

EXHIBIT W
(Public Version)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

AQUA PENNSYLVANIA, INC.

DOCKET NO. A-2022-3033138

AQUA STATEMENT NO. 3

**DIRECT TESTIMONY OF
ZACH MARTIN**

**With Regard To
Operations
Customer Service
Public Benefits**

February 2023

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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Zach Martin. My business address is 665 South Dock Street, Sharon, PA
4 16146.

5

6 **Q. By whom are you employed and in what capacity?**

7 A. I am employed by Aqua Pennsylvania, Inc. (“Aqua PA”), as the Western Pennsylvania
8 Area Manager.

9

10 **Q. Please provide a brief description of your education and work experience.**

11 A. I graduated from the Kent State University with an Associate of Science degree in 2009
12 and then a Bachelor of Business Administration in 2021. I have worked in the water and
13 wastewater industry for nineteen years. I began my career in the utility industry in the
14 spring of 2004 with the City of North Canton, Ohio as a water plant operator where I
15 secured my Class III Water Supply Certification from the Ohio EPA. I moved into a
16 leadership role in early 2009 as the Regional Water Superintendent for Portage County
17 Water Resources where I was responsible for managing plant and distribution employees
18 in the county operations of three water systems. I also served as backup to the wastewater
19 superintendent there for the 13 wastewater treatment plants and 113 lift stations. In 2010,
20 I moved to Aqua Ohio, Inc. as the Production Manager for the Struthers Division. There I
21 was responsible for the operations and maintenance of the large surface water system
22 including the 5 million gallon per day (“MGD”) surface water treatment plant and the five

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1 source water lakes and their six dams. In 2013, I was promoted in Aqua PA as the Assistant
2 Division / Production Manager and later a Plant Manager II in 2017, and I held that position
3 through 2021. During those eight years I was responsible for all aspects of production,
4 treatment, and distribution facilities of the eight drinking water systems in Western PA. In
5 2021, I was promoted to the position of Area Manager II. In total I have worked for the
6 Aqua subsidiaries of Essential Utilities, Inc. (“Essential”) (f/k/a Aqua America, Inc.) for
7 13 years. I am responsible for leading a team of employees delivering drinking water to
8 customers and returning treated wastewater back to the environment in nine counties of
9 Western Pennsylvania. I am involved in all aspects of operations including budgeting,
10 planning, employee relations, and process control. I am also involved in the business
11 development functions in my area of operations. I am also a veteran of Operation Iraqi
12 Freedom III and served in the U.S. Army and Ohio Army National Guard.

13
14 **Q. Do you hold any professional licenses or certifications?**

15 A. Yes. I hold three environmental operator certifications in two states. I am a Class-A
16 certified water and Class-A certified wastewater operator in Pennsylvania with 18
17 subclasses in total. I am also a Class 3 water supply licensed operator in the state of Ohio.
18 I have maintained operational laboratory certifications in both states as well.

19
20 **Q. Have you previously testified before the Pennsylvania Public Utility Commission**
21 **(“PUC” or the “Commission”)?**

22 A. No.

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Q. What is the purpose of your Direct Testimony?

A. The purpose of my Direct Testimony is to discuss Aqua Pennsylvania Wastewater, Inc.’s (“Aqua”) operations and how Aqua will integrate the City of Beaver Falls (“City” or “Beaver Falls”) wastewater system (“the System”) into Aqua’s operations; and to discuss the public benefits of this transaction.

Q. Are you sponsoring any Exhibits with the Company’s filing?

A. No.

II. AQUA OPERATIONS, INTEGRATION OF THE SYSTEM, AND TECHNICAL FITNESS

Q. Please describe Aqua’s operations in relation to the System geographically.

A. Aqua’s Western Division office in Sharon, PA is located approximately 34 miles from the City. Aqua’s Western Division oversees nine water and four wastewater systems serving 30,031 customers in 34 municipalities. Aqua’s Western Area office will oversee and provide operations support for the System, along with management support from Aqua’s Southeast Headquarters.

Q. Please state how many miles the City System is from Aqua’s existing service territory.

A. The City System’s distance from Aqua’s existing service territory is as follows:

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1

Buyer's Plant	Location	Approximate Distance to City (miles)
Emlenton System	Emlenton, PA (Venango)	42
Western Area Office	Sharon, PA (Mercer)	32
Mahoning Township System	Hillsville, PA (Lawrence)	19

2

3 **Q. Will the System be physically interconnected with Aqua’s system or be operated as**
4 **a standalone system?**

5 A. The System will be operated as a standalone system within Aqua’s footprint.

6

7 **Q. Please describe how Aqua will integrate the operation of the System into its current**
8 **operations.**

9 A. The operation of the System will be managed from Aqua’s Western Area office in
10 Sharon, PA. Management, customer service, regulatory compliance, engineering,
11 financial, and ancillary services will be provided seamlessly from there with support from
12 our Southeastern Headquarters office. Aqua plans to offer employment to seven current
13 employees of the City to address the day-to-day operations of the System.

14

15 **Q. Will other Aqua PA employees assist in the operation of the system, if needed?**

16 A. Yes. Aqua has 12 wastewater operators in the Western PA Area, many holding dual
17 water and wastewater certifications, which may be called upon to assist in the operations
18 of the system. There are also 20 certified water operators in the Western PA Area that

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1 are familiar with treatment systems and can follow standard operating procedures
2 (“SOPs”) if needed. These operators are also supported by Aqua PA employees, which
3 will benefit customers through engineering and field service functions.
4

5 **Q. Please explain the support services that Aqua Services will provide to the System.**

6 A. Aqua Services, Inc. (“Aqua Services”), the Service Company for the Aqua subsidiaries,
7 provides expertise in a variety of areas to the water and wastewater subsidiaries of
8 Essential. Aqua Services will provide support to the operation of the system through its
9 employees’ expertise in accounting and financial, administrative, communications,
10 corporate secretarial, customer service and billing, engineering, fleet services, human
11 resources, information systems, operations, regulatory compliance, rates and regulatory,
12 risk management, water quality, legal, and purchasing, contracts and sales of real estate.

13 A benefit to the community of Beaver Falls and the City customers will be the
14 access to expansive customer service provided by the Aqua-owned customer service call
15 centers, the Everbridge after hours call center, and the customer service work order
16 programs. City customers will have access to customer service centers during normal
17 business hours and emergency call centers 24/7. Customer calls are recorded for training
18 and complaint resolution, account status can be confirmed, outages and emergencies like
19 broken meters, obstructed or leaking service connections, and water or wastewater main
20 breaks can be reported and dispatched with date and timestamped record keeping. The
21 City’s customers will benefit from Aqua’s extensive list of internal and external resources

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1 in the immediate Western PA Area, throughout all the Aqua PA operations, as well as all
2 of Essential.

3 Another example of the support that Aqua will provide to the City System is
4 through its purchasing and supply chain management groups. Aqua sources materials
5 and supplies to include chemicals, pipe, fittings, equipment, and vehicles through
6 national contracts. Through leveraging our purchasing power and economies of scale,
7 Aqua can secure the best materials and supplies at very competitive costs. Aqua
8 maintains relationships with suppliers large and small, and Aqua has a history of being
9 able to shift inventories of materials and supplies across areas, companies, and regions to
10 meet customer service and maintenance needs of systems. Aqua will be able to extend
11 these cost savings to the City System and ensure that capital investments can be
12 completed as cost effective as possible. The increases of supplies and materials that the
13 City System adds to the total Aqua purchasing will help maintain or even lower costs as
14 quantities increase.

15
16 **Q. Does Aqua plan any physical, operational, and managerial changes after closing?**

17 A. As mentioned in the Direct Testimony of Mark J. Bubel, Sr., there are planned capital
18 improvements and Aqua plans to offer employment to seven City employees. The
19 System will be operated from Aqua’s Western Area office. There will be no other
20 physical, operational, and managerial changes after closing.

21
22

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1 **Q. Is the System similar to other systems owned and operated by Aqua?**

2 A. Yes. The System, as stated above, is a wastewater collection and treatment system.

3 Aqua owns four other collection and treatment systems located within Western
4 Pennsylvania.

5

6 **Q. Do you believe that Aqua is technically fit to own and operate the system?**

7 A. Yes.

8

9 **Q. Please describe the Company's technical fitness and how the Company can provide**
10 **quality and reliable service to City wastewater customers.**

11 A. Aqua PA and Aqua are Class A utilities that already have certificates to operate
12 throughout the Commonwealth and have acquired many systems in the last three decades.
13 Aqua will provide quality and reliable service to the City wastewater customers given the
14 Company's operational expertise as well as engineering support local to the City System.
15 Aqua has expertise in troubleshooting mechanical equipment as well as wastewater
16 treatment processes. Aqua also has expertise in operating wastewater collection and
17 conveyance systems. Aqua strives to ensure the collection, conveyance, and pumping
18 systems which the Company owns provide continuous safe and reliable service. Aqua
19 has worked with the Commission and statutory advocates to acquire and improve
20 troubled wastewater systems (e.g., Washington Park Wastewater, Docket No.
21 A230550F2000). In addition, Aqua was appointed receiver for the North Heidelberg
22 Sewer Company system in Berks County by the Commission effective March 5, 2018.

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1 Aqua took over daily wastewater operations of the facility serving approximately 274
2 customers on March 5, 2018. Aqua has provided operations service and improvements to
3 the system to ensure quality and reliable service.

4 Specifically in the Western Area of its operations, Aqua has replaced six sewer
5 lift stations, upgraded treatment plant headworks to include a new equalization tank, and
6 increased permitted capacity of the Treasure Lake wastewater system plant. Aqua has
7 installed a state-of-the-art ultraviolet disinfection system at this plant. Aqua also
8 navigated strict Pennsylvania Department of Environmental Protection (“DEP”)
9 regulations to install chemical treatment systems and optimize the plant for copper
10 removal to benefit an impaired receiving stream.

11 In Emlenton, Aqua has worked to rebuild rotating biological contactors, we have
12 improved residuals management practices, rebuilt the influent lift station and headworks
13 of the treatment facility, as well as installed new de-chlorination facilities to meet
14 compliance requirements for the receiving stream.

15 Aqua will immediately incorporate the equipment and facilities acquired from the
16 City into the established asset management programs to include preventative maintenance
17 programs and corrective maintenance management.

18

19 **Q. Does Aqua have emergency preparedness measures in place?**

20 A. Yes. Aqua currently has emergency preparedness measures in place to ensure security
21 and continued service in emergency circumstances all of which have been reviewed by

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1 the Commission. Aqua maintains a cyber security, physical security, and business
2 continuity plan.

3 Aqua has an in-house IT department that is dedicated to preventing and
4 responding to security concerns, including actively monitoring for cyber threats. Aqua
5 has physical security plans including door locks with card swipe functionality on all
6 major facilities. Aqua reviews new acquisitions for potential physical security
7 improvements to ensure the continued viability of its facilities. Finally, Aqua maintains a
8 business continuity plan which allows for management of the Company to continue
9 should facilities be compromised. The System would come under each of these plans and
10 would therefore benefit from Aqua’s planning.

11
12 **Q. Please explain Aqua’s safety programs.**

13 A. Aqua and Aqua PA maintain safety programs that entail basic safety training in all the
14 major categories which operators and operations management personnel are required to
15 complete including but not limited to:

- 16 • Confined Space Training
- 17 • Back and Lifting Safety
- 18 • Work Zone Traffic Control
- 19 • Excavation Safety Awareness
- 20 • Fall Protection Training
- 21 • Hazard Communication
- 22 • Personal Protective Equipment
- 23 • Emergency Egress, Exits and Fire Safety
- 24 • Electrical Safety Training
- 25 • Control of Hazardous Energy | Lockout Tagout
- 26 • Arc-Flash Assessment and Protection
- 27 • Respiratory Protection
- 28 • Hearing Conservation

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- 1 • Occupational Safety and Health Administration (“OSHA”) Process Safety
2 Management (“PSM”) Program
- 3 • U.S. Environmental Protection Agency (“EPA”) Risk Management Program
4 (“RMP”)
5

6 Aqua’s safety program and procedures provide public benefits in that the City's
7 customers will have a leader in the wastewater industry providing service. The City
8 employees will benefit from the implementation of programs that have been proven
9 effective and compliant with state and federal regulations.

10 **[BEGIN CONFIDENTIAL]**

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

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1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]

10 [END CONFIDENTIAL]

11

12 **Q. Please describe Aqua’s current arrangements to supply power to its facilities.**

13 A. Essential has a national contract with a number of energy companies for purchased
14 power. These national contracts allow Aqua PA to acquire power at a favorable rate
15 across all its water and subsidiary wastewater operations. Essential employs a full-time
16 energy manager to ensure that it is getting the best price for power across its footprint.
17 Aqua also maintains an inventory of emergency portable generators across all the Aqua
18 subsidiaries. The Western Pennsylvania operations team currently maintains two
19 portable generators as backups to the stationary generators at all critical facilities. Aqua
20 also maintains several portable drinking water pumps as well as several solids handling
21 wastewater bypass pumps. One of each of these pumps is stationed in Western
22 Pennsylvania for emergency support of operations.

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2 **Q. Please summarize why you believe Aqua is technically fit to own and operate the**
3 **system.**

4 A. My explanation of Aqua’s current operations, the System’s similarity to other systems
5 operated by Aqua, the additional support that will be provided by Aqua as an experienced
6 wastewater utility, all support that Aqua is technically fit to own and operate the System.

7

8 **III. CONCLUSION**

9 **Q. Does this conclude your Direct Testimony?**

10 A. Yes, it does. However, I reserve the right to supplement my Direct Testimony as additional
11 issues and facts arise during the course of this proceeding.