

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Application of Pennsylvania-American Water :  
Company under Sections 1102(a) and 1329 of the :  
Pennsylvania Public Utility Code, 66 Pa C.S. :  
§§ 1102(a)and 1329, for approval of (1) the transfer, by :  
sale, to Pennsylvania-American Water Company, of :  
substantially all of the assets, properties and rights related : Docket No. A-2025-3053487, *et al.*  
to the wastewater system owned and operated by East :  
Coventry Township, and (2) the rights of Pennsylvania- :  
American Water Company to begin to offer or furnish :  
wastewater service to the public in the Township of East :  
Coventry, Chester County, Pennsylvania :

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**DIRECT TESTIMONY OF  
RAY KOLB ON BEHALF OF  
EAST COVENTRY TOWNSHIP**

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Date: October 8, 2025

East Coventry Statement No. 1

**DIRECT TESTIMONY OF  
RAY KOLB**

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**I. INTRODUCTION**

**Q. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD**

A. My name is Ray A. Kolb, and my business address is 855 Ellis Woods Road, Pottstown, PA 19465.

**Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

A. I am testifying on behalf of East Coventry Township (“East Coventry” or “Township”), and in cooperation with Pennsylvania-American Water Company’s (“PAWC”) to support its application to purchase the Township’s wastewater collection and conveyance system (the “System”).

**Q. IN WHAT CAPACITY ARE YOU AFFILIATED WITH EAST COVENTRY TOWNSHIP?**

A. I am currently serving as a Township Supervisor for the Township, a position I have occupied since my election in 2007. Pursuant to the Second Class Township Code, my duties include exercising legislative, executive, and administrative authority to ensure sound fiscal management and to protect the health, safety, and welfare of residents of the Township.

**Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR WORK EXPERIENCE.**

A. I have a long history in public works and municipal governance. I am a licensed Sanitary Sewer Operator and spent roughly twenty years in the role of Sewer Operator for the Township. I was personally responsible for operating and overseeing the provision of public sewer service in the Township between the System’s construction in 2005 and my retirement

1 in February 2025. Over the two decades I acted as Sewer Operator, I gained deep knowledge  
2 of every aspect of the Township's System, including the construction and creation of the  
3 System, operation and maintenance of the System, and various legal and regulatory  
4 considerations. Furthermore, I am a lifelong resident of the Township and an active  
5 ratepayer for the System. As such, I share and understand the perspective of residents who  
6 receive public sewer services from the Township.

7 In addition, I have long been actively engaged in a variety of municipal leadership roles.  
8 As stated above, I have continuously served as a Township Supervisor on the Board of  
9 Supervisors of the Township since I was first elected in 2007. I serve on a number of  
10 Township subcommittees, including the Open Space Committee and the Fricks Lock  
11 Committee. In addition, since 1999 I have been a member of the Delchester Public Works  
12 Association, a nonprofit organization comprised of municipal officials in Delaware and  
13 Chester Counties that is dedicated to improving public works services by promoting  
14 innovation in technology and infrastructure.

15 In addition to my work as a Township Supervisor and public works employee, I have been  
16 a volunteer with the Ridge Fire Company since 1977. I am currently the President and  
17 Deputy Chief of the Ridge Fire Company. I also have been a member of the Northern  
18 Chester County Chiefs Association since 1990.

19  
20 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PENNSYLVANIA PUBLIC**  
21 **UTILITY COMMISSION?**

22 **A.** No, I have not previously testified before the Pennsylvania Public Utility Commission.

1 **Q. PLEASE DESCRIBE THE PURPOSES OF YOUR DIRECT TESTIMONY AND**  
2 **SUMMARIZE THE KEY POINTS IT WILL ADDRESS.**

3 **A.** The purpose of my testimony is to provide: (1) a description of the System which is  
4 proposed to be sold to PAWC (the “Proposed Transaction”) pursuant to an Asset Purchase  
5 Agreement executed in 2024 (“APA”) ; (2) a description of the anticipated benefits of the  
6 Proposed Transaction; and (3) a description of how the Township sets its annual rates.

7 The most important benefit of the Proposed Transaction is facilitating a much-needed  
8 expansion of the System to provide public sewer service to an area of the Township that  
9 has been designated as a “needs area” for over twenty years. This project is complex and  
10 costly, and a sale of the System is the most cost-effective way to complete it from the  
11 perspective of the Township.. Furthermore, PAWC has a history of providing stellar service  
12 to its customers, and is in a superior financial position to operate and maintain the System  
13 for years to come, especially in light of increasingly stringent and complicated regulatory  
14 requirements. In addition, the Proposed Transaction will also allow the Township to resolve  
15 over \$6 million in debt—much of which is related to the System—and come away from  
16 the transaction with excess cash for future use to the benefit of the Township’s residents.

17  
18 **II. DESCRIPTION OF THE TOWNSHIP AND ITS WASTEWATER SYSTEM**

19 **Q. PLEASE PROVIDE A GENERAL OVERVIEW OF THE TOWNSHIP.**

20 **A.** East Coventry is a Township of the Second Class located in Chester County, Pennsylvania.  
21  
22 The Township is governed by a five-member Board of Supervisors, each of whom serves  
23 a six-year term. The Township covers an area of approximately 10.1 square miles and has  
24 a population of approximately 7,365 residents.  
25

1 East Coventry shares a border with North Coventry Township, South Coventry Township, and  
2 East Vincent Township (all of which are in Chester County), as well as Lower Pottsgrove  
3 Township and Limerick Township (both located in Montgomery County).

4  
5 **Q. PLEASE PROVIDE A DESCRIPTION OF THE TOWNSHIP’S WASTEWATER**  
6 **SYSTEM.**

7 **A.** The Township owns and operates a wastewater collection and conveyance system,  
8 primarily serving the northwest corner of the Township. Approximately 1,235 equivalent  
9 dwelling units (“EDUs”) are currently connected to the System. The majority of the sewer  
10 system was constructed between 2004 and 2005. The remainder of the system was  
11 constructed over the years as the Township continued to grow through various development  
12 efforts.

13 The system consists of approximately 11.4 miles of gravity sewer collection mains and  
14 interceptors ranging from eight (8) to fifteen (15) inches, approximately 3 miles of 4 to 8-  
15 inch diameter force mains, and 0.55 miles of low-pressure collection mains in sizes ranging  
16 from 1.5 to 3 inches. There are five (5) dedicated pump stations located within the  
17 Township

18 Sewage flows from the Township are conveyed to North Coventry Township via the force  
19 main from Pump Station #1. Flows are ultimately treated at the North Coventry Municipal  
20 Authority Wastewater Treatment Plant.

1 **III. SALE PROCESS**

2  
3 **Q. PLEASE DESCRIBE THE CITY’S DECISION-MAKING PROCESS IN**  
4 **CONCLUDING THAT A SALE OF THE ACQUIRED ASSETS IS IN THE BEST**  
5 **INTEREST OF THE TOWNSHIP.**

6  
7 **A.** The decision to pursue the sale of the System was the result of extensive deliberation with  
8 elected officials in the Township, our Township Engineer, our financial advisor, and the  
9 public.

10 In or around 2016, the Township’s request to conduct a special study pursuant to Act 537  
11 (“Special Study”) was approved by the Pennsylvania Department of Environmental  
12 Protection (“DEP”). The stated purpose of the Special Study was to address the  
13 requirements necessary to implement public sewer service to an area of the Township  
14 called Parker Ford. Parker Ford had in previous Act 537 planning been designated as a  
15 “needs area,” and the Township has long contemplated how and when to expand its System  
16 to provide service to the area. The Special Study was prepared by the Township Engineer,  
17 ARRO Consulting, Inc. (“ARRO”). In or around 2021, ARRO concluded that the  
18 expansion project is necessary and estimated the project to cost approximately \$27 million.

19 Between July 2022 and January 2023, based in large part on the findings set out in the  
20 Special Study, the Township explored a potential sale of the System. The decision to  
21 explore a sale was made after thorough internal deliberation within the Board of  
22 Supervisors and with ARRO. The driving force behind the Board of Supervisors’ decision  
23 to explore a sale of the System was to find the most efficient and cost-effective way to  
24 facilitate an expansion of the System to provide service to residents of the Parker Ford area.  
25 During this time, the Township hired PFM Financial Advisors LLC (“PFM”), a financial  
26 advising and consulting firm, to perform a valuation and financial analysis of the

1 Township’s options. The Township then issued Requests for Qualifications to select a pool  
2 of utilities qualified to purchase the System.

3 In February 2023, the Township issued a Request for Bids to three qualified utilities. In  
4 April 2023, the Township received two bids, one from each of PAWC and Aqua  
5 Pennsylvania Wastewater, Inc. (“Aqua”). At a public meeting in July 2023, a summary of  
6 the bids was presented by PFM to the Board of Supervisors. The Board voted to select  
7 PAWC as the preferred bidder if the Township ultimately chose to sell the System. On  
8 September 11, 2023, the Board of Supervisors held another public meeting where it  
9 unanimously approved the sale of the System to PAWC finding it was in the best interest  
10 of, and provided the greatest value to, the Township and its residents. Each of these public  
11 meetings were properly advertised.

12 On February 7, 2024, the Township and PAWC executed the APA.

13  
14 **Q. HAS THE SPECIAL ACT 537 STUDY BEEN APPROVED BY DEP?**

15  
16 **A.** The Special Act 537 Study has been submitted to DEP and is awaiting approval.

17 Although the Special Study was essentially complete in 2021, the Township was unable to  
18 secure final approval from DEP at that time. The Township Engineer submitted the Special  
19 Study to DEP on August 27, 2021. DEP confirmed receipt of the Special Study on August  
20 30, 2021. On January 14, 2022, after reviewing the Special Study, DEP sent a set of Review  
21 Comments back to the Township, to which the Township was required to respond before  
22 the Special Study could be approved.

1 The Township prepared responses to the Review Comments but was unable to finalize and  
2 submit the responses, because North Coventry Township did not submit confirmation—as  
3 requested from DEP—that it reviewed the Special Study and found it consistent with the  
4 existing intermunicipal agreement and/or would officially adopt the Special Study. As  
5 described in the testimony of Township Engineer Bill Bohner (East Coventry Statement  
6 No. 2), the primary recommendation offered in the Special Study was that East Coventry  
7 Township should construct a new collection and conveyance system, with the wastewater  
8 being conveyed to the North Coventry Wastewater Treatment Plant (“NCWTP”). Notably,  
9 as described above, East Coventry already directs wastewater from the System for  
10 treatment at NCWTP.

11 Shortly after North Coventry Township declined to provide its confirmation in response to  
12 DEP’s Review Comments, East Coventry Township decided to explore other options for  
13 constructing the Parker Ford expansion. Among the options considered was a sale of the  
14 System, which ultimately culminated in the APA, PAWC’s application, and this testimony.

15 On Friday, July 18, 2025, in accordance with guidance from DEP—namely that East  
16 Coventry Township may resubmit the special study because North Coventry Township was  
17 given and declined an opportunity to respond—the Township submitted its Special Study  
18 Response to the Review Comments to DEP. The Township is currently awaiting final  
19 approval of the Special 537 Study from DEP.

20 **Q. DID THE TOWNSHIP REQUEST PUBLIC INPUT ON THE SALE?**

21 Yes, multiple public meetings were held in the Township to receive input from residents  
22 on the state of the System and the pros and cons of a potential sale.

1 The Board of Supervisors discussed the potential for a sale of the System during six  
2 regularly scheduled public meetings: July 11, 2022, January 9, 2023, February 13, 2023,  
3 July 10, 2023, August 14, 2023, and September 11, 2023. Detailed information regarding  
4 the potential sale of the System, and the Board of Supervisor's process in arriving at a  
5 decision, was conveyed to the public during these meetings. The Board provided the public  
6 time to ask questions and give input during these meetings.

7 For example, during the July 10, 2023 meeting, the Board of Supervisors discussed the  
8 bids submitted by PAWC and Aqua. The Board provided a PowerPoint presentation  
9 regarding the Township's exploration of a potential sale of the System, which explained  
10 that the Township was exploring a sale due to, among other things, the high cost of a project  
11 to connect dwellings in the Parker Ford area to the System, and the Township's desire to  
12 ensure that the project is done in the most beneficial way for its residents. The presentation  
13 also provided detailed information about alternative options for providing public sewer  
14 service to Parker Ford, various benefits arising from a sale of the System, and the bids and  
15 rate projections submitted by both PAWC and Aqua.

16 During the Board's public meetings, where the potential sale of the System was discussed,  
17 the Township received minimal public feedback about the sale. Approximately twenty  
18 members of the public offered comments during the public meetings. The comments  
19 offered by members of the public included questions from residents in Parker Ford who  
20 were interested in connecting to public sewer regarding when public service will be  
21 available; comments from residents in Parker Ford who were not interested in connecting;  
22 and comments from residents concerned about paying higher rates. The comments were  
23 raised by residents outside of the Township's public sewer area, in addition to residents

1 within the service area. Most members of the public appeared satisfied with the rationale  
2 provided by the Township for selling the System.

3  
4 **Q. DID THE BOARD OF SUPERVISORS HOLD A VOTE AT A REGULARLY**  
5 **SCHEDULED PUBLIC MEETING ON THE SALE, FOLLOWING INPUT FROM**  
6 **TOWNSHIP RESIDENTS?**

7 Yes. During a regularly scheduled public meeting on September 11, 2023, the Board of  
8 Supervisors determined that a sale of the System was in the best interests of the Township  
9 and the customers of the System, and voted to enact Ordinance No. 2023-265 authorizing  
10 the Township to enter into an asset purchase agreement with PAWC for the sale of the  
11 Township’s sewer system.

12 The Township provided notice to its residents by publication in the Pottstown Mercury on  
13 September 3, 2023, in addition to concurrent posts on the Township website. In accordance  
14 with the Second Class County Code the notice—published eight (8) days prior to the vote  
15 to enact the ordinance on September 11—summarized the ordinance and stated that the full  
16 text of the proposed ordinance is available for examination at the offices of the Pottstown  
17 Mercury, the Chester County Law Library, and the East Coventry Township Building.

18  
19 **Q. PLEASE DESCRIBE THE TOWNSHIP’S SELECTION OF A UTILITY**  
20 **VALUATION EXPERT (“UVE”) FOR THE PROPOSED TRANSACTION**

21 **A.** Ordinance No. 2023-265, which authorized the Township to enter into the APA with  
22 PAWC, authorized the Township to “take all actions necessary to facilitate the Purchase  
23 Agreement,” which includes hiring a UVE as explained in Section 7.11 of the APA.

24  
25 On May 13, 2024, during Executive Session, the Board of Supervisors selected Gannett  
26 Fleming as its UVE after reviewing and discussing the firm’s credentials. Gannett Fleming

1 was at the time of their selection, and currently remains, on the PUC’s list of approved  
2 appraisers. Gannett Fleming is not otherwise affiliated with the Township.

3 **IV. BENEFITS OF THE PROPOSED TRANSACTION**

4 **1. PLEASE DESCRIBE THE BENEFITS OF THE PROPOSED TRANSACTION**  
5 **FOR THE TOWNSHIP.**

6 The Township will benefit from the Proposed Transaction in many ways. As an initial matter,  
7 the Proposed Transaction will result in the Township’s System being operated by a  
8 professional, well-funded public utility with a long history of providing excellent service to  
9 residents throughout Pennsylvania. Furthermore, the Proposed Transaction will benefit the  
10 Township by (1) facilitating an expansion of the System—in the most productive and cost-  
11 effective manner for our residents—to provide public sewer service to an area of our  
12 community that has been designated as a “needs area” in Act 537 studies for decades; (2)  
13 improving the long-term health and efficacy of the System; and (3) generally improving the  
14 financial outlook of the Township.

15 The primary and motivating factor for the Proposed Transaction is to clear a path to expand  
16 service to the Parker Ford area. As far back as 1997, the Township and the DEP have known  
17 that sooner or later, the System would need to be expanded to accommodate public sewer  
18 service in the Parker Ford area. As described in detail in the testimony of Township Engineer  
19 Bill Bohner (East Coventry Statement No. 2), the Parker Ford area, which is generally a lower  
20 income area within the Township, is comprised solely of on-lot disposal systems. The most  
21 recent Act 537 Special Study confirms that for a variety of public health and safety related  
22 reasons, the time has come to connect roughly 454 homes in that area to the System. *See East*  
23 *Coventry Statement No. 2 at 5-8.*

1 Our Township Engineer calculated an updated cost estimate for the entire Parker Ford project  
2 in June 2025. The project is estimated to cost \$26,790,274. This estimate includes (1)  
3 construction costs for installing collection systems in three phases, and a pump station and  
4 force main, totaling roughly \$21.4 million; and (2) engineering, legal and administrative costs  
5 totaling roughly \$5.3 million.

6 If the Township is prevented from consummating the Proposed Transaction, it will be required  
7 to fund the \$27 million expansion project itself. There are several ways the Township could  
8 fund the project. First, the Township could raise the sewer rates for all residents receiving  
9 services from the System to account for the cost of adding the Parker Ford EDUs. In this  
10 scenario, the Township's financial advisor estimates that the current rate of \$61.66 will increase  
11 steadily over time, reaching \$128.66 per month in 2030, and culminating in an estimated rate  
12 of \$152.00 per month in 2035.

13 Second, the Township could impose the costs of the expansion project solely on the residents  
14 of the Parker Ford area. In this scenario, the Township would still be required to increase rates  
15 for customers outside of the planned Parker Ford service area, albeit to a lesser degree.  
16 However, because the Parker Ford residents would be bearing the full cost of the project in this  
17 scenario, their financial obligations would increase dramatically. Specifically, Parker Ford  
18 residents would be required to pay either (1) approximately \$65,000 upfront, or (2) a monthly  
19 bill that would increase sharply over time from \$61.66 today to \$177.33 in 2029, culminating  
20 in an estimated rate of \$409 in 2035. Stated differently, the monthly bill of Parker Ford  
21 residents would be six times higher after ten years.

22 Third, the Township could also issue a general obligation bond; however, doing so would  
23 require *all* taxpayers in the Township to shoulder the burden of the expansion project, including

1 those residents who utilize on-lot disposal systems, which is nearly half of the Township  
2 residents. This funding option would also add to the Township's considerable existing debt.

3 In contrast, the Proposed Transaction will allow PAWC to execute the Parker Ford expansion  
4 project in a way that minimizes additional costs for the residents of East Coventry Township.

5 Thus, in short, the Proposed Transaction enables the most cost-effective way for its residents  
6 to facilitate an expansion of the System that is necessary for public health and safety.

7 **2. WHY WOULD THE PROPOSED TRANSACTION BE A MORE**  
8 **AFFORDABLE SOLUTION FOR EXPANDING THE SYSTEM?**

9 As opposed to imposing the cost of the roughly \$27 million project on some or all residents of  
10 the Township (whether by a rate increase or the issuance of a general obligation bond), if the  
11 Proposed Transaction is approved the cost of the Parker Ford project can be spread across *all*  
12 PAWC customers. As of January 31, 2025, PAWC furnished wastewater service to  
13 approximately 115,119 residential, commercial, industrial, municipal and bulk customers in  
14 Pennsylvania. *See* PAWC Statement No. 1 (Kohl) at 18. In addition, due to robust in-house  
15 professional staff and economies of scale, it is my understanding that PAWC has the ability to  
16 execute the Parker Ford expansion project at a lower cost than the Township.

17 **3. CAN YOU PLEASE CONTINUE DESCRIBING THE OTHER BENEFITS OF**  
18 **THE PROPOSED TRANSACTION?**

19 PAWC's acquisition of the System will benefit public health and safety in the long run as well  
20 as the immediate future, because it has the expertise and financial resources to ensure that the  
21 System is operated properly and in compliance with environmental and regulatory  
22 requirements. In my experience as Sewer Operator, it is important to proactively maintain and

1 improve wastewater systems. Problems can arise when a wastewater operator is *reacting* to  
2 deferred maintenance issues. My discussions with PAWC have assured me that it is well-  
3 funded and has hundreds of professionals in-house who together can ensure that the System is  
4 well maintained and always operates safely and efficiently.

5 Further, the Proposed Transaction will benefit the Township by helping to stabilize the  
6 Township's finances. As an initial matter, the Township can use the proceeds from the Proposed  
7 Transaction to fully pay off all outstanding debt. More specifically, the proceeds can be used  
8 towards approximately \$5.4 million of debt related to the System and \$800,000 of other  
9 Township debt. Paying off this debt will provide East Coventry Township with more flexibility  
10 for future budgets and projects.

11 Furthermore, the expected sale price of the System will provide the Township with cash in  
12 excess of its debt obligations, allowing the Township to grow its cash reserves for the benefit  
13 of the Township, including emergencies and other future uses.

14 The sale of the System to PAWC will allow Township employees to focus on their core  
15 responsibilities. The Township does not have any staff with the experience or the time to run a  
16 project of the magnitude or complexity of the Parker Ford project. The Township would need  
17 to temporarily hire additional staff to handle the project and also outsource most of the work.

18 **4. DO YOU BELIEVE THAT THE PROPOSED TRANSACTION IS IN THE**  
19 **PUBLIC INTEREST?**

20 Yes, absolutely. For the reasons described in response to the immediately preceding question,  
21 I believe that the Proposed Transaction represents the best path, from the financial perspective  
22 of the residents, for funding and completing the essential Parker Ford project. Furthermore,

1 PAWC is a highly capable utility that can operate the System efficiently and safely for years to  
2 come, and navigate the increasingly complex regulatory requirements imposed by  
3 Commonwealth agencies. Last, the public will benefit because the Proposed Transaction will  
4 allow not just the satisfaction of all Township debts, but the retention of sale proceeds for the  
5 future benefit of the Township and its residents.

6  
7 **V. RATES**

8 **Q. HOW DOES EAST COVENTRY TOWNSHIP SET THE RATES IT CHARGES**  
9 **RESIDENTS FOR WASTEWATER COLLECTION, CONVEYANCE, AND**  
10 **TREATMENT SERVICES?**

11 **A.** Rates are set based on the Township Finance Department’s recommendation to the  
12 Township Manager and Board of Supervisors after conducting a forecast of the System’s  
13 revenues and expenditures through the Township’s annual budgeting process.

14 Each year in December, as part of the Township’s annual budgeting process, the Township  
15 Finance Department conducts a forecast of the System’s revenues and expenditures. The  
16 Finance Department then makes a recommendation to Township Manager and Board of  
17 Supervisors—who are responsible for creating the Township’s annual budget—regarding  
18 the appropriate rates for the upcoming year. The rates, which are adjusted every year, are  
19 formally established in the Township’s budget approval, which is effectuated by  
20 Resolution.

21 **VI. CONCLUSION**

22 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

1    **A.**     Yes. However, I reserve the right to file additional testimony at a later date as may be  
2            necessary or appropriate.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Application of Pennsylvania-American Water :  
Company under Sections 1102(a) and 1329 of the :  
Pennsylvania Public Utility Code, 66 Pa C.S. §§ 1102(a) :  
and 1329, for approval of (1) the transfer, by :  
sale, to Pennsylvania-American Water Company, of :  
substantially all of the assets, properties and rights related : Docket No. A-2025-3053487, *et al.*.  
to the wastewater system owned and operated by East :  
Coventry Township, and (2) the rights of Pennsylvania- :  
American Water Company to begin to offer or furnish :  
wastewater service to the public in the Township of East :  
Coventry, Chester County, Pennsylvania :  
:

**VERIFICATION**

I, Ray Kolb, hereby state that the facts set forth in my Direct Testimony are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Dated: 10-2-2025

Ray Kolb  
Ray Kolb, ~~Chairman~~, on behalf of  
Seller, East Coventry Township