment:</b> Is it possible for the Steelton Water Authority to add accounts to its system including other municipalities?</p> <p><b>Response:</b> The ability to do this is very limited. Aside from a small portion of Swatara Township, outside municipalities that surround Steelton’s system are operated by other entities including: Suez Water, PA American Water, and Capital Region Water. Expanding Steelton’s system into these service areas is not feasible. As a landlocked entity, Steelton also has a very limited capacity for new development which generates new accounts.</p> <p><b>Comment:</b> How do the potential buyers recoup their investment?</p> <p><b>Response:</b> Ultimately, buyers will recoup their investment through the recurring revenues generated by rates and non-rate fees spread across their entire system, i.e., a cost-heavy system may be subsidized by rates increased across all-users of all water systems owned by said company.</p> <p><b>Comment:</b> Is the water system required to be debt free after it is sold?</p> <p><b>Response:</b> Yes.</p>

		<p><b>Comment: Is there a restriction on proceeds that can be mandated on Steelton Borough Council or guaranteed for Rainy Day Funds? This way residents ensure proceeds aren't wasted?</b></p> <p><b>Response:</b> While there is no mandate the Authority can place on the Steelton Borough Council, the Council has been involved in the process (including when sewer was considered) and has bought into a framework of using proceeds first for paying off General Fund Debt and Sewer Fund Debt, thus eliminating the Debt Service Tax and lowering sewer rates. The President and Vice-President sit on the Water Authority as well.</p> <p><b>Comment:</b> Why can't the Authority "shop around" for the best buyer?</p> <p><b>Response:</b> The Authority has done so through the Request for Proposals (RFP) Process.</p>
Nick Lane	322 South 7 <sup>th</sup> Street	<p><b>Comment:</b> It is wrong for the Borough to sell its water system. There are no guarantees because Borough Council has to approve the expenditure of proceeds. Mr. Lane stated that he has negotiated with ArcelorMittal as part of the union and that claiming they are cash poor is a strategy continually used. Mr. Lane called it a band-aid solution. He further stated that the Borough should merge with other municipalities because it has outlived its useful life.</p>
Trish Bixler	S 2 <sup>nd</sup> Street	<p><b>Comment:</b> The number in the presentation by Mr. Wenger are meaningless. They are massaged in order to put the Authority in the position of having to sell the plant. Ms. Bixler stated that there will be no recourse for customers once a system is sold. She further</p>

		<p>stated that when she came to Steelton the water quality was excellent. In recent years, she has bought bottled water because of the odor of the Steelton water. She also stated that someone is being lazy and not wanting to truly fix the Steelton system, rather opting to simply sell it to get rid of the issue.</p> <p><b>Response:</b> The data presented has been thoroughly vetted through independent third parties certified in the respective fields and under professional and legal scrutiny. Because a water system sale is a regulated process governed by the Pennsylvania Public Utility Commission (PUC), the data gathered and presented as part of the sale is under intense scrutiny and is part of an exhaustive review process that culminated in the approval or denial by the PUC. Mr. Bakare added that the PUC regulates and oversees the numbers used in a sales transaction.</p>
Robin Kissler	308 Angle Ave	<p><b>Comment:</b> Thanks the Authority and staff for their efforts in compiling and reviewing the data to determine the feasibility of a sale. Ms. Kissler stated that she felt the options presented for the future of the water system were limited in that there were only two options presented: buy or sell the system. She urged that the board explore creative solutions to making its water system financially and physically sustainable. Ms. Kissler does not think there are only two choices and brought up the idea of partnering with a university to upgrade the plant and water system through new and emerging technologies.</p> <p><b>Response:</b> The Steelton Borough Authority has actually already partnered with Penn State to address the disinfection byproduct issue. Penn State assisted with providing some small equipment, testing and analysis, and recommended changes in treatment</p>

		<p>processes to supplement the chlorine contact tank. Partnership with a university has been very helpful to Steelton, but the scope and scale has been supplementary to larger projects. The anticipated breadth of capital needs for the system makes partnering with a university a limited strategy to meet all of the system needs.</p> <p><b>Comment:</b> Asked, in the context of absorbing costs in the event the steel mill closes, what the true costs of losing the mill would be. Ms. Kissler stated that while the mill makes up 60% of revenue it uses most of the plants water. If the mill closes, costs will go down in some areas and the current operating costs will not be 100% the same. Ms. Kissler subsequently asked what the true fixed costs of the system are.</p> <p><b>Response:</b> The Water Authority currently operates on a relatively bare bones budget with only 4 distribution staff and 4 filtration operator staff. If the mill were to close, most of the water distribution system and the water filtration plant would remain making proportional reductions in staff, distribution and plant maintenance and repairs, and other line items difficult.</p> <p>Reduction in filtration plant intake and treatment of water due to lack of mill usage may result in a reduction of chemical usage (currently budgeted at \$120,000 per year), but the plant would most likely need to continue to be operated during its current hours to provide water to Steelton during the day. This means the same equipment would be run by the same complement of operators.</p> <p>Fixed costs that would remain largely unchanged if the mill were to close include:</p>
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Michelle Sheehan	2047 S. 3 <sup>rd</sup> Street	<p><b>Comment:</b> Ms. Sheehan asked if the steel mill receives a special sewer rate and if we are losing money because of the special sewer rate.</p> <p><b>Response:</b> Yes. The ArcelorMittal plant pays a flat 5% sewer rate due to the fact that most of its consumed water is treated and discharged separately from Steelton’s system.</p> <p><b>Comment:</b> Ms. Sheehan stated that a five-member board should not be solely responsible for making such a monumental decision for the town. She stated that water is a natural resource that private companies want to buy and that we should think long and hard before determining the future of a natural resource. She asked if it is possible for the town’s residents to vote in a referendum on the issue.</p> <p><b>Response:</b> Neither the Authority nor any purchaser of the Water System assets owns or would own the water; a sale would involve</p>

		<p>the Water System assets used to transport and treat the water. The Water System serving the Borough is owned and operated by the Authority. The Authority was organized by the Borough in accordance with the Pennsylvania Municipality Authorities Act, 53 Pa. C.S. § 5601 (“Act”), and its five-member Board was appointed by the elected members of the Borough Council and charged with the duty to act in the best interests of the Authority. The Authority can only exercise the powers permissible under the Act, which includes selling acquired property. The Act specifically states that any powers granted to an authority must be exercised by its board, meaning only the board can make decisions for the Authority. Moreover, a referendum for residents to vote on a potential sale of the Water System would violate the terms and provisions of the RFP and expose the Authority to litigation for failure to comply with the RFP.</p> <p><b>Comment:</b> Ms. Sheehan stated that it sounds to her like the board has already made up its mind to sell the plant and it is already a “done deal.” She stated that the public input hearings were only for show.</p> <p><b>Response:</b> Ms. Maxwell responded that there have been publically advertised meetings since the beginning of the year solely about the water sale. She further noted that she has spent hours away from family and despite working full-time with a two hour commute both ways, has dedicated her time to thoroughly review the data and all of the factors that will inform her decision. There have been multiple public meetings over the past 6-plus months to inform board members and assuming it is a “done deal” is misleading.</p>
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Nick Lane	322 S. 7 <sup>th</sup> Street	<p><b>Comment:</b> Mr. Lane stated that it is already a done deal.</p> <p><b>Response:</b> The Steelton Borough Authority has exhaustively reviewed data related to the potential water sale and advertised public meetings and held special input hearings solely to solicit feedback that will help inform their future decision.</p>
Keontay Hodge	2611 S. 2 <sup>nd</sup> Street	<p><b>Comment:</b> Ms. Hodge stated that she is a member of Council and that she commends the job the Authority Board is doing to consider a tough issue. Ms. Hodge addressed the crowd and stated that the public should be more involved at every step of the process, not just the part where they come and complain. She stated that the Board has worked hard, as has Council, to look into the long-term viability of the water and sewer systems and they have put a tremendous amount of personal time into the issue.</p>
Susan Spangler	2047 S. 3 <sup>rd</sup> Street	<p><b>Comment:</b> Ms. Spangler reiterated the previously expressed sentiment that the public should vote on the issue.</p> <p><b>Response:</b> See above response to Ms. Sheehan’s inquiry.</p>
Trisha Bixler	S. 2 <sup>nd</sup> Street	<p><b>Comment:</b> Stated that she did not come to the meeting to be reprimanded by the Authority board for asking questions and wanting information. Felt that she was personally attacked by certain members of the Board.</p>
Kathy Handley	Authority Board Member	<p><b>Comment:</b> Ms. Handley agreed that she feels the presentation was skewed and signals that selling the plan is, in fact, “a done deal.” She stated that she wants to keep the system. She believes it is an asset and believes that we can make the improvements needed and</p>

		continue to operate a quality system in the future. She noted that the intake on the Susquehanna that we own is a huge asset and believes that the system is still an asset.
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