



THOMAS, NIESEN & THOMAS, LLC

Attorneys and Counsellors at Law

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May 4, 2018

Via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: PaPUC Docket No. M-2018-2645983
Pa. P.U.C. v. North Heidelberg Sewer Company

PaPUC Docket No. I-2018-3001161
Section 529 Investigation – North Heidelberg Sewer Company

Dear Secretary Chiavetta:

We are counsel to Aqua Pennsylvania Wastewater, Inc. (“Aqua”) concerning the above matters. In its Order entered February 9, 2018, at M-2018-2645983, the Public Utility Commission identified Aqua as receiver for the North Heidelberg Sewer Company and, in Appendix 1o of that Order, directed Aqua to “[s]ubmit an initial status report with the Commission within 60 days of assuming operations and then quarterly thereafter to detail any relevant updates pursuant to duties and responsibilities assigned through receivership.” As required by subpart 1o of Appendix A, we are submitting, via electronic filing with this letter, Aqua’s Initial Status Report dated May 4, 2018. We are also filing the Initial Status Report at I-2018-3001161, the Section 529 Investigation Docket. Please contact me with any questions concerning this matter.

Very truly yours,

THOMAS, NIESEN & THOMAS, LLC

By 

Thomas T. Niesen

Enclosure

cc: The Honorable Steven K. Haas (w/encl.)
Carrie Wright, Prosecutor (w/encl.)
Christine Maloni Hoover, Senior Assistant Consumer Advocate (w/encl.)
Elizabeth Triscari, Assistant Small Business Advocate (w/encl.)
Sean Cooper, Esq. (w/encl.)
Alexander R. Stahl, Esq. (w/encl.)



**INITIAL STATUS REPORT TO THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**NORTH HEIDELBERG SEWER COMPANY
AQUA PENNSYLVANIA WASTEWATER, INC. RECEIVERSHIP**

DOCKET NO. M-2018-2645983

DOCKET NO. I-2018-3001161

Dated: May 4, 2018

("EEMA") to walk through and inspect the wastewater system. Aqua engaged EEMA to be the contract operator for the system during Aqua's receivership duties. Aqua was accompanied by NHSC personnel to explain the design and operation of the system.

Aqua's initial walk-through of the system included inspection of the four pumping stations, the wastewater treatment plant, and the rented office space. Aqua received keys to all plant structures and subsequently changed the locks on the structures.

On March 13, 2018, Aqua met Pennsylvania Department of Environmental Protection ("DEP") personnel on-site for a review of the system and any potential environmental compliance issues as of the time of Aqua's receivership duties.

Through Aqua's initial visit, the site inspection with the DEP, and Aqua's operation of the system, Aqua identified the following issues related to the operation of the system:

- i. Pump Station No. 0 (Ski-Slope Pump Station) had only one installed pump in this duplex pump station. Failure of this one pump could lead to a sanitary sewer overflow ("SSO") directly into Tulpehocken Creek. Aqua ordered a replacement pump which will be installed in the near future once electrical accommodations are made for the pump station.
- ii. There are access issues to the pump stations in that there are not physical roadways up to the structures of the pump stations.
- iii. On Pump Station No. 2 (Walnut West Pump Station) a structure was put around the wet well which creates a confined space and thus access and safety issues related to routine operation and maintenance.
- iv. One of the four pump stations had an autodialer at the time Aqua initiated its receivership duties. Aqua subsequently installed cellular autodialers at each pump station.
- v. Each pump station requires standby power sources (back-up generation) to ensure continued operations through power outages.
- vi. Aqua's inspection of the flow records indicates inflow and infiltration issues ("I&I") in the system. Aqua will continue to monitor the I&I issues.
- vii. The discharge line for the treatment plant may be undersized for wet weather flow conditions insofar as the final chamber of the plant, which contains the ultra-violet ("UV") disinfection unit, surcharges and submerges the UV unit, bypassing disinfection. Aqua will further investigate this issue and provide updates in subsequent reports.

- viii. The current treatment plant forward flow pumping system is susceptible to blockages by debris which could potentially overload the treatment process clarifiers and downstream unit processes as well as the plant discharge.
- ix. The existing treatment plant does not have influent screening which presents opportunity for clogging of pumps and air-lift piping in the final clarifier system.
- x. The existing treatment facility effluent rapid sand filter was offline at the time Aqua initiated its receivership duties. Aqua believes that the sand filter is not necessary to meet effluent quality standards for this plant as required by the National Pollution Discharge Elimination System (“NPDES”) Permit. Aqua plans to request amendment of the Water Quality Management (“WQM”) permit to remove the sand filter from the permit insofar as it is a violation of the WQM permit to have the sand filter offline.
- xi. General safety conditions related to the operations of the system include, but are not limited to, lack of gratings, lack of kick-plates on walkway railings, rotted wooden gratings where metal gratings should otherwise exist, lack of railings preventing a fall into a tank.
- xii. The power supply for Pump Station No. 0 (Ski-Slope Pump Station) comes through the power feed to the Heidelberg Country Club golf course irrigation pump station which is located in proximity to Pump Station No. 0. Pump Station No. 0 requires an independent electrical feed from the power company.
- xiii. A section of the force main from Pump Station No. 0 (Ski-Slope Pump Station) which is reported to be welded carbon steel which traverses from the pump station site to Koenig Road under Tulpehocken Creek will need to be replaced via directional drill with high-density polyethylene pipe (“HDPE”). The section of steel pipe under Tulpehocken Creek was found to be leaking due to corrosion and was reported to DEP as mentioned by DEP during their March 13, 2018 site visit.
- xiv. The existing aeration blower system at the treatment plant does not provide for reliable system redundancy.

Aqua engineering, in conjunction with an electrical contractor, conducted an on-site assessment of the facilities on April 5, 2018. The assessment found that there were safety issues related to arc flash, grounding, panel clearances, corrosion, and general documentation and labeling. These issues will be further investigated and Aqua will make improvements based on the need for operator safety and system reliability.

Aqua entered into a month-to-month lease for the NHSC office space for the immediate period to ensure records are preserved until they can be reviewed fully and moved offsite, and to bring the 2017 books of NHSC current as explained in Section 3 below. Aqua will continue the month-to-month lease until the office space is no longer required.

On March 13, 2018, EEMA responded to an alarm at Pump Station No. 1 (Halfway House) indicating high level in the wet well. EEMA found that the pump motor variable frequency drive (“VFD”) had faulted. EEMA reset the VFD and station returned to normal operation. A copy of Aqua’s SSO report to DEP is included here as **Attachment B1**. DEP’s report sent to Aqua is included with this report as **Attachment B2**.

On April 11, 2018, Aqua was notified of a suspected SSO at a manhole outside of the fence near the back of the wastewater treatment plant which occurred at some point in the past. There was no discharge observed into the nearby stream as a result of the SSO. The affected area was cleaned up and lime was applied. The SSO was likely caused by a line blockage at some time in the past, but was not blocked when Aqua observed the site. Aqua, per its procedures, cleared the line via water jet. A copy of Aqua’s report to the DEP is included in this report as **Attachment C1**. The report DEP sent back to Aqua from DEP’s site visit is included with this report as **Attachment C2**.

As Aqua continues to operate the system to ensure compliance with the PUC Order, Aqua will make improvements necessary to provide safe and reliable service. Aqua will have further information on operational issues in later reports.

3. Financial

On February 20, 2018, NHSC provided to Aqua tax returns, balance sheet, accounts receivable, accounts payable, and profit and loss statements. Aqua has assumed control over the bank accounts held by NHSC and established itself as the sole signatory party on NHSC’s check stock. Aqua engaged the contract accountant used by NHSC to assist in bringing NHSC’s books current and to close out NHSC’s 2017 books. Aqua is currently in the process of working with the contract accountant, and will be able to more fully report the financial position of NHSC after the 2017 books are closed and Aqua is able to establish a trial balance for NHSC. Aqua will provide further updates in subsequent reports.

4. Initial Customer Billing and Communication

Aqua’s understanding of NHSC’s prior practice was to receive meter reading information from Reading Area Water Authority (“RAWA”) for the service month in the first week or two of the subsequent month. NHSC would then bill customers around the second week of the month following the service month. Aqua received customer information, but did not have the current meter read information for the February service month from RAWA for a billing in early March. Aqua contacted RAWA and received the meter reading information and was able to send out the first billing on NHSC bill stock to customers on or about March 29, 2018.

Aqua subsequently incorporated the customer data received from NHSC and RAWA into Aqua’s billing system. NHSC customers were then billed for the March service period on or about April 20, 2018. That billing was on Aqua bill stock and included a bill insert explaining that Aqua was acting as receiver, directing customers to Aqua’s website where they could create an account to pay bills online, reiterating that bills may also be sent to Aqua’s P.O. Box, and

providing customers with Aqua's customer service number. The bill insert is included with the report as **Attachment D**. NHSC customers' next billing is expected on or about May 21, 2018.

C. CONCLUSION

Aqua will continue to investigate the system's operations and financial status, and will make necessary improvements to operate NHSC to ensure safe and quality service to the NHSC customers for the period of its receivership duties during the 529 proceeding. Aqua will provide an update to this initial report on or before August 6, 2018.

ATTACHMENT A

North Heidelberg Sewer Company

NOTICE OF RECEIVERSHIP AND SECTION 529 PROCEEDING

February 26, 2018

To our customers,

As you may already be aware, on February 9, 2018, the Pennsylvania Public Utility Commission (“PUC”) entered an administrative order to invoke Section 529 of the Public Utility Code (66 Pa. C.S. §529). Under this law, the PUC will determine whether North Heidelberg Sewer Company should be acquired by a larger wastewater utility company to ensure safe, adequate, and reasonably continuous utility service to its customers at just and reasonable rates.

As part of this process, the PUC has ordered that **Aqua Pennsylvania Wastewater Company** assume total control of all property and operations of NHSC as a receiver beginning on March 5, 2018.

Your wastewater service will not be interrupted during this process. However, the company controlling your billing will change. Please continue to send your payments to NHSC until March 4, 2018. **On March 5, 2018, customers should direct all service and billing questions and all payments to Aqua Pennsylvania Wastewater Company.** Your payments should be sent to:

**Aqua
P.O. Box 1229
Newark, NJ 07101-1229**

For more information, including instructions on how to participate in this matter, you may contact the PUC at **1-800-692-7380**. You may also leave your name and address with the PUC so that you can be notified of any public input hearings that may be scheduled in this case.

Sincerely,

North Heidelberg Sewer Company

ATTACHMENT B1

Please check the appropriate box Dry Weather Overflow Wet Weather Overflow

1. Date, Name, Phone # of person completing this report	Date : March 13, 2018 Phone # :215.687.9276 Name : Gordon Miller
2. Your organization name and address ?	Name: Aqua Pennsylvania Wastewater Inc., Receiver for North Heidelberg Sewer Co. Address: 762 W. Lancaster Ave, Bryn Mawr PA 19010
Sewer system owner and permit number	North Heidelberg Sewer Company, PO BOX 609, Bernville PA 19506 NPDES PERMIT NO. PA 0033766
3. Date found and <u>specific</u> location of SSO. Including Municipality/County (if different from #2) ?	Date:Tuesday, March 13, 2018 at 5:15 PM EST Municipality: Bernville Location: North Heidelberg Pump Station #1, "Halfway House" County: Berks
4. How was SSO discovered? By whom ?	Overflow was discovered by Jeff Grassley, EEMA O&M Services Group, Subcontractor for Receiver - Aqua Pennsylvania Wastewater, Inc.. The Operator was monitoring the pumping stations throughout the day and discovered a high level at Pumping Station #1, "Halfway House" at 5:05 PM. The operators attempted to start the pumps and found the VFD in Fault condition. The PS began to surcharge as 5:15 PM. The Operator reset the VFDs and restored operation to the pumping station at 5:30 PM.
5. Start and end time of SSO (actual or estimate?)	Start: 5:15 PM. End: 5:30 PM
6. Date, time and name of person who called PADEP originally to notify of SSO ?	Date : Tuesday 3/13/2018 Time : 6:30 PM Name : Jeff Grassley called the PADEP emergency hotline at 6:30 pm to notify them of the incident. PADEP returned the call to the Operator at 6:35 PM to confirm receipt.
7. Description and actual or estimated volume of SSO	Estimated at approximately 200 - 300 gallons.
8. Where, <u>precisely</u> , did SSO go ? (land, roadway, basement, swale, storm sewer, creek, etc) Please include creek name or street location.	The SSO was contained in the immediate area surrounding the pumping station.
9. What caused SSO ? How was it stopped ?	A fault was caused by the quality of the incoming utility electric supply that was outside the operating parameters of the VFD.
10. Describe extent of contamination and how it was cleaned up	The overflow was contained in the immediate grounds surrounding the puming station. The operator attempted to lime the area but was prevented by frozen conditnons.
11. What actions will be taken to prevent a re-occurrence ? When ?	Aqua is currently evaluating the pumping stations for deficiencies and is preparing a priority list of of areas of concern and a corrective action plan. Evaluation of the VFD fault here and an understanding of corrective measures will be obtained and implemented as soon as practical.
12. Other comments ?	
13. Downstream notifications made: (All downstream users such as public water supplies must be notified)	None

ATTACHMENT B2



SEWAGE COMPLIANCE INSPECTION REPORT

NPDES / WQM Permit No. PA0033766	Mo/Day/Year 3/16/2018	Entry Time 11:00	Exit Time 11:30	Inspection Type INCDT	eFACTS Inspection ID 2710292
Facility Name: North Heidelberg Sewer Company			Permittee Name: Mr. Joseph Aicholz II North Heidelberg Sewer Company		
Physical Location/Directions: WWTP off Koenig Road (Dirt road adjacent to property at 223 Koenig Road				Permit Expiration Date: 4/30/2014	
Municipality: Jefferson Township		County: Berks		Permit Renewal Application Due: pending	
Facility Type: <input type="checkbox"/> Municipal <input type="checkbox"/> Major <input checked="" type="checkbox"/> Non-Municipal <input checked="" type="checkbox"/> Minor		Treatment Process: <input checked="" type="checkbox"/> Ext Aeration <input type="checkbox"/> Contact Stabilization <input type="checkbox"/> SBR <input type="checkbox"/> RBC <input type="checkbox"/> MBR <input type="checkbox"/> MBBR/IFAS <input type="checkbox"/> Trickling Filter <input type="checkbox"/> Lagoon			
Design Flow: MGD		<input type="checkbox"/> Other:			
Responsible Official: Aqua America			Does the facility have an Operator in Responsible Charge: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Title: Reciever			Operator Name: Mr. Jeffrey Grassley		
Permittee Address: 762 W. Lancaster Avenue Bryn Mawr, PA 19010			Circuit Rider: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
			Client ID: 197254 License Expiration Date: 3/31/2020		
			Class-Subclass(es): A,1		
			Operator properly certified for treatment process type: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Business Phone:			Business Phone: 215-910-2519		
Cell Phone:			Cell Phone:		
Email:			Email: jgrassley@comcast.net		
24-Hour Emergency Contact Person / Phone / Email: Mr. Jeffrey Grassley					
VIOLATIONS: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> None Identified During Inspection <input type="checkbox"/> Pending Sample Results					
Discharge of raw or untreated sewage from the North Heidelberg Township collection system to the surface of the ground is a violation of PA Clean Streams Law, Sections 201 & 202					
Recommendations:					
Person Interviewed:		Date: 3/27/18	Inspector: Kevin Buss		Date: 3/26/18
Signature: <i> Gordon H Miller</i>		Phone No.: 215.687.9276	Inspector Signature: <i> Kevin Buss</i>		Phone No.: 610-916-0132
Title: Aqua Pennsylvania Wastewater, Inc.			Title: Water Quality Specialist		
Email: ghmiller@aquaamerica.com			Email: kbuss@pa.gov		
This document is official notification that a representative of the Department of Environmental Protection inspected the above facility. The findings of this inspection are shown above and on any attached pages. * Any violations which were noted during the inspection are indicated. Violations may also be discovered upon examination of the results of laboratory analyses of the discharge and/or review of Department records.					



SEWAGE COMPLIANCE INSPECTION REPORT

Comments

Unaccompanied incident inspection was conducted today. Mr. Jeff Grassley reported an SSO at PS 1, near the intersection of Christmas Village RD and Koenig RD on the golf course, by phone on 3/13/2018 at 18:43, estimated volume 200-300 gallons.

A written response was received on 3/15/2018- PS began surcharging at 17:30 due to VFD fault.

At the time on inspection I did not note any debris in the surrounding area. There was no apparent evidence of discharge to surface waters.

Please apply lime to the affected area after an SSO.

ATTACHMENT C1

Miller, Gordon H.

From: Miller, Gordon H.
Sent: Tuesday, April 17, 2018 3:06 PM
To: 'Buss, Kevin'
Cc: Jeff Grassley
Subject: North Heidelberg Sewer Co SSO Report 4/11/2018

Kevin,

The following report documents the suspected sanitary sewer overflow that was discovered on April 11, 2018 following notification by the North Heidelberg Country Club of evidence of sanitary residuals in the vicinity of NHSC's manhole located just outside the NHSC WWTP's east fence line (opposite side of the plant from the driveway entrance).



Image 1 SSO Location

Image 1 above indicates the approximate location of the manhole suspected of surcharging.

Aqua's subcontractor, EEMA O&M Services, operator Jeff Grassley, responded to the received report on 4/11/2018 and found evidence of a small quantity of sanitary residuals in the vicinity of the manhole. When Jeff arrived at the reported site, no sewage was actively surcharging and no active blockage of the sewer main was evident. The surcharge had evidently occurred at some time prior to the call from the golf club. The quantity of sewage that potentially overflowed is unknown but it appears that the quantity was very small based upon the evidence observed immediately around the manhole. No evidence was observed to indicate that the SSO had any impact beyond the area near the manhole nor did the SSO appear to encroach on the stream.

The area around the manhole was cleaned up by EEMA and lime was applied to the affected area. EEMA then contacted a local contractor that day, 4/11/2018, and the sewer mains in the vicinity of the manhole were cleaned with a water jet to clear residuals in the pipe. The next day, 4/12/2018, Liquid Motion was dispatched to remove residuals from the sewer main utilizing a vacuum truck. Having cleared the main and removing the residuals, the main was clear and conveying flow unimpeded.

Aqua will have EEMA monitor this area of sewer main in particular going forward and will perform sewer cleaning as deemed necessary to ensure that no further blockages can occur.

The following images were taken following the clean-up of the affected area.

Image 2 below captures the manhole suspected of surcharging and the adjacent golf cart path. The WWTP fence can be seen in the background.



Image 2

Image 3 below shows the cleaned golf cart path in further detail. The manhole is just out of view of this photograph.



Image 3

Sincerely,
Gordon H. Miller

Aqua Pennsylvania Wastewater, Inc.
Manager, Treatment
762 W. Lancaster Ave. Bryn Mawr, PA 19010
C: (215) 687-9276
E: ghmiller@aquaamerica.com

ATTACHMENT C2



SEWAGE COMPLIANCE INSPECTION REPORT

NPDES / WQM Permit No. PA0033766	Mo/Day/Year 4/12/2018	Entry Time 11:15	Exit Time	Inspection Type INCDT	eFACTS Inspection ID 2720946
Facility Name: North Heidelberg Sewer Company			Permittee Name: Mr. Joseph Aicholz II North Heidelberg Sewer Company		
Physical Location/Directions: WWTP off Koenig Road (Dirt road adjacent to property at 223 Koenig Road				Permit Expiration Date: 4/30/2014	
Municipality: Jefferson Township		County: Berks		Permit Renewal Application Due: pending	
Facility Type: <input type="checkbox"/> Municipal <input type="checkbox"/> Major <input checked="" type="checkbox"/> Non-Municipal <input checked="" type="checkbox"/> Minor		Treatment Process: <input checked="" type="checkbox"/> Ext Aeration <input type="checkbox"/> Contact Stabilization <input type="checkbox"/> SBR <input type="checkbox"/> RBC <input type="checkbox"/> MBR <input type="checkbox"/> MBBR/IFAS <input type="checkbox"/> Trickling Filter <input type="checkbox"/> Lagoon			
Design Flow: MGD		<input type="checkbox"/> Other:			
Responsible Official: Aqua America		Does the facility have an Operator in Responsible Charge: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Title: Reciever		Operator Name: Mr. Jeffrey Grassley			
Permittee Address: 762 W. Lancaster Avenue Bryn Mawr, PA 19010		Circuit Rider: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
		Client ID: 197254 License Expiration Date: 3/31/2020			
		Class-Subclass(es): A,1			
		Operator properly certified for treatment process type: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Business Phone:		Business Phone: 215-910-2519			
Cell Phone:		Cell Phone:			
Email:		Email: jgrassley@comcast.net			
24-Hour Emergency Contact Person / Phone / Email: Mr. Jeffrey Grassley					
VIOLATIONS* : <input checked="" type="checkbox"/> Yes <input type="checkbox"/> None Identified During Inspection <input type="checkbox"/> Pending Sample Results					
Discharge of raw or untreated sewage from the North Heidelberg Township collection system to the surface of the ground is a violation of PA Clean Streams Law, Sections 201 & 202					
Notification to the Department is required within 4 hours of a pollution event. Please call the emergency response hotline to report an incident outside of regular business hours					
Recommendations: I recommended removing debris and applying lime to the affected area,					
Person Interviewed:	Date:	Inspector: Kevin Buss	Date: 4/20/18		
Signature:	Phone No.:	Inspector Signature: <i>Kevin Buss</i>	Phone No.: 610-916-0132		
Title:	Title: Water Quality Specialist				
Email:	Email: kbuss@pa.gov				
This document is official notification that a representative of the Department of Environmental Protection inspected the above facility. The findings of this inspection are shown above and on any attached pages. * Any violations which were noted during the inspection are indicated. Violations may also be discovered upon examination of the results of laboratory analyses of the discharge and/or review of Department records.					

Comments

I received notification from Mr. Jeff Grassley (EEMA certified operator) by phone on 4/12 at 09:18: SSO occurred 4/11/2018 in the afternoon at the manhole adjacent to N. Heidelberg WWTP fence, near the influent wetwell. There was no discharge to the stream. The area had been cleaned up and lime was applied to the area. Overflow was caused by a line blockage. I requested a written report.

Unaccompanied incident inspection today:

There is debris on the manhole and on the cart path. No apparent discharge to the stream observed. The affected area appears to be limited to within ~15 M of the overflow manhole.

I checked pump station 1- no apparent signs of recent overflow.

I spoke to Mr. Grassley over the phone at 11:46 and recommended removing debris and applying lime to the affect area.

A written response was received on 4/17/2018

Photos



Figure 1- photo taken by Kevin Buss, shows overflow manhole.



Figure 2- photo taken by Kevin Buss, shows area of sewer overflow

ATTACHMENT D

Dear North Heidelberg Sewer Customer:

Aqua Pennsylvania Wastewater, Inc. (Aqua) assumed operations of North Heidelberg Sewer Company (NHSC) on March 5, 2018 as its receiver in accordance with an order by the Pennsylvania Public Utility Commission (PUC).

Aqua is a subsidiary of Aqua Pennsylvania, Inc., one of the largest regulated public utilities in the Commonwealth, providing water and wastewater service to approximately 1.4 million people across Pennsylvania. Aqua Pennsylvania has a 132-year history of operating water and wastewater systems and will bring its expertise to NHSC during the term of Aqua's receivership.

Aqua is now providing wastewater service to NHSC customers until an ultimate determination on NHSC's operation and ownership is made by the PUC. During this time, you will receive bills for service from Aqua like the one accompanying this letter.

You can pay your bill online by setting up an account at AquaAmerica.com. If you have questions on your bill or service issues, please call Aqua's customer service call center at 877.987.2782.

Customer payments may also be mailed to:

Aqua
P.O. Box 1229
Newark, NJ 07101-1229

We appreciate your patience through this transition period during which we look forward to providing you quality service.

Sincerely,



Marc A. Lucca
President