

February 20, 2023

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

RCVD PUC SEC BUR  
FEB 23 2023 AM 10:41

RE: PROTEST & PETITION TO INTERVENE  
Application of Aqua Pennsylvania Wastewater, Inc  
Assets of Shenandoah Borough and MABS  
Docket No. A-2022-3034143

Dear Secretary Chiavetta

As past Chairman of MABS, I would like to submit a few more details added to my previous protest & petition to intervene dated January 17, 2023. There is much history that I would like to share.

A. Please see the enclosed document that was printed in the Republican Herald. MABS plant operator Daniel Salvatore presented the plant upgrades and stated the authority has financially strengthened itself in recent years and some future costs won't be as high as borough estimates. As for the multipage report released by the borough on the potential sale, Salvatore said I was taken aback on that report. I really don't know where they got these numbers. He said \$8 million for a plant upgrade is way off. "I don't believe it's going to cost more than 1.8 million. We deferred the loan with the authorization from PENNVEST for as many as nine months. "that's not defaulting on it" he said. What I find more disturbing is that the borough said a sale of the system to Aqua COULD RESULT IN LOWER PRICES FOR CUSTOMERS. We now know that is not true by the letter we received, that the current MABS customers will see an increase of 44.87% or \$19.50 monthly increase if absorbed by MABS current customers. This is not in the best interest to MABS customers.

B. Whereas, MABS owns approximately 56 miles of 16" cast iron transmission and distribution pipes and water mains that convey and distribute water within the Borough and certain surroundings areas, (to put that into perspective), I could drive from Shenandoah to the PUC Building, which would be 64 miles and only be only 8 miles short of the PUC Building). That is a lot of 16" piping, for 56 miles.

C. 4 large reservoirs, being past Chairman of MABS those 4 reservoirs contain approximately 670 MILLION GALLONS OF WATER. That is a lot of water, not sure if members of council know that amount.

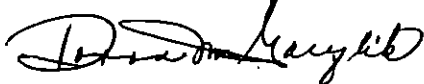
D. Together with water, MABS SYSTEM PROPERTY RIGHTS, which is the land gone in the sale. I will now respond to another Borough Sell off that the borough has not shared with the customers, but added it vaguely, with no amounts of the acres owned by MABS. Please see the enclosed MABS PARCELS DEED BOOK, DEED PAGE AND ACRES, WHICH TOTALS \*\*\*1,951.05 ACRES\*\*\*. That land could generate income in many ways such as the new Inflation Reduction ACT, which Northern Schuylkill County (Shenandoah) is eligible. Property designed for the use of wind energy, which we have and property designed to capture, remove or sequester Carbon Exide Emission.

E. Schedule 2.02(G) There is money that is received for Cell Towers use. After 5 years the Municipality will receive the first \$10,000 and the buyer AQUA will retain the remaining revenue. After the eleventh anniversary of the closing date, all revenue will go to AQUA. I am sure cell tower usage money will be higher in future years. Another loss with this sale.

F. In 2015 The Pennsylvania Economy League on page ES-4 said MABS and Shenandoah Borough should also discuss the merits of pursuing the divestiture of both the water and sewer system in a single transaction. Potentially, capital projects could address both water and sewer facilities and thus reduce cost related to professional services, bidding, contracting and even the construction work itself. The present sewer system is bad, the DEP should look into the many issues with this system and should do a visit at the plant. Every year our rates keep going up. The plant is mismanaged in many ways, much worse than the MABS water system. Many of us would rather see the Sewer System sold and not the water system. The Borough needs money, that is one of the reasons to sell MABS and pay off debt through their own past mismanagement. The borough of Shenandoah should look into Act 47 to aid financially distressed municipalities, before they sell our system at such a huge loss to Shenandoah. Leo Pietkiewicz statement to the PUC Exhibit Y Page 1 said he is a member of both The Board of the Municipal Authority of the Borough of Shenandoah since 2017 and a member of council for the past 21 years. Also on Exhibit B. Asset Purchase Agreement. John Paul Dombrosky signed the agreement for the Borough of Shenandoah as vice president and has his name as secretary of The Municipal Authority of the Borough Of Shenandoah. It certainly looks as a conflict of interest, unethical and looks like an issue of impropriety. You can't make decisions of 12 million dollars for the good of the citizens of Shenandoah and sit on both sides of the table. And the present MABS Board has not been executing appropriately and in conformity with the municipal authority act, that is in the best interest of the MABS customers. If this sale goes through in a way to combat debt, what happens in future years when we have no assets to sell. In land, water, and cell towers all of our revenues are gone forever.

The sale is not in the public interest to sell, many people are against the sale of MABS to Aqua. In closing please consider this request to look into the sale and use whatever means the PAPUC and Office of Consumer Advocate can help to assist and represent the citizens of Shenandoah, we are the customers of MABS. I can be reached below.

Sincerely,  
Donna M. Gawrylik



114 South West Street  
Shenandoah, PA 17976  
CELL: 570-590-3225

RCVD PUC SEC BUR  
FEB 28 2023 09:10:41

CC: Commonwealth of Pennsylvania office of Consumer Advocate  
CC: Saul Ewing Armstein & Lehr, LLP, Attn: Courtney L. Schultz  
CC: Carrie B. Wright Prosecutor PA Attorney ID No. 208185

# Shenandoah water plant receives upgrades amidst debate over sale

BY JOHN E. USALIS  
STAFF WRITER

RAVEN RUN — Even with the sale of the Municipal Authority of the Borough of Shenandoah looming, maintenance and upgrade projects continue to keep the water system operating.

And so does the debate about the sale.

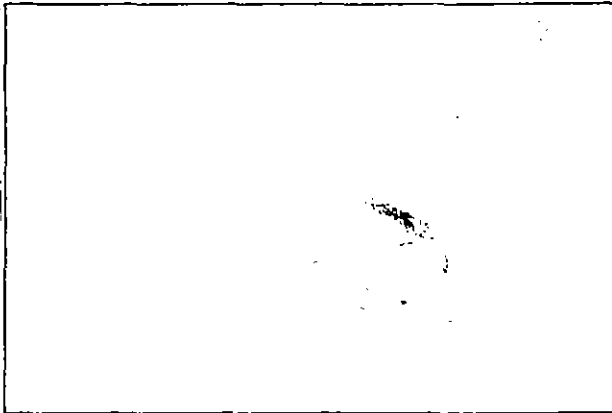
The Shenandoah Borough Council has scheduled two public hearings later this month to provide information to customers and get their input on the potential sale of the system to Aqua Pennsylvania Inc.

MABS directors are not in

agreement with the borough about the sale, and earlier this year retained the law firm of Elliott Greenleaf & Dean to research, investigate and commence legal action if warranted to stop it. The authority has determined it is not in the best interest of the authority or its customers.

MABS plant operator Daniel Salvadore, who provided a tour of the plant Tuesday, said the authority has financially strengthened itself in recent years and some future costs won't be as high as the borough estimates.

Please see **PLANT**, Page A6



JOHN E. USALIS / STAFF WRITER

Water filtration plant operator Daniel Salvadore removes a panel from one of the four control units. There is a control unit for each filtration unit. Salvadore said the old control units will be replaced with one modern version.

1

1010 810 811 810  
825 25 2125 1100K

# PLANT: 'We make good water'

FROM PAGE A2

## Filter upgrade

On Monday, the replacement of filter media, used to remove particles of dirt and other materials from the raw water in system reservoirs, began on the first of four filtration units at the plant, located on top of Locust Mountain in West Mahanoy Township.

Tractor-trailers were in and out of the complex, which also houses the MABS office, delivering the media — filter anthracite, filter sand, garnet and support gravel. It was unloaded onto the front parking lot and later moved to grounds at the rear of the building for storage.

Water Service Professionals Inc., Warminster, is contracted to replace the media. Its employees emptied the first unit for the first time since the plant was built in 1995. Company President Andrew Taylor was also on hand, as was Alfred Benesch & Co. Project Manager Michael Peleschak.

After the filter media is removed, each unit will be inspected. A key part of the inspection involves the approximately 300 plastic air nozzles at the bottom of each unit that are checked for cracks or other damage. In the first unit, Salvatore said, almost all of the nozzles were in good shape, and, after they are cleaned, would be put back.

"The media replacement probably could have been done sooner, but we've been making some pretty good water," Salvatore said. "This is the time to do it."

Salvatore guided the Republican Herald to the third floor, where the tops of the filtration units can be seen. The one unit was completely empty. The other three were filled and operating. The plant draws 1.4 million gallons of raw water per day. In the past year, about 600 million gallons were pumped out to the system.

"It's pretty fascinating," Salvatore said as he met with Taylor and Peleschak at the empty tank.

Taylor also spoke about the media replacement and nozzle cleaning.

"It's the most cost-effective way to rehabilitate this type of filter. We will then put in the new filter media, disinfect the filter and put it back on line. Hopefully, that will be by this week."

There are four large control units that individually operate the filter units. Installed when the plant was constructed, the control units are no longer made so replacement parts are not available. Due to the humidity in the



JOHN E. USALIS / STAFF WRITER

**Large containers of sand are removed after being delivered Tuesday to the Municipal Authority of the Borough of Shenandoah water filtration plant. The sand is one material used in the filtration units.**

room, the electronic control cards deteriorate. Salvatore has reported at many board meetings the need to purchase control cards through eBay.

Plans are to replace all four units with a modern supervisory control and data acquisition system. Salvatore said it will be a small, single system to control all filtration units.

## Borough 'way off'

As for the multipage report released by the borough on the potential sale, Salvatore said, "I was taken aback on that report. I really don't know where they got their numbers."

He said \$8 million for a plant upgrade is "way off."

"I don't believe it's going to cost more than \$1.8 million, and that's with everything that is on my wish list. The filter project with the four clarifiers is about \$220,000. The SCADA system will be about \$250,000. There are other things like water meters.

"Maybe putting up new condos on the third floor would make it close to \$8 million," he added with sarcasm.

Salvatore has worked at the plant since it went online and became the plant operator in 2007. Employees are represented by United Steelworkers Local 14372, for which Salvatore is steward.

"I'm just worried about getting this plant where it should be. That's my job," he said.

He said he thought the sale was on the back burner.

"The authority members voted not to sell it, so we didn't hear anything about

it for a while. I thought it just stopped," he said.

The authority service area includes Shenandoah Borough, most of West Mahanoy Township and a portion of Butler Township. The authority has two reservoirs near the treatment plant and two larger reservoirs in Union Township.

"The borough, which has been working with the Pennsylvania Economy League to improve its own financial stability, called the water system a "looming crisis" in announcing its efforts to sell it. Hearings are scheduled for 7 p.m. Monday, Oct. 26, and Thursday, Oct. 29, to gather public input. The site for the hearings has not been announced.

The borough said a sale of the system to Aqua could result in lower prices for customers.

## 'We make good water'

As far as Salvatore is concerned, financially the authority has been improving.

"We're certainly not perfect, but for a couple of years we've been in the black," he said. "And we have never defaulted on a loan. That is completely false."

Salvatore was referring to the authority falling behind on loan payments to the Pennsylvania Infrastructure Investment Authority.

"We deferred the loan with the authorization from PENNVEST" for as many as nine months. "That's not defaulting on it," he said.

"We're not a problem plant," he concluded. "We make good water."

**Contact the writer:** jusalis@republican-herald.com; 570-628-6023

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**MABS PARCELS**

Tax Map ID

Deed Book

Deed Page

Acres

Tax Map ID	Deed Book	Deed Page	Acres
30-07-0011.000			204.5
30-07-0011.001			17.3
30-07-0022.000			54.5
30-08-0006.000			10.3
30-08-0007.000			277
30-08-0009.000			1.1
30-08-0058.000	625	617	163.5
30-08-0059.000	625	617	8.4
30-08-0060.000	625	617	17.4
30-08-0061.000	625	617	22.9
30-09-0023.000			44.1
30-09-0024.000			131.4
30-09-0024.001			1.5
36-01-0005.002	1490	786	11.2
36-01-0007.000			2.9
36-01-0008.000	1448	608	0
36-02-0003.000			259.5
36-02-0003.003			1.5
36-02-0016.000	1115	248	2.5
36-02-0026.000	659	459	0.41
36-02-0055.005	1448	608	119
36-02-0055.005	1448	608	600
64-05-0283.000	1287	147	0.05
64-11-0055.002	1197	360	0.09

Total Acres owed by MABS

1951.05

MABS and Shenandoah Borough should also discuss the merits of pursuing the divestiture of both the water and sewer systems in a single transaction. That approach would recognize the following factors which would likely lead to additional economies and other service improvements:

- There is substantial overlap between the water and sewer customer bases which would facilitate combined billing, collections, administration, customer service and communications.
- Potentially, capital projects could address both water and sewer facilities and thus reduce costs related to professional services, bidding, contracting and even the construction work itself.
- That combination would create a larger revenue base which would enhance the interest of organizations interested in taking on ownership and operation of the system as well as the ability to finance a transaction of that sort.

RCVD PUC SEC BUR  
FEB 23 2023 AM 10:41

ES-4

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June 2015

**A FIVE-YEAR  
FINANCIAL, MANAGEMENT, AND OPERATIONAL  
REVIEW AND STRATEGY FOR  
SHENANDOAH BOROUGH**



**PENNSYLVANIA  
ECONOMY LEAGUE**  
Information, Insight, Integrity.

Prepared under a Grant from the  
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Early Intervention Program

Prepared by:

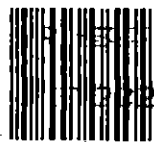
Pennsylvania Economy League, Central PA, LLC  
W. Ronald Smeal  
Civic Research Alliance

June 2015

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RDC 89



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