

# **EXHIBIT V**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**AQUA PENNSYLVANIA, INC.**

**DOCKET NO. A-2024-3049015**

**GREENVILLE WATER AUTHORITY STATEMENT NO. 1**

**DIRECT TESTIMONY OF  
THOMAS C. STRAHLER**

**April 2025**

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1 **I. INTRODUCTION**

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

3 A. My name is Thomas C. Strahler, and my business address is 44 Clinton Street, Greenville,  
4 Pennsylvania, 16125.

5  
6 **Q. What is your relationship with the Municipal Authority of the Borough of Greenville  
7 (“GWA”)?**

8 A. I have been a member of the GWA Board of Directors (“Board”) since February of 2020.  
9 I was recently appointed to another 5-year term by the Borough of Greenville (“Borough”  
10 or “Greenville”) Council beginning in January of 2025. I have been the Board Chairman  
11 since January of 2021.

12  
13 **Q. Can you provide a summary of your educational background?**

14 A. I graduated from the University of Pittsburgh in 1975 with a BA degree in Administration  
15 of Justice and Criminology. I graduated from the Pennsylvania State Police Municipal  
16 Academy at Northwest Training Facility in Meadville in November of 1977. I am a  
17 graduate of the FBI National Academy in Quantico, Virginia in 1993.

18  
19 **Q. Can you provide a summary of your work history?**

20 A. I was hired by the Greenville West Salem Police Department in May of 1977. I was  
21 employed continuously from 1977 until 2004 when I retired as the Chief of Police. From  
22 2004 to 2018 I worked full time as the Chief Investigator for the Mercer County Public

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1 Defender's Office. From 2018 to 2023 I continued working as an investigator on a part time  
2 basis at the Public Defender's Office until my full retirement in 2023.

3

4 **Q. Have you testified before the Pennsylvania Public Utility Commission (“PUC” or the**  
5 **“Commission”) before?**

6 A. No.

7

8 **Q. How long have you lived in Greenville?**

9 A. Since 1977.

10

11 **Q. Are you a water customer of the GWA?**

12 A. Yes.

13

14 **Q. On whose behalf are you providing Direct Testimony in this proceeding?**

15 A. I will be providing testimony on behalf of the GWA, and in cooperation and support of  
16 Aqua of Pennsylvania, Inc.’s (“Aqua”) application for purchase of the GWA water system  
17 (the “System”).

18

19 **Q. Please describe the purpose of your Direct Testimony and summarize the key points**  
20 **it will address.**

21 A. The purpose of my Direct Testimony is to provide an overview of the GWA from a Board  
22 Member’s perspective, which will include the following; (1) a description of the System;

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1 (2) the administration and management of the System; (3) the reasons for, and the benefits  
2 of the sale of the System to Aqua; and, (4) how the GWA sets its rates.

3 Membership on the GWA board carries certain responsibilities, which include the  
4 support of operations, listening to the community and as best we are able, and to look  
5 toward the future.

6 Over the years we have had the benefit of many past members who have fulfilled  
7 these roles, and have, along with our employees, maintained the System as an asset to  
8 Greenville. This was accomplished through an era of great change to the water industry  
9 and despite the fact the Greenville community has been devastated by the loss of industry,  
10 jobs, and people.

11  
12 **Q. Are you sponsoring any Exhibits with your Direct Testimony?**

13 **A.** No.  
14

15 **II. DESCRIPTION OF THE BOROUGH AND THE GWA SYSTEM**

16 **Q. Please provide a general overview of the Borough.**

17 **A.** Greenville is a Borough located in Mercer County, approx. 75 miles north of Pittsburgh,  
18 and 60 miles south of Erie. Greenville Borough is surrounded by the townships of  
19 Hempfield and West Salem. There are approximately 5,540 residents in Greenville  
20 Borough. The Borough has recently exited Act 47 status after spending 21 years in that  
21 status.  
22  
23

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1 **Q. Please describe the GWA System.**

2 A. The GWA is a stand-alone authority which provides water to residents in Greenville  
3 Borough and portions of Hempfield Township (“Hempfield”), West Salem Township  
4 (“West Salem”), and Sugar Grove Township (“Sugar Grove”) in Mercer County. The  
5 majority of the water customers (80%) reside in Greenville, with 19% of customers in  
6 Hempfield, and 1% in West Salem (limited customers are in Sugar Grove). The System, as  
7 of December 31, 2024, serves approximately 2,700 customers including residential,  
8 business, commercial, and industrial users.

9 The GWA is comprised of one (1) water treatment plant (“WTP”), a booster pump  
10 station, five (5) storage tanks, 43 miles of distribution mains, and other appurtenances. All  
11 of the buildings, tanks, lines and treatment plant are owned by the GWA.

12 The GWA employs 11 full time employees, five are certified operators and four are  
13 certified operators-in-training. There is limited redundancy, which can be felt when  
14 employee absences are extended or unplanned or when an employee leaves the  
15 organization.

16  
17 **Q. Please describe issues that GWA system will face in the future.**

18 A. As it stands today, the GWA system is in a good condition. Due to the input of the GWA  
19 managers and employees, the Board has been able to make decisions that have significantly  
20 upgraded the system through capital improvements by proactively addressing the problem  
21 areas of the system and, also, reactively responding to unexpected issues. This has come at  
22 a cost. We have accumulated debt of over \$5.7 million dollars as a result of these  
23 maintenance efforts.

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1           Of course, the cost of these capital improvements are borne by the GWA customers,  
2           and there are many potential existing issues that must be dealt with, which include:

- 3           (1)    A WTP that is 35 years old, and which has had mechanical and system  
4                   failures in the recent past which necessitated costly repairs and replacement  
5                   equipment;
- 6           (2)    Service lines that are aging and need replacing, including the main line  
7                   running through the center of town, which is over 125 years old;
- 8           (3)    The unpredictable rise in cost of chemicals and supplies for treating water;
- 9           (4)    Compliance with present and future Federal and State regulations,  
10                   particularly, identifying and replacing lead and galvanized pipe on both the  
11                   GWA's side of the system, and the customer's side; and
- 12           (5)    Regulations concerning Cybersecurity, Lead and Copper Rule Revisions,  
13                   and continual PFAS and PFOA compliance monitoring.

14           The water business has become much more complicated. It will take significant  
15           investment in equipment and expertise to keep up. Regardless, if the water system is sold  
16           or not, our customers are going to see rate increases to keep up with the expense of  
17           operating the water system. These efforts could be further complicated by the fact that  
18           GWA has recently experienced challenges in terms of finding and retaining qualified  
19           operators for the System.

20

21   **Q.    Please describe the function and composition of the GWA Board.**

22    A.    The GWA is overseen by a Board consisting of 5 members, all who have volunteered for  
23           the position and were appointed by the Borough Council of Greenville. The Board, at one

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1 time, consisted of 7 members, but it was later reduced to 5 members due to the lack of  
2 interest from the community in filling, and difficulty in finding qualified individuals to  
3 serve in, the board positions.

4 None of the Board members have any training, education or experience in operating  
5 a water system. The Board acts on recommendations from the GWA manager, and the  
6 Board depends on the manager to provide us with the direction they would like to proceed  
7 concerning all facets of the authority, including, but not limited to, capital improvements,  
8 finances, human resource issues (hiring, firing, discipline), customer complaints, and many  
9 other issues.

10  
11 **Q. Please describe the role of the GWA manager.**

12 A. The manager is hired by the Board and works at the discretion of the Board. In the past 5  
13 years we contended with the absence of a manager on two occasions. In both these  
14 instances the GWA was able to continue operations, but we were unable to proceed with  
15 any intermediate or long-term capital improvement projects. Additionally, we have had to  
16 depend on outside resources for advice and assistance, mainly requesting this advice from  
17 Aqua. As I have pointed out earlier, the manager is responsible for all facets of the GWA  
18 and is responsible for making recommendations and decisions.

19  
20 **Q. Please describe the other GWA employees.**

21 A. The GWA has 11 employees: The manager, two office personnel, 4 plant operators and 4  
22 distribution workers. Over the past 5 years we have hired at least 10 people throughout the  
23 system to replace employees who have left for various reasons. At one point three of our

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1 operators left taking with them invaluable knowledge, experience and education. We were  
2 down to one plant operator, which required our manager to fill in to cover shifts. The  
3 competition for competent workers is fierce in all businesses and has been for some time.  
4 And due to evolving regulations, the water business is becoming much more technical than  
5 in the past. The cost of hiring and retaining employees is increasing, and we will be unable  
6 to do this without increases rates.

7  
8 **III. SALES PROCESS**

9 **Q. Please describe GWA's decision making process moving forward with the sale of the**  
10 **System.**

11 A. In October of 2021, I was made aware of intentions of the Borough and the Greenville  
12 Sanitary Authority ("GSA") to enter into discussions with Aqua Pennsylvania Wastewater,  
13 Inc. ("APW") for the purpose of possibly selling the GSA to APW. I was advised at that  
14 time that the Borough was also interested in getting out of the utility business altogether,  
15 and that the GWA might want to consider the possibility of selling also.

16 The GWA received a letter from Aqua in December 2021 or January 2022  
17 expressing its interest in acquiring the GWA System. This letter was taken to the Board,  
18 and the Board agreed to invite representatives from Aqua to a Board meeting to make a  
19 presentation.

20 On July 13, 2022, at our monthly GWA Board meeting, which was open to the  
21 public for comment and discussion and held in-person in the GWA conference room,  
22 representatives from Aqua made a presentation regarding the potential sale. After the

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1 presentation, the GWA Board voted to proceed with a Letter of Intent and to explore the  
2 sale of the System.

3 On March 22, 2023, Aqua made another presentation regarding the sale at the  
4 Senior Center in Greenville for the purpose of soliciting public discussion and comment.  
5 Aqua representatives also met with the GWA employees on two different occasions to  
6 discuss to the potential sale. On April 12, 2023, the GWA Board voted to proceed with  
7 negotiating the Asset Purchase Agreement (“APA”) with Aqua for the sale of the GWA  
8 System. On September 13, 2023, the GWA Board voted to approve and sign the APA with  
9 Aqua.

10  
11 **IV. BENEFITS FROM THE SALE**

12 **Q. Please summarize the benefits of the sale of the GWA System to Aqua.**

13 A. There are numerous benefits from the proposed sale of the GWA to Aqua. Some of those  
14 benefits are summarized below.

- 15 • All jobs of the GWA employees will be preserved.
- 16 • The transaction will provide enhanced operational expertise throughout the GWA  
17 System, and will benefit from Aqua’s expertise, long standing capital improvement  
18 programs, and experience in improving and investing in aging systems in need of  
19 capital improvements.
- 20 • While GWA has replaced mains in the System, there still remains miles of mains,  
21 much of which lays under state roads, that need to be replaced. More than 1,500  
22 service lines of unknown material must be identified, and 70 lead service lines must

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1 be replaced in the next ten years to comply with recent lead and copper rule  
2 revisions (“LCRR”).

3 • Meters and meter reading equipment need to be updated to reflect current  
4 technology and provide better customer service.

5 • Provides service benefits through ownership by Aqua, a Commission-regulated  
6 utility that provides high quality water services to the public.

7 • The transaction will provide Aqua’s well trained, educated and experienced  
8 employees to partner with, assist and provide oversight for all aspects of the GWA  
9 System. The access to Aqua’s workforce would also mean that there would be less  
10 reliance on outside consultants for things like accounting, legal, IT, and engineering  
11 work.

12 • The transaction will provide enhanced customer service and operational functions  
13 through expanded customer service hours, more streamlined payment options, and  
14 enhanced customer information and education programs, and support from Aqua’s  
15 team.

16 • Provides access to Aqua’s customer assistance programs to provide payment  
17 assistance for qualifying customers.

18 • Provides added protections for customers due to Aqua's regulation by the  
19 Commission, which will ensure regulatory oversight, require approval for all rate  
20 increases, and provide significant consumer protections.

21 • Provides more robust and comprehensive employee safety programs.

22 • Provides improved security of information systems against cyber-attacks targeted  
23 at municipal owned utilities with less sophisticated technology infrastructure and

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1 defenses, as well as of physical assets due to Aqua's security programs and  
2 procedures.

- 3 • Recognizes benefits related to Aqua's proven record of environmental stewardship  
4 for the operation of water systems.
- 5 • The transaction will secure financial stability for the Borough and its residents, and  
6 provides flexibility to make necessary future capital investments within the  
7 Borough.
- 8 • Recognizes that Aqua estimated \$10 million dollars in capital improvements to the  
9 water system over the next 10 years.
- 10 • Provides the GWA the finances to pay off its current \$5.7 million dollar debt.

11  
12 **V. RATES**

13 **Q. How does the GWA set its rates?**

14 A. The Board meets in November to vote on the proposed rate changes for the coming year.  
15 The Board receives feedback from both the GWA Manager and the finance committee,  
16 which consists of two Board members. The Manager and the finance committee make their  
17 recommendations at the monthly public meeting. These recommendations are then  
18 discussed at the November meeting. The Board takes this information under advisement  
19 and then votes on the rates change resolution at the next public meeting in December.

20 The GWA has passed resolutions to increase rates every year since I have been on  
21 the Board. I foresee the GWA continuing to increase user rates in the upcoming years as  
22 the cost of maintaining equipment and covering expenses has steadily increased.

23

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1 **Q. What are the current rates for customers of the GWA?**

2 A. Please refer to the tables below for information on current rates for customers of the GWA.  
3 The Borough recently updated its rate schedule to reflect current billing practices, however,  
4 the rates themselves did not change.

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APPROVED WATER RATES 2025 (AMENDED)

Meter Size	2025 Service Fee per Unit	PA-DEP Safe Drinking Water Fee
5/8"	\$22.59	\$0.30
5/8" X 3/4"	\$22.59	\$0.30
3/4"	\$37.64	\$0.30
1"	\$60.23	\$0.30
1 1/2"	\$127.03	\$0.30
2"	\$201.37	\$0.30
3"	\$403.65	\$0.30
4"	\$586.59	\$0.30
6"	\$1,540.48	\$0.30

*Customers assigned more than one unit will be billed multiple service fees as determined by the Authority.*

MONTHLY CONSUMPTION CHARGES BLOCK RATE, PER THOUSAND	
Volume Consumed	Cost per 1000 gallons
1,000 gallons or less	\$6.71
2,000 - 5,000 gallons	\$9.62
6,000 - 199,000 gallons	\$10.07
200,000 gallons or more	\$7.83

*Consumption will be billed at the volumetric rate based on the customer's total consumption within the bands shown above. Consumption will be truncated and billed based on the last full 1000 gallons used. Any gallons between increments of 1000 gallons that are not billed on the current bill will be recognized and accounted for in the following billing period.*

5  
6

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1 VI. CONCLUSION

2 Q. Please provide your concluding thoughts.

3 A. We are very proud of the fact that the GWA has provided the residents of Greenville with  
4 a reliable and safe source of water from the time of incorporation. However, between the  
5 changes in our community and the changes to the business of treating water, it has become  
6 more and more expensive and complicated with new regulatory requirements, and the  
7 rising costs of equipment and retaining and training employees.

8 The Board, in our estimation, will need to address the following issues to properly  
9 fulfill the needs of our customers:

- 10 • Diminishing customers/revenue. Serving fewer customers due to population  
11 loss does not reduce the cost to operate the water system. But it does mean that  
12 fewer customers have to share an increasing burden of the cost of water. This  
13 means that if GWA continues to operate the System, the rates will have to  
14 increase significantly if for no other reason than there are fewer paying for the  
15 service.
- 16 • The WTP is over 35 years old. It was built in response to the needs of era in  
17 which it was built. It may not be well suited to current and proposed treatment  
18 regulations. It will require an upgrade or outright replacement in the not too  
19 distant future.
- 20 • Upgrades have been made to the distribution and storage facilities fairly  
21 regularly over the years. However, the 125 year old main line through the center  
22 of downtown Greenville remains a need to be addressed, especially if the

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1 Borough hopes to redevelop the downtown area with stores, apartments, etc. It  
2 will be a very costly and complicated project.

3 • Staffing has become an issue. A water utility worker should have technical  
4 training licensed by the Commonwealth of Pennsylvania. In addition, to  
5 maintain the license the individual must receive current training. While this is  
6 good for the utility and the worker, it is another added expense to dollars and  
7 man hours. Our only hope is to continue to increase wages and benefits to retain  
8 these workers, which contributes to rate increases.

9 • Finding qualified citizens who are willing to serve on the Board is also a  
10 concern. A shrinking, and aging population in an era when serving on a board  
11 is not popular makes it difficult to fill these positions.

12 • The regulations for operating a public water supply are becoming increasingly  
13 complex, as are the testing requirements. While they are addressing legitimate  
14 concerns, the cost for compliance is staggering. For example, the requirements  
15 for updated lead and copper rules, as well as the continual PFOA and PFOS  
16 compliance monitoring which will add thousands of dollars to our annual costs,  
17 not to mention the workers hours for compliance. This cost will be reflected in  
18 the rate of our customers pay.

19 • Even if we continue to operate the GWA, the rates will increase significantly  
20 but the other issues such as staffing, filling Board seats, compliance, etc. will  
21 remain.

22 • On the other hand, by selling, the rates will also increase. However, rather than  
23 simply a continuation of normal operations, it will be accompanied by

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1 investments in the System that may not be possible if GWA remained in charge.

2 There will be resources for operations, staffing, compliance and emergencies

3 when necessary. Our customers will also benefit from the support of PUC

4 oversight, not only for issues, but more for disadvantaged customers.

5 • The added financial benefit to the Borough was also a very important part of  
6 the Board's decision making process. The monies from the sale of the GWA  
7 will go to repaying debts, upgrading infrastructure, investing, and assisting in  
8 redevelopment, and possibly reducing property taxes and other fees for  
9 residents of Greenville.

10 • The Board of the GWA took their responsibility as custodians of the public trust  
11 very seriously, and in doing so made the decision to proceed with the  
12 proposition to sell to Aqua.

13

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

15 A. Yes. However, I reserve the right to supplement this testimony during the course of this  
16 proceeding.