

## **CHELTENHAM, PA: SYSTEM SALE ALLOWS TOWNSHIP TO REPAIR SEWERS WITHOUT RAISING TAXES**

Like many communities across the country, Cheltenham Township has faced urgent challenges caused by aging infrastructure. The Township's nearly 100-year-old wastewater system has suffered from groundwater infiltration and inflow issues, leading to sewer overflows and a consent order from the Pennsylvania Department of Environmental Protection.

Despite millions of dollars in repair efforts that were driving the Township into debt, the system remained out of compliance, resulting in a moratorium on new sewer connections and fines by state agencies for sewer overflows. In 2019, state regulators approved the sale of the system to Aqua Pennsylvania, netting the Township \$50.25 million in proceeds.

Local officials praised the sale as a way to leverage private sector expertise to plan, permit and execute the necessary infrastructure repairs to address the outstanding consent order while avoiding tax increases on residents.

As the Township Manager said at the time the deal closed: "Cheltenham Township is pleased to close on the sale of the sewer system to Aqua ... The collection system re-lining and replacement work needed for the 90-year-old sewer system would have cost \$10 million per neighborhood at a total cost of \$50 million, which the township couldn't cover without assuming loans and significant tax increases."

In the first two years of Aqua ownership, the company invested \$2.2 million in sewer main replacements, spot repairs, and sewer main lining to reduce groundwater inflow and infiltration. Aqua has also inspected 33 miles of mains and implemented a comprehensive flow monitoring program to help identify problem areas within the system. While there is more work to be done, these efforts have already resulted in a 50% reduction in system overflows.

### Sources

1. BusinessWire, "Aqua America's Pennsylvania Subsidiary Completes Purchase of Cheltenham Township Wastewater System" 19 December 2019 ([link](#))
2. BusinessWire, "Aqua America's Pennsylvania Subsidiary Enters Agreement to Purchase Cheltenham Township Wastewater System" 2 July 2018 ([link](#))
3. Montgomery News, "Cheltenham to hold special meeting to address sewer system" 21 September 2016 ([link](#))
4. Video, "Cheltenham Testimonial" ([link](#))