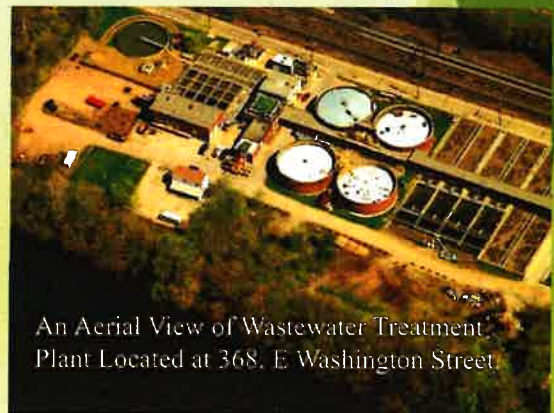


# Proposed Sale of Norristown Sewage Treatment Plant

September 2020



An Aerial View of Wastewater Treatment  
Plant Located at 368, E Washington Street

## So, why are you seeing signs about the sale of the Sewer Plant around town?

- ▶ A majority of Norristown's Council recently voted to sell the Norristown sewage treatment plant to corporate giant, Aqua Pa. This sale was approved despite the fierce objections of informed residents and two Councilpersons who felt that the sale is unfair to the residents of Norristown.
- ▶ The proposed sale was rushed during a pandemic, where most residents were not aware of the sale and Council ignored concerns of informed residents and the Norristown Municipal Sewer Authority management.
- ▶ Our objectives for this presentation are to ensure that all Norristown residents:
  - ▶ Have a full understanding of this proposed sale.
  - ▶ Understand why the rushed sale is not good for you.
  - ▶ Know how you can get engaged in stopping the sale.

## What is the Norristown Municipal Waste Authority?

- ▶ The Norristown Municipal Waste Authority owns and manages the sewage treatment plant for Norristown.
- ▶ The Authority is a “Component Unit” of the Municipality of Norristown, so Norristown’s council has certain controls and authority over the Authority, including appointing its board of directors.



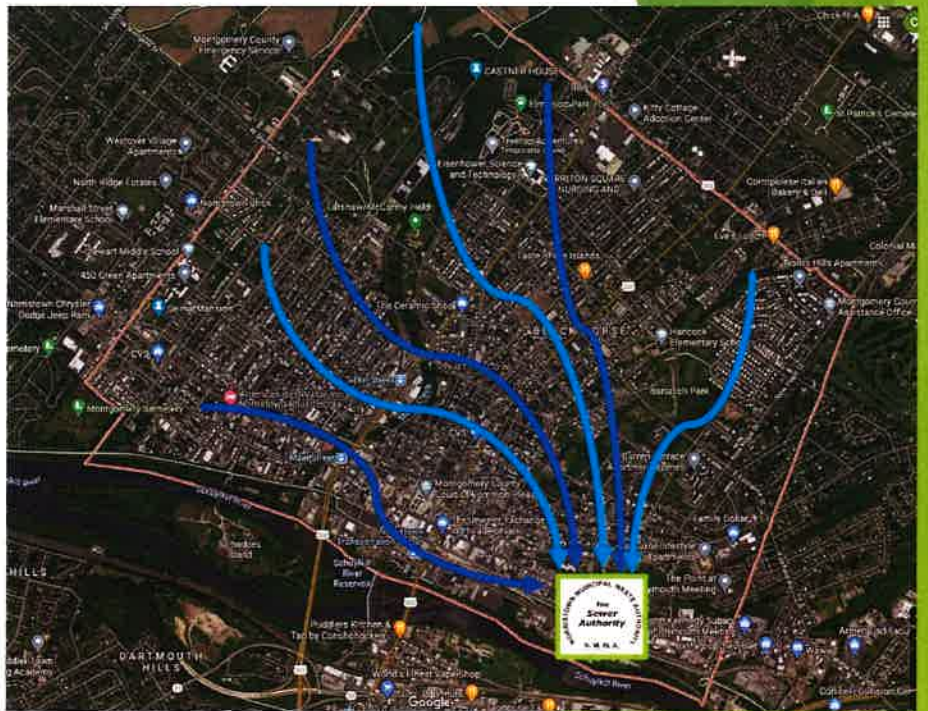
## So why are we against the sale?

▶ Many reasons:

- ▶ The sewage treatment is the most valuable asset that Norristown owns. It is a part of our 40 acres, our piece of the rock
- ▶ Norristown residents who will be impacted the most have not been kept informed
- ▶ On the surface, the sale doesn't make sense in any way
- ▶ The sale appears to mostly benefit special interest parties, lawyers and politically connected.
- ▶ The sale will result in our rates going up dramatically
- ▶ Local residents will no longer have a say in Sewer Authority activities, as it will no longer be owned by the municipality.
- ▶ The elderly, low and moderate income home owners, and renters will be disproportionately impacted by this sale
- ▶ There is a concern that the sale proceeds will not benefit Norristown residents

## Why is this asset so valuable?

- ▶ Literally all sewage entering the sewer lines throughout Norristown and West Norriton flow to the sewage plant, where it is treated.
- ▶ It is arguably, the single most critical and valuable asset that we own.
- ▶ The Authority is fiscally sound and the sewage treatment plant is a valuable asset to our community (a part of our 40 acres)
- ▶ It bills our residents some of the lowest sewer rates of any municipality in Montgomery County.



**Municipality of Norristown  
Summarized Balance Sheet  
31-Dec-18**

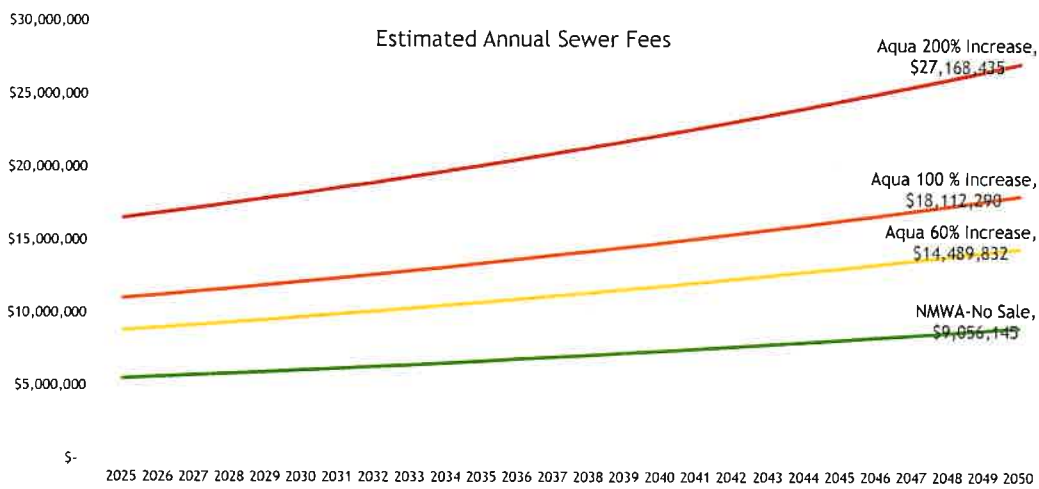
	<u>Primary Government</u>		<u>Waste Authority</u>		<u>Total</u>
Total asset & deferred outflows	\$ 57,542,485	65.91%	\$ 29,765,775	34.09%	\$ 87,308,260
Total liabilities & deferred inflows	\$ 55,781,599	77.91%	\$ 15,816,420	22.09%	\$ 71,598,019
Net Position (Equity)	\$ 1,760,886	11.21%	\$ 13,949,355	88.79%	\$ 15,710,241

**Municipality of Norristown  
Summarized Statement of Activities  
Year Ended December 31, 2018**

	<u>Expenses</u>	<u>Charges Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	<u>Total Charges &amp; Grants</u>	<u>Income/ (Loss)</u>
Primary Government	\$ 33,351,439	\$ 6,173,441	\$ 2,464,787	\$ 2,382,145	\$ 11,020,373	\$ (22,331,066)
Waste Authority	\$ 4,179,002	\$ 5,665,023	\$ -	\$ -	\$ - 5,665,023	\$ 1,486,021

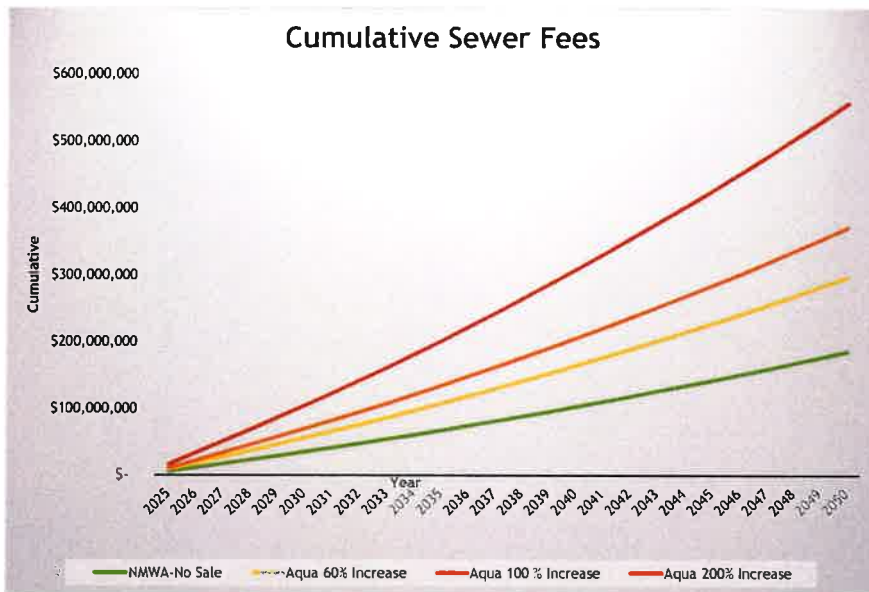
## How could the sale affect our sewer rates?

- ▶ Our Sewer Authority has only raised its rates once in the past 5 years. That increase was only 2.5%.
- ▶ There are estimates that suggest that your sewer rates could double, or even triple, under the new owners. We have been told that this same company tripled Springfield Township's rates in just 5 years. If that were to happen in Norristown, our residents could end up paying an additional \$10 million and more every year in higher sewer fees, indefinitely.
- ▶ We will have paid them back the entire amount that they gave us in just six years, and we would continue to have to pay approximately 3 times as much as the Waste Authority charges every year after that



This slide is intended to demonstrate the estimated annual sewer fees that will be charged residents if the sewer plant is not sold, compared to amounts that Aqua Pa may charge assuming their rates are increased by 60%, 100% and 200%.



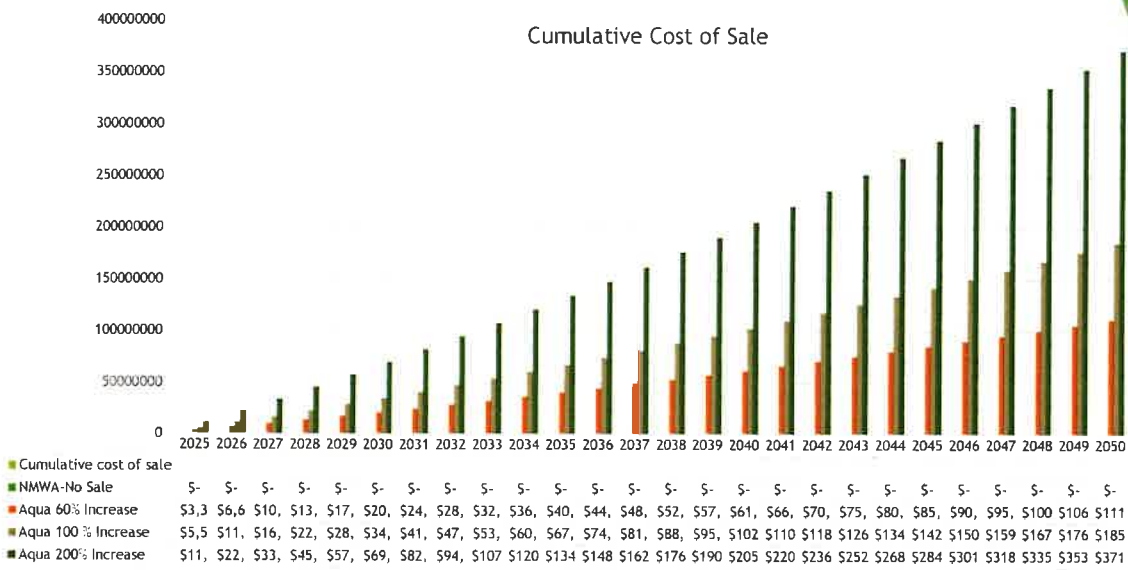


This slide is intended to demonstrate the estimated cumulative sewer fees that will be charged residents if the sewer plant is not sold, compared to amounts that Aqua Pa may charge assuming their rates are increased by 60%, 100% and 200%.

Total fees paid through 2050 will be less than \$200,000,000 if the plant is not sold. However, the total fees will exceed \$550,000,000 if the plant is sold and fees increase by 300%, \$350 million increase

Cumulative Cost of Sale

Cumulative Cost of Sale



■ Cumulative cost of sale   
 ■ NMWA-No Sale   
 ■ Aqua 60% Increase   
 ■ Aqua 100% Increase   
 ■ Aqua 200% Increase



## So, what do they plan to do with the \$58 million in proceeds from the sale?

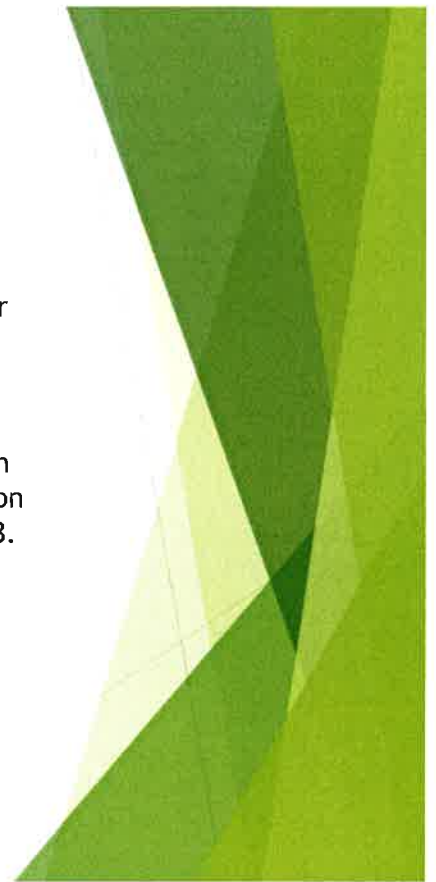
We don't know. They have provided a laundry list of potential projects, including:

- Economic development,
- Pay down municipal debt,
- Various park improvements, and
- Public works

However, we know nothing concretely

## A past experience

- ▶ In 2011, the Municipality guaranteed a \$5,000,000 loan to a local developer (Johnson & Markley Redevelopment, L.P.) for the redevelopment of an existing commercial building
- ▶ The loan went into default, and in 2018, the Municipality acknowledged its responsibility under the guarantee and began making principal payments on the loan. Accordingly, the Municipality has recorded a loss on the assumption of debt in the amount of \$5,000,000 for the year ended December 31, 2018. Payment on this loan are scheduled to continue through the year 2030.



## So, why should our council vote for such a bad deal?

- ▶ We could only speculate, and propose that you ask them.
- ▶ We have tried and have failed to receive any response that makes sense, other than they are simply listening to the wrong people.
- ▶ Council persons Hakim Jones and Rebecca Smith have taken courageous stances against this sale and have provided substantial public testimony on just how bad this sale is for our municipality. Talk to them...
- ▶ So has the appointed board of directors of the Norristown Municipal Waste Authority, who voted unanimously to defy Council and disapprove the sale. Talk to them...

## So what can we do to stop the sale?

- ▶ First, I will ask all of you to reach out to the five council members who are voting for the sale and let them know that you are against them trying to sell your asset without your knowledge and input.
- ▶ We must confront them with petitions.
- ▶ We are preparing to circulate two petitions to stop this sale. The first petition is to stop council from circumventing the Waste Authority board of directors.
- ▶ The second petition is to change the Municipality's charter to require that any future attempt to sell the sewer plant be approved by voters



## So, we need **your** help!

- ▶ We are coordinating efforts to obtain the required signatures on the petitions. We are setting a goal to obtain 3,000 signatures of registered voters in Norristown. So, you can help us help you by doing the following:
- ▶ Volunteer to help us collect signatures
- ▶ Sign the petition yourself
- ▶ Use all of your relationships and contacts to spread the word in our community.

## Who to contact for more information?

- ▶ Gregory Nester 610-308-9022
- ▶ Netta Johnson 610-764-4032, Netta6hug@aol.com
- ▶ David Hodo 267-963-8203, David.Hodo544@gmail.com
- ▶ John Milligan 215-287-3107, cakemillig@aol.com
- ▶ David McMahon 267-981-8202, dmxmhn@gmail.com
- ▶ [www.STOPTHESEWERSALE.COM](http://www.STOPTHESEWERSALE.COM)

You can also contact councilpersons Hakim Jones and Rebecca Smith to get their perspective on why this sale is bad for Norristown. Thank them for standing firm to protect your interest.